



STATE STATUTORY & REGULATORY REQUIREMENTS MANUAL

January 2017

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MERIDIANRX OVERVIEW

MeridianRx, LLC (“PBM”) contracts with other Pharmacy Benefit Managers, Third Party Administrators, and Insurers (“Insurer” or “Client”). The contractual terms listed in this Regulatory Requirements Manual (“Manual”) are incorporated by reference into all agreements between PBM and Client by the terms of those agreements. Specific state requirements established herein will apply to all services provided by PBM to Client for Client enrollees, members or subscribers subject to the jurisdiction of the applicable state in accordance with each state’s law. In the event of a conflict between the agreement between PBM and Client and this Manual, the terms of this Manual control when applicable.

The current version of this Manual is posted on the MeridianRx website at www.meridianrx.com. MeridianRx will update this Manual as there are changes to state and federal laws, regulations, guidance requirements. Nothing in this Manual or the Agreement releases you from any independent obligation to comply with applicable statutory or regulatory authority.

Contact Information

Please contact the Legal department if you have any questions at:

Address:	MeridianRx, LLC Attn: General Counsel 1 Campus Martius, Suite 750 Detroit, MI 48226	Email:	licensing@mhplan.com
		Phone:	(313) 324-3800
		Website:	www.meridianrx.com

ALASKA STATUTORY/ REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Alaska, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by AS § 21.27.650(a)(4), (5). This Addendum applies to the extent Member(s) reside in the State of Alaska, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Alaska.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ACCOUNTING

Administrator shall render accounts to Insurer detailing all transactions and remit all money due under the Agreement, if any, to Insurer at least monthly. AS § 21.27.650(a)(5)(B). All money collected for the account of Insurer shall be held by Administrator as a fiduciary. AS § 21.27.650(a)(5)(C). All payments on behalf of Insurer, if any, shall be held by Administrator as a fiduciary. AS § 21.27.650(a)(5)(D). Administrator may not retain more than three (3) months’ estimated claims payments and allocated loss adjustment expenses. AS § 21.27.650(a)(5)(E).

IV. ASSIGNMENT

The Agreement may not be assigned in whole or in part by Administrator. AS § 21.27.650(a)(5)(G).

V. CLAIMS PAYMENTS

A. On behalf of Insurer, Administrator is authorized by Insurer to process Claims and pay Network Pharmacies pursuant to the Agreement. Such authorization may be terminated for cause upon the Insurer's written notice sent by certified mail to Administrator or upon the termination of the Agreement; additionally, Insurer may suspend such authorization during a dispute regarding the cause of termination. AS § 21.27.650(a)(5)(I)(i). Administrator shall report claims to Insurer within thirty (30) days. AS § 21.27.650(a)(5)(I)(ii).

- B. Administrator shall send a copy of the claim file to Insurer upon request or as soon as it becomes known that the claim has the potential to exceed an amount determined by the director or exceeds the limit set by Insurer, whichever is less, involves a coverage dispute, may exceed the Administrator's claims settlement authority, is open for more than six months, involves extra contractual allegations, or is closed by payment in excess of an amount set by the director or an amount set by Insurer, whichever is less. AS § 21.27.650(a)(5)(I)(iii).
- C. Administrator and Insurer shall comply with Alaska's unfair claims settlement statutes and regulations. AS § 21.27.650(a)(5)(I)(iv).
- D. Administrator shall transmit electronic claims data to Insurer at least monthly, if they are in existence. AS § 27.27.650(a)(5)(I)(v).
- E. Claim files shall be the sole property of Insurer; upon an order of liquidation of the Insurer, Administrator shall have reasonable access to and the right to copy the files on a timely basis. AS § 21.27.650(a)(5)(I)(vi).

VI. RECORDS

Administrator shall maintain separate records for Insurer in a form usable by Insurer; Insurer or its authorized representative shall have the right to audit and the right to copy all accounts and records related to Insurer's business; the director of the Insurance Department of the State of Alaska, in addition to other authority granted under Alaska Statutes Title 21, shall have access to all books, bank accounts, and records of Administrator relevant to the Agreement in a form usable to the director; any trade secrets contained in books and records reviewed by the director, including the identity and addresses of policyholders and certificate holders, shall be kept confidential, except that the director may use the information in a proceeding instituted against Administrator or Insurer. AS § 21.27.650(a)(5)(F).

VII. UNDERWRITING

If the Agreement permits Administrator to do underwriting, the Agreement must include the following: (i) the Administrator's maximum annual premium volume; (ii) the rating system and basis of the rates to be charged; (iii) the types of risks that may be written; (iv) maximum limits of liability; (v) applicable exclusions; (vi) territorial limitations; (vii) policy cancellation provisions; (viii) the maximum policy term; and (ix) that Insurer shall have the right to cancel or not renew a policy of insurance subject to applicable state law. AS § 21.27.650(a)(5)(H).

VIII. BASIS OF ADMINISTRATOR'S COMPENSATION

The Agreement shall not provide for commissions, fees or charges contingent upon savings obtained in the adjustment, settlement and payment of losses covered by Insurer's obligations. Administrator may receive performance-based compensation for providing auditing services or may receive compensation based on the number of claims paid or processed. AS § 21.27.650(a)(5)(J).

IX. TERMINATION

Insurer may terminate the contract for cause upon written notice sent by certified mail to Administrator and may suspend the underwriting authority, if any, of Administrator during a dispute regarding the cause for termination; but Insurer must fulfill all lawful obligations with respect to Plans affected by the Agreement, regardless of any dispute between Insurer and Administrator. AS § 21.27.650(a)(5)(A).

ARIZONA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Arizona, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by A.R.S. § 20-485.01 in order to include the requirements of A.R.S. §§ 20-485.03 through 20-485.10, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Arizona.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. CLAIMS PAYMENT

The payment to Administrator of any premiums or charges for insurance by or on behalf of the insured shall be deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. A.R.S. § 20-485.02.

IV. RECORDS

- A. If the Agreement is issued to a trustee or trustees, a copy of the trust agreement and any amendments to such agreement shall be furnished to Insurer by Administrator and shall be retained as part of the official records of both Insurer and Administrator for the duration of the Agreement and for five years thereafter. A.R.S. § 20-485.01(C).
- B. Administrator and Insurer shall retain a copy of the Agreement, in accordance with prudent standards of insurance record keeping, for the term of the Agreement and five (5) years thereafter. A.R.S. §§ 20-485.01(A) and 20-485.03(A).
- C. Subject to applicable sections of the Agreement, Insurer shall retain the right to continuing access to documentation of all Claims processed sufficient to permit Insurer to fulfill all of its contractual obligations to Members. A.R.S. § 20-485.03(E).
- D. The Director of Insurance of the State of Arizona shall have access to the books and records for the purpose of examination, audit, and inspection. A.R.S. § 20-485.03(B).

V. UNDERWRITING

The Agreement shall make provision with respect to the underwriting or other standards pertaining to the business underwritten by Insurer. A.R.S. § 20-485.05.

VI. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. A.R.S. § 20-485.04.

VII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members, advising them of the identity of and relationship among Administrator, Members, and Insurer. A.R.S. § 20-485.11.

VIII. BASIS OF ADMINISTRATOR'S COMPENSATION

Administrator and Insurer agree that with respect to any policies where Administrator processes, adjusts or settles claims, the compensation that is payable to Administrator under the Agreement is in no way contingent on claim experience; provided, however, compensation based on the number of claims paid or processed is not prohibited. A.R.S. § 20-485.09.

IX. TERMINATION

Insurer shall provide no less than thirty (30) days advance written notice to Administrator prior to canceling the Agreement for any reason; provided, however, Insurer shall only terminate the Agreement in accordance with the Agreement. Insurer shall provide no less than fifteen (15) days advance written notice to the Arizona Department of Insurance before canceling or making any other changes to the Agreement. A.R.S. § 20-485.01(B).

X. SURETY BOND

Administrator shall possess and maintain a surety bond in favor of the State of Arizona in accordance with the provisions set forth in A.R.S. § 20-485.10.

XI. DELIVERY OF WRITTEN COMMUNICATIONS

Administrator agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to do so. A.R.S. § 20-485.08.

XII. FIDUCIARY ACCOUNTS

A. All insurance charges or premiums collected by Administrator on behalf of or for Insurer and return premiums received from Insurer shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to

such funds or shall be deposited promptly in a fiduciary bank account established and maintained by Administrator.

- B. If charges or premiums deposited in a fiduciary account have been collected on behalf of or for more than one insurer, Administrator shall keep records clearly recording the deposits in and withdrawals from such account on behalf of or for each insurer. Administrator shall, upon request of an insurer, furnish such insurer with copies of such records pertaining to deposits and withdrawals on behalf of or for such insurer.
- C. Administrator shall not pay any claim by withdrawals from a fiduciary account. Withdrawals from such account shall be made, as provided in the written agreement between Administrator and Insurer required by A.R.S. § 20-485.01, for any of the following:
 - i. Remittance to an insurer entitled to such remittance
 - ii. Deposit in an account maintained in the name of Insurer
 - iii. Transfer to and deposit in a claims-paying account, with claims to be paid as provided by A.R.S. § 20-485.07
 - iv. Payment to a group policyholder for remittance to Insurer entitled to such remittance
 - v. Payment to Administrator for its commission, fees or charges
 - vi. Remittance of return premiums to the person or persons entitled to such return premiums. A.R.S. § 20-485.06

ARKANSAS STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Arkansas, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by A.C.A. § 23-92-202 et seq. This Addendum applies to the extent Member(s) reside in the State of Arkansas, to the extent Insurer is a self-insured plan or multiple employer trust or multiple employer welfare arrangement providing life or accident and health coverage, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT REQUIRED

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The Agreement shall be maintained by Administrator and be subject to review by the Commissioner of the Insurance Department of the State of Arkansas. A.C.A. § 23-92-202.

IV. FIDUCIARY STATUS

An administrator is a fiduciary in collecting or returning premiums or charges for the party with whom it has a written agreement for administrative services. Funds collected by the administrator shall be immediately remitted to the person entitled to the funds or deposited in a separately identifiable bank account which shall be established and maintained by the administrator. The administrator shall maintain records clearly showing the deposits and withdrawals from the separately identifiable bank account for each party with whom it has a written agreement for administrative services. The administrator shall furnish to the party, upon his or her request, copies of the required records. Subject to the Agreement, withdrawals from the bank account shall be made only for the following: (1) remittance to a plan or trust entitled to the funds; (2) deposit in an account maintained in the name of the party with whom the Administrator has a written agreement; (3) transfer to and deposit in a claims-paying account; (4) payment to the Administrator for its commission, fees, or charges; (5) remittance of return premiums to the person entitled to the funds; (6) payment of funds for premiums of reinsurance or pursuant to the provisions of any other contract entered into by the trust or plan. A.C.A. § 23-92-206.

V. BOOKS AND RECORDS

Administrator shall maintain at its principal administrative office for the duration of the Agreement and five (5) years thereafter adequate books and records of all transactions between it, self-insured plans, trusts, and covered individuals. These books and records shall be maintained in accordance with prudent standards of insurance recordkeeping. The Insurance Commissioner shall have access to the books and records for the purpose of examination, audit and inspection. A.C.A. § 23-92-207.

CALIFORNIA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of California, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by California Insurance Code § 1759.1 in order to include the requirements of California Insurance Code Sections 1759.2 to 1759.8, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of California.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. PAYMENT

The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the Member or claimant until such payments are received by the Member or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the Members or claimants. California Insurance Code § 1759.2. All claims paid by Administrator from funds collected on behalf of Insurer shall be paid only on checks or drafts of, or, with the consent of the Member, by an electronic funds transfer from, and as authorized by Insurer. California Insurance Code § 1759.7.

IV. RECORDS

- A. Administrator and Insurer shall retain a copy of the Agreement for the term of the Agreement and five (5) years thereafter. California Insurance Code § 1759.1.
- B. Where a policy is issued to a trustee or trustees, a copy of the trust agreement and any amendments thereto shall be furnished to Insurer by Administrator and shall be retained as part of the official records of both Insurer and Administrator for the duration of the policy and five years thereafter. California Insurance Code § 1759.1.
- C. Subject to applicable sections of the Agreement, Insurer shall retain the right to continuing access to documentation of all Claims processed sufficient to permit Insurer to fulfill all of its contractual obligations to Members. California Insurance Code § 1759.3(a).

D. The Insurance Commissioner of the State of California shall have access to the books and records for the purpose of examination, audit, and inspection. California Insurance Code § 1759.3(b).

V. UNDERWRITING

The Agreement makes provision with respect to the underwriting or other standards pertaining to the business underwritten by Insurer. California Insurance Code § 1759.5.

VI. FIDUCIARY RESPONSIBILITY

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and return premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled thereto, or shall be deposited promptly in a fiduciary bank account established and maintained by Administrator. If charges or premiums so deposited have been collected on behalf of or for more than one insurer, Administrator shall keep records clearly recording the deposits in and withdrawals from such account on behalf of or for each insurer. Administrator shall keep copies of all such records and, upon request of Insurer, shall furnish Insurer with copies of such records pertaining to deposits and withdrawals on behalf of or for Insurer. Administrator shall not pay any claim on behalf of or for Insurer by withdrawals from such fiduciary account. Withdrawals from such account shall be made, as provided in the Agreement, for: (1) remittance to Insurer entitled thereto; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims paying account, with claims on behalf of or for Insurer to be paid as provided in Cal. Ins. Code § 1759.7; (4) payment to a group policyholder for remittance to Insurer entitled thereto; (5) payment to Administrator of its commission, fees or charges; or (6) remittance of return premiums to the person or persons entitled thereto. California Insurance Code § 1759.6.

VII. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. California Insurance Code § 1759.4.

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members, advising them of the identity of and relationship among Administrator, the Members, and Insurer. California Insurance Code § 1759.9.

IX. BASIS OF ADMINISTRATOR'S COMPENSATION

Administrator and Insurer agree that with respect to any policies where Administrator adjusts or settles claims, the compensation that is payable to Administrator under the Agreement is in no way contingent on claim experience. California Insurance Code § 1759.8.

CONNECTICUT STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Connecticut, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by C.G.S.A. § 38a-720a in order to include the requirements of C.G.S.A. § 38a-720a et seq., to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Connecticut.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. RECORDS

- A. Administrator and Insurer shall retain a copy of the Agreement for the term of the Agreement and five (5) years thereafter. C.G.S.A. § 38a-720a(c).
- B. Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. Administrator shall (i) maintain such books and records in accordance with prudent standards of insurance record keeping, and (ii) retain such books and records for a period of not less than five (5) years from the date of their creation. C.G.S.A. § 38a-720c(a)(1).
- C. Insurer shall own any records generated by Administrator pertaining to it. Administrator shall retain the right to maintain continued access to books and records to permit Administrator to fulfill all of its contractual obligations to Insurer or Members. C.G.S.A. § 38a-720c(a)(2).
- D. The Commissioner of the Connecticut Insurance Department shall have access for the purposes of examination, audit and inspection to books and records maintained by Administrator. C.G.S.A. § 38a-720c(c).
- E. If the Agreement is terminated, Administrator may, by a separate written agreement with the Insurer transfer all books and records to a new third-party administrator. C.G.S.A. § 38a-720c(h).

IV. ADVERTISING

Administrator shall only use advertising pertaining to the business underwritten by Insurer that has been approved, in writing, by Insurer prior to its use. If Administrator mentions any Member in its advertising shall obtain such Member's prior written consent. C.G.S.A. § 38a-720d.

V. NOTICES

- A. Administrator shall issue a benefits identification card to each Member that includes disclosure of, and relationship among, Administrator and Insurer.
- B. When Administrator collects premiums, charges or fees, the reason for collection of each item shall be identified to the Member and each item shall be shown separately. Additional charges shall not be made for services to the extent the services have been paid for by Insurer.
- C. Administrator shall disclose to Insurer all charges, fees and commissions that Administrator receives arising from services it provides for Insurer, including any fees or commissions paid by insurers providing reinsurance or stop loss coverage. C.G.S.A. § 38a-720h.

VI. BASIS OF ADMINISTRATOR'S COMPENSATION

Administrator and Insurer agree that the compensation that is payable to Administrator under the Agreement is in no way contingent upon savings effected in the adjustment, settlement or payment of losses covered by Insurer. C.G.S.A. § 38a-720g.

VII. TERMINATION

Insurer may suspend the underwriting authority of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer shall fulfill any legal obligations with respect to policies or plans affected by the Agreement, regardless of any dispute Administrator and Insurer. C.G.S.A. § 38a-720a(f).

VIII. SURETY BOND

Administrator shall possess and maintain a surety bond in favor of the State of Connecticut in accordance with the provisions set forth in C.G.S.A. § 38a-720j.

IX. DELIVERY OF WRITTEN COMMUNICATIONS

Any policies, certificates, booklets, termination notices or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions to deliver them from Insurer. C.G.S.A. § 38a-720i.

X. FIDUCIARY ACCOUNTS

- A. All premiums or charges collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to them or deposited promptly in a fiduciary account established and maintained by Administrator in a federal or state chartered, federally insured financial institution. Administrator shall render an accounting to Insurer that details all transactions performed by Administrator pertaining to the business underwritten by Insurer.
- B. If Administrator deposits in a fiduciary account charges or premiums collected on behalf of or for one or more insurers or other persons utilizing the services of Administrator shall keep clear records of the deposits in and withdrawals from the account on behalf of each insurer or other person utilizing the services of Administrator. Administrator shall keep copies of all the records and, upon request by Insurer, shall furnish Insurer with a copy of the records of the deposits and withdrawals pertaining Insurer.
- C. Administrator shall not pay any claim by making withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from the account shall be made based upon (i) remittance to Insurer, (ii) deposit in an account maintained in the name of the Insurer, (iii) transfer to and deposit in a claims-paying account, with claims to be paid as provided for herein, (iv) payment to a group policyholder for remittance to the Insurer, (v) payment to the Administrator for its commissions, fees or charges, and (vi) remittance of return premiums to the person or persons entitled to such return premiums.
- D. All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only by drafts or checks of, and as authorized by, Insurer or other person. C.G.S.A. § 38a-720a(f), C.G.S.A. § 38a-720f.

DELAWARE STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Delaware, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by 18 Del. Admin. Code 1406-1.0 et seq. This Addendum applies to the extent Member(s) reside in the State of Delaware, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The duties that Administrator will perform on behalf Insurer, as well as the lines, classes or types of insurance that Administrator is authorized to administer, and the underwriting or other standards pertaining to the business underwritten by Insurer are as stated in the written Agreement. Administrator and Insurer shall each maintain the Agreement as part of their official records for the duration of the Agreement and five (5) years thereafter. 18 Del. Admin. Code 1406-3.1 and 3.2.

IV. ADVERTISING

Administrator shall use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. 18 Del. Admin. Code 1406-6.0.

V. INSURER RESPONSIBILITIES

Insurer shall be responsible for (1) determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage; and (2) securing reinsurance, if any. Contemporaneously with execution of the Agreement, Insurer shall provide to Administrator in writing, procedures pertaining to Administrator’s administration of benefits, premium rates, underwriting criteria and claims payment. The responsibilities of Administrator as to any of these matters shall be as set forth in the Agreement. Insurer retains sole responsibility for the competent administration of its programs. To the extent

Administrator administers benefits for more than one hundred (100) Members on behalf of Insurer, then Insurer shall, not less than semiannually, review the operations of Administrator, with at least one (1) of the semiannual reviews to be an onsite audit of Administrator's operations. 18 Del. Admin. Code 1406-7.0.

VI. ACCOUNTING AND CLAIMS PAYMENTS

- A.** Premiums or charges collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to the funds or deposited promptly in a fiduciary account which shall be established and maintained by Administrator in a federally or state insured financial institution. Administrator shall render an accounting to Insurer, on such frequency as stated in the Agreement, which details all transactions performed by Administrator pertaining to the business underwritten by Insurer. 18 Del. Admin. Code 1406-8.1.
- B.** To the extent Administrator deposits in a fiduciary account charges or premiums collected on behalf of or for one or more insurers, Administrator shall keep clear records of the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request by Insurer, shall furnish Insurer with a copy of the records of the deposits and withdrawals pertaining to Insurer. 18 Del. Admin. Code 1406-8.2.
- C.** Administrator shall not pay any claim by making withdrawals from a fiduciary account in which premiums or charges are deposited. Subject to the Agreement, procedures for withdrawals from the fiduciary bank account shall provide for: (1) remittance to an insurer entitled to the funds; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insurer entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the funds. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts or checks of, and as authorized by, Insurer. 18 Del. Admin. Code 1406-8.3.
- D.** All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. 18 Del. Admin. Code 1406-8.4.

VII. RECORDS

- A.** Administrator shall maintain in accordance with prudent standards of insurance record keeping complete books and records of all transactions performed by Administrator on behalf Insurer. Administrator shall make available to Insurer such books and records. Administrator shall maintain such books and records for a period of not less than five (5) years from the date of their creation. 18 Del. Admin. Code 1406-5.1.
- B.** The Commissioner of the Insurance Department of the State of Delaware shall have access to books and records of Administrator relevant to the Agreement for the purpose of examination, audits and inspection. Any documents, materials or other information in

the possession or control of the Commissioner that are furnished by Administrator, Insurer, an insurance producer or any employee or agent thereof in an investigation shall: (1) be confidential by law; (2) not be subject to the provisions of 29 Del. C. Chapter 100; (3) not be subjected to subpoena; and (4) not be subject to discovery or admissible in evidence in any private civil action. Neither the Commissioner nor any person who received the documents, materials or other information as set forth in this subsection shall be permitted or required to testify in any private civil action concerning such documents, materials or information. The Commissioner may use the information in furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties, in which case the rules of the court having jurisdiction over the case shall govern the production and admissibility of such documents. 18 Del. Admin. Code 1406-5.2 and 5.3.

- C. The Commissioner may share documents, materials or other information obtained pursuant to subsection C of this section with and receive documents, materials or other information, including those with confidential or privileged status, from other state, federal and international regulatory agencies, the National Association of Insurance Commissioners or its affiliates or subsidiaries, and state, federal and international law enforcement authorities, provided the recipient agrees to maintain the confidentiality and privileged status of such documents, materials or other information. 18 Del. Admin. Code 1406-5.4.
- D. No waiver of any applicable privilege or claim of confidentiality in any documents, material or other information shall occur as a result of disclosure to the Commissioner. 18 Del. Admin. Code 1406-5.5.
- E. Nothing in this section prohibits the Commissioner from releasing final, adjudicated actions, including for cause terminations that are open to public inspection pursuant to 29 Del. C. Chapter 100 to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners or its affiliates or subsidiaries. 18 Del. Admin. Code 1406-5.6.
- F. Insurer shall own the records generated by Administrator pertaining to Insurer; however, Administrator shall retain the right to continuing access to the books and records to permit Administrator to fulfill all of its contractual obligations to Insurer, Members or Network Pharmacies. 18 Del. Admin. Code 1406-5.7.
- G. If the Agreement between Administrator and Insurer is terminated, Administrator may, by a separate written agreement with Insurer, rather than retain the books and records for five (5) years, transfer the books and records to a new administrator that acknowledges in writing that the new administrator is responsible for retaining the books and records in the manner provided in this section. 18 Del. Admin. Code 1406-5.8.

VIII. DELIVERY OF WRITTEN COMMUNICATIONS TO MEMBERS

Any policies, certificates, booklets, termination notices or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to do so. 18 Del. Admin. Code 1406-11.0.

IX. DISCLOSURES

- A.** Administrator shall provide written notice to Members, on a form approved by Insurer, advising Members of the identity of, and relationship among, Administrator, the policyholder and Insurer. 18 Del. Admin. Code 1406-10.1.
- B.** In the event Administrator collects funds from Members, the reason for collection of each item shall be identified to the Member and each item shall be shown separately from any premium. Administrator shall not make additional charges for services to the extent the services have been paid for by Insurer. 18 Del. Admin. Code 1406-10.2.
- C.** Administrator shall disclose to Insurer all charges, fees and commission that Administrator receives arising from services it provides for Insurer, including any fees or commissions paid by insurers providing reinsurance. 18 Del. Admin. Code 1406-10.3.

X. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for insurance paid by or on behalf of Members shall be deemed to have been received by Insurer when paid to Administrator. Return premium payments or claim payments forwarded by Insurer to Administrator shall not be deemed to have been paid to a Member or Network Pharmacy until the payment is received by the Member or Network Pharmacy. Nothing in this section limits any right of Insurer against Administrator arising from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. 18 Del. Admin. Code 1406-4.0.

XI. BASIS OF COMPENSATION

Compensation to Administrator shall not be contingent upon savings effected in the adjustment, settlement or payment of losses covered by Insurer's obligations. This section shall not prevent performance-based compensation for auditing services nor shall this section prevent compensation based on the amount of premiums or charges collected or number of claims paid or processed or the number of Members. 18 Del. Admin. Code 1406-9.0.

XII. TERMINATION

Either party may terminate the Agreement for cause upon written notice, subject to the procedures as stated in the Agreement. Insurer may suspend the underwriting authority, if any, of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer shall fulfill any legal obligations with respect to policies or plans affected by the Agreement, regardless of any dispute between Administrator and Insurer. 18 Del. Admin. Code 1406-3.3.

FLORIDA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Florida, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by Fla. Stat. § 626.882(2) in order to include the requirements of Fla. Stat. §§ 626.883-626.888 to the extent such requirements are applicable to the services provided by Administrator under the Agreement. This Addendum applies to the extent Member(s) reside in the State of Florida.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. UNDERWRITING

The Agreement shall make provision with respect to underwriting or other standards pertaining to the business underwritten by Insurer. Fla. Stat. § 626.882(2)(b).

IV. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. Fla. Stat. § 626.882(3).
- B. **Maintenance.** During the term of the Agreement and for at least five (5) years thereafter, Administrator shall maintain adequate books and records of all transactions among Administrator, Insurer, and Members. Such books and records shall be maintained in accordance with prudent standards of insurance recordkeeping. Insurer shall maintain records in accordance with the terms and conditions of the Agreement. Fla. Stat. § 626.884(1).
- C. **Florida Office of Insurance Regulation Access.** Administrator acknowledges that Fla. Stat. § 626.884(2) provides that “the office [of insurance regulation] shall have access to books and records maintained by the Administrator for the purpose of examination, audit and inspection. Information contained in such books and records is confidential and exempt from the [public records disclosure law] if the disclosure of such information would reveal a trade secret. . . . However, the office may use such information in any proceeding instituted against the Administrator.”

- D. **Insurer Access.** Insurer retains the right of continuing access to books and records maintained by Administrator sufficient to permit Insurer to fulfill all of its contractual obligations to Members, during normal business hours and upon reasonable notice and request, subject to applicable law and any restrictions in the Agreement on the proprietary rights of Administrator and Insurer in such books and records. Fla. Stat. § 626.884(3).

V. WRITTEN NOTICE TO MEMBERS; ADVERTISING

- A. **Content of initial notice.** Administrator shall provide a written notice, approved by Insurer, to Members residing in Florida, advising them of the identity of, and relationship among, Administrator and Insurer and Member. Fla. Stat. § 626.885(1).
- B. **Timing of other notices.** Administrator shall promptly deliver any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members after receipt of instructions from Insurer to deliver them. Fla. Stat. § 626.886.
- C. **Advertising.** Administrator may only use such advertising pertaining to the Plan as has been approved in writing by Insurer in advance. Fla. Stat. § 626.887.
- D. **Statement of Charge or Premium for Coverage.** When Administrator collects funds, Administrator shall identify and state separately in writing, to the person paying to Administrator any charge or premium for coverage, the amount of any such charge or premium specified by Insurer for such coverage. Fla. Stat. § 626.885(2).

VI. COMPENSATION NOT CONTINGENT ON CLAIMS EXPERIENCE

Administrator and Insurer agree that compensation to Administrator for any Plans in which Administrator adjusts or settles claims shall in no way be contingent on claims experience. Administrator and Insurer further agree that this provision does not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. Fla. Stat. § 626.888.

VII. ADMINISTRATOR AS INTERMEDIARY; COLLECTIONS HELD IN FIDUCIARY CAPACITY; ESTABLISHMENT OF ACCOUNT; DISBURSEMENT; PAYMENTS ON BEHALF OF INSURER

Payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and return premiums or claim payments forwarded by Insurer to Administrator shall not be deemed to have been paid to the Member or claimant until such payments are received by the Member or claimant. Nothing in this part limits any right of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members, or claimants. Fla. Stat. § 626.883(1).

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and return premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a financial institution. Fla. Stat. § 626.883(2).

If charges or premiums deposited in a fiduciary account have been collected on behalf of or for more than one insurer, Administrator shall keep records clearly recording the deposits in and withdrawals from such account on behalf of or for each insurer. Administrator shall, upon request of Insurer, furnish Insurer with copies of records pertaining to deposits and withdrawals on behalf of or for Insurer. Fla. Stat. § 626.883(3).

Administrator may not pay any claim by withdrawals from a fiduciary account. Withdrawals from such account shall be made as provided in the Agreement between Administrator and Insurer for any of the following: (a) remittance to Insurer entitled to such remittance; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in a claims-paying account, with claims to be paid as provided by Insurer; (d) payment to a group policyholder for remittance to Insurer entitled to such remittance; (e) payment to Administrator of the commission, fees, or charges of Administrator; (f) remittance of return premium to the person or persons entitled to such return premium. Fla. Stat. § 626.883(4).

All claims paid by Administrator from funds collected on behalf of Insurer shall be paid only on drafts of, and as authorized by, Insurer. Fla. Stat. § 626.883(5). All payments to a health care provider by a fiscal intermediary for non-capitated providers must include an explanation of services being reimbursed which includes, at a minimum, the patient's name, the date of service, the procedure code, the amount of reimbursement and the identification of the plan on whose behalf the payment is being made. For capitated providers, the statement of services must include the number of patients covered by the contract, the rate per patient, the total amount of the payment, and the identification of the plan on whose behalf the payment is being made. Fla. Stat. § 626.883(6).

IDAHO STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Idaho, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the provisions required by I.C. § 41-902(1) except as those required provisions do not apply to the functions performed by Administrator. This Addendum applies to the extent Member(s) reside in the State of Idaho.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may use only such advertising pertaining to the business underwritten by Insurer as has been approved by Insurer in advance of its use. Prior to approving the use of advertising by Administrator, the Insurer shall first file the advertising with the director of insurance along with a certification in a form prescribed by the director that the advertising complies with Idaho law. I.C. § 41-905.

IV. RECORD RETENTION

A. The Agreement. Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. I.C. § 41-902(1).

B. Maintenance. Administrator shall maintain at its principal administrative office adequate books and records of all transactions performed on behalf of Insurer for not less than five (5) years from the date of their creation. Such books and records shall be maintained in accordance with prudent standards of insurance recordkeeping. I.C. § 41-904(1). In the event Insurer and Administrator cancel the Agreement, notwithstanding the foregoing, Administrator may, but written agreement with Insurer, transfer all records to Insurer or a succeeding administrator selected by Insurer, rather than retain them for five (5) years. In the event of a cancellation under this subsection, the succeeding administrator or Insurer shall acknowledge and agree, in writing, that the administrator or Insurer shall be responsible for retaining the records of Administrator as required herein. I.C. § 41-904(4).

- C. Idaho Director of Insurance Access.** Administrator acknowledges that I.C. § 41-904(2) provides that “[t]he director shall have access to books and records maintained by the Administrator for the purposes of examination, audit, and inspection.”
- D. Insurer Access.** Administrator acknowledges that I.C. § 41-904(3) provides that “[t]he Insurer shall own the records generated by the Administrator pertaining to the Insurer; however, the Administrator shall retain the right to continuing access to books and records to permit the Administrator to fulfill all of its contractual obligations to insured parties, claimants and the Insurer, and its obligations to maintain records available to the director.”

V. PREMIUM COLLECTION AND PAYMENT

- A.** All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state insured financial institution. Administrator and Insurer shall provide for Administrator to periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. I.C. § 41-906(1).
- B.** If charges or premiums deposited in a fiduciary account have been collected on behalf of one (1) or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of Insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of such records pertaining to deposits and withdrawals associated with Insurer. I.C. § 41-906(3).
- C.** Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from the account shall be for: (i) Remittance to Insurer entitled to remittance; (ii) deposit in an account maintained in the name of Insurer; (iii) transfer to and deposit in a claims-paying account with claims to be paid as provided for in I.C. § 41-906(5); (iv) payment to a group policyholder for remittance to Insurer entitled to such remittance; (v) payment to Administrator of its commission, fees or charges; and (vi) remittance of return premiums to the person or persons entitled to such return premiums. I.C. § 41-906(4).
- D.** To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. I.C. § 41-906(5).
- E.** The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claims forwarded by Insurer to Administrator shall not be deemed payment to Members or claimants until the payments are received by Members or claimants. The foregoing does not limit any right of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members, or claimants. I.C. § 41-903.

VI. UNDERWRITING

The Agreement shall make provision with respect to underwriting or other standards pertaining to the business underwritten by Insurer. I.C. § 41-902(2).

VII. INSURER OBLIGATIONS

Insurer or Administrator may, with written notice to the other party and the director of insurance, terminate the Agreement as provided in the Agreement. Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. I.C. § 41-902(3).

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. I.C. § 41-909(1). Where Administrator collects funds, the reason for collection of each item shall be identified to the Member and each item shall be shown separately from any premium. Additional charges may not be made for services to the extent the services have been paid for by the insurer. I.C. § 41-909(2). Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly, after receipt of instructions from Insurer to deliver them. I.C. § 41-907.

IX. BASIS OF ADMINISTRATOR'S COMPENSATION

Administrator and Insurer agree that no amount of a commission, fee, or charge that is payable to Administrator under the Agreement is contingent on savings effected in the adjustment, settlement, and payment of losses covered by Insurer's obligations. I.C. § 41-908(1). Nothing herein shall prevent Administrator's compensation from being based on premiums or charges collected or the number of claims processed or paid. I.C. § 41-908(2). Administrator shall disclose to Insurer all charges, fees and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions paid by insurers providing reinsurance. I.C. § 41-909(3).

INDIANA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Indiana, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by IC § 27-1-25.2 et seq. This Addendum applies to the extent Member(s) reside in the State of Indiana, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The functions that Administrator will perform on behalf Insurer, as well as the lines, classes, and types of coverage that Administrator is authorized to administer on behalf of Insurer and the underwriting standards of Insurer, if applicable, shall be as stated in the written Agreement. Administrator and Insurer shall each maintain the Agreement as part of their official records for a minimum of five (5) years after termination of the Agreement. The Agreement may be filed with the Commissioner of the Insurance Department of the State of Indiana in connection with applicable licensing procedures. IC § 27-1-25-2(a) - (b), (d) - (e).

IV. ADVERTISING

Administrator shall use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. IC § 27-1- 25-5.

V. INSURER RESPONSIBILITIES

Insurer shall be responsible for (1) determining the benefits, premium rates, underwriting criteria, and claims payment procedures that apply to the coverage; and (2) securing reinsurance. Contemporaneously with execution of the Agreement, Insurer shall provide Administrator with the rules that Administrator must follow in administering the coverage and the responsibilities of Administrator as to administering the coverage. Insurer retains sole responsibility for the competent administration of benefit programs provided by Insurer. To the extent Administrator administers benefits for more than one hundred (100)

Members on behalf of Insurer, then Insurer shall, not less than semiannually, review the operations of Administrator, with at least one (1) of the semiannual reviews to be an onsite audit of Administrator operations. IC § 27-1-25-5.5.

VI. ACCOUNTING AND CLAIMS PAYMENTS

- A.** Administrator shall act as a fiduciary in collecting or returning premiums or charges for Insurer. Funds collected by Administrator shall be immediately remitted to the person entitled to the funds or deposited in a fiduciary account which shall be established and maintained by Administrator in a federally insured or state insured financial institution. Administrator shall maintain records clearly showing the deposits and withdrawals from the fiduciary bank account for Insurer. Administrator shall furnish to Insurer, upon its request, copies of the required records and, at intervals specified in the Agreement, a periodic accounting of transactions performed by Administrator pertaining to the business underwritten by Insurer. Ind. § 27-1-25-6(a) – (c).
- B.** Subject to the Agreement, withdrawals from the bank account shall only be made for the following: (1) remittance to an insurer entitled to the funds; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insurer entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the funds. Administrator shall not pay any claim with money withdrawn from a fiduciary account established as set forth above in which premiums or charges are deposited. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts or checks authorized by Insurer. Ind. §§ 27-1-25-6(d) – (e); 27-1-25-7.
- C.** In the event Administrator collects premiums or charges, Administrator shall state separately the amount of any premium or charge for coverage specified by Insurer to the person paying the premium or charge. Additional charges shall not be made for a service to the extent that the charge for the service has been paid by Insurer. IC § 27-1-25-10(b).
- D.** Administrator shall disclose to Insurer the charges, fees, and commissions received by Administrator in connection with the provision of administrative services for Insurer, including fees or commissions paid by insurers that provide reinsurance. IC § 27-1-25-10(c).

VII. RECORDS

- A.** Administrator shall maintain, in accordance with generally accepted standards of insurance record keeping, books and records of all transactions between Administrator and Insurer for a minimum of five (5) years after creation of the books and records. Administrator may transfer such books and records to a new administrator that acknowledges in writing that the new administrator is responsible for retaining the books and records of Administrator if: (1) the Agreement between Administrator and Insurer is canceled; and (2) a written agreement for a transfer of the books and records is made between Administrator and Insurer. Ind. Code. § 27-1-25-4(a).

- B. The Commissioner of the Insurance Department of the State of Indiana shall have access to all books and records of Administrator relevant to the Agreement for the purpose of examination and audits. Trade secrets contained in books and records reviewed by the Commissioner, including the identity and addresses of policyholders and certificate holders, financial information concerning Administrator, and Administrator' business plan shall be kept confidential, except that the Commissioner may use the information in a proceeding instituted against Administrator or Insurer. IC § 27-1-25-4(b).
- C. Insurer is the owner of records that are generated by Administrator pursuant to the Agreement and which pertain to Insurer. However, Administrator retains the right to continuing access to books and records necessary to fulfill its contractual obligations to Members, claimants, and Insurer. IC § 27-1-25-4(c).

VIII. DELIVERY OF WRITTEN COMMUNICATIONS TO MEMBERS

Policies, certificates, booklets, termination notices or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to do so. IC § 27-1-25-9.

IX. NOTICE TO MEMBERS OF WRITTEN AGREEMENT

Administrator shall provide written notice, in a form approved by Insurer, to Members advising them of the relationship among Administrator, Members, and Insurer. IC § 27-1-25-10

X. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for coverage paid by or on behalf of Members are considered to have been received by Insurer when paid to Administrator. Claims or return premiums paid by Insurer to Administrator are not considered to have been paid to a Member or Network Pharmacy until the payment is received by the Member or Network Pharmacy. Nothing in this section limits the rights of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. IC § 27-1-25-3.

XI. BASIS OF COMPENSATION

The Agreement shall not provide for commissions, fees, or charges to Administrator contingent upon savings obtained in the adjustment, settlement, and payment of losses covered by Insurer's obligations. Administrator may receive performance-based compensation for providing auditing services. IC § 27-1-25-8.

XII. TERMINATION

Administrator or Insurer may, upon written notice, terminate the Agreement for cause as specified in the Agreement. Insurer may suspend the underwriting authority, if any, of Administrator during a dispute regarding the cause for termination; but Insurer must fulfill all lawful obligations with respect to coverage under Plans affected by the written agreement, regardless of any dispute between Insurer and Administrator. IC § 27-1-25-2(f).

IOWA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Iowa, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the provisions required by I.C.A. § 510.12 except as those required provisions do not apply to the functions performed by Administrator. This Addendum applies to the extent Member(s) reside in the State of Iowa.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may use only such advertising pertaining to the business underwritten by Insurer as has been approved by Insurer in advance of its use. I.C.A. § 510.15.

IV. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. When a policy is issued to a trustee, a copy of the trust agreement and any amendments to the trust agreement shall be furnished to the Insurer by the Administrator and shall be retained as part of the official records of both the Insurer and the Administrator for the duration of the policy plus five years. I.C.A. § 510.12.
- B. **Maintenance.** During the term of the Agreement and for at least five (5) years thereafter, Administrator shall maintain at its principal administrative office adequate books and records of all transactions among Administrator, Insurer, and Members. Such books and records shall be maintained in accordance with prudent standards of insurance recordkeeping. I.C.A. § 510.14.
- C. **Iowa Insurance Commissioner Access.** Administrator acknowledges that I.C.A. § 510.14 provides that “[t]he commissioner shall have access to such books and records for the purpose of examination, audit, and inspection. Trade secrets contained in a third-party administrator’s books and records, including but not limited to the identity and addresses of policyholders and certificate holders, shall be confidential, except the commissioner may use trade secret information in any proceeding instituted against the third-party administrator.”

D. **Insurer Access.** Insurer retains the right to continuing access to Administrator's books and records sufficient to permit Insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator's books and records. I.C.A. § 510.14.

V. CLAIMS PAYMENT

Payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by 30 the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. I.C.A. § 510.13.

VI. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. I.C.A. § 510.16.

VII. INSURER OBLIGATIONS

Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. Iowa Admin. Code § 191-58.7(2).

KENTUCKY STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Kentucky, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by KRS § 304.9-371, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Kentucky.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. PAYMENT

- A.** The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer. However, in the payment of return premiums or claims by Insurer to Administrator, payment shall not be deemed payment to the Member until such payments are received by the Member. Nothing herein shall limit the right of Insurer against Administrator resulting from Administrator's failure to make payments to Insurer or any Member. KRS § 304.9-372.
- B.** To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or check of and as authorized by Insurer. KRS § 304.9- 376.

IV. RECORD RETENTION

- A. The Agreement.** Administrator and Insurer shall retain a copy of the Agreement for the term of the Agreement and five (5) years thereafter. In the event a contract is issued to a trustee(s), Administrator shall furnish a copy of the trust agreement and any amendments thereto to Insurer and Administrator shall retain such documents for the term of the Agreement and five (5) years thereafter. KRS § 304.9-371.
- B. Maintenance.** Administrator shall maintain at its administrative office, for the term of the Agreement and five (5) years thereafter, adequate books and records of all transactions between Administrator, Insurer, and Members in accordance with prudent standards of insurance industry recordkeeping. KRS § 304.9-373.

- C. Insurer Access.** Insurer retains the right to continuing access to Administrator's books and records sufficient to permit Insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator's books and records. KRS § 304.9-373.
- D. Kentucky Insurance Commissioner Access.** Administrator acknowledges that Kentucky Revised Statutes § 304.9-373 provides that "[t]he commissioner shall have access to such books and records for the purpose of examination, audit, and inspection. Any trade secrets contained therein, including but not limited to the identity and addresses of insureds, shall be confidential except the commissioner may use such information in any proceedings instituted against the administrator.

V. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. KRS § 304.9-374.

VI. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among Administrator, Members, and Insurer. Where Administrator collects funds, it must identify and state separately in writing to the person paying to Administrator any charge or premium for coverage the amount of any such charge or premium specified by Insurer for such coverage. KRS § 304.9-377.

VII. COMPENSATION

Administrator and Insurer agree that compensation to Administrator for any Plans in which Administrator adjusts or settles claims shall in no way be contingent on claims experience. Administrator and Insurer further agree that this provision does not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. KRS § 304.9-376.

VIII. FIDUCIARY ACCOUNTS

All charges or premiums collected by Administrator on behalf of or for Insurer and return premiums or charges received from Insurer shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled thereto, or shall be deposited promptly in a fiduciary bank account established and maintained by Administrator. If charges or premiums so deposited have been collected on behalf of or for more than one (1) insurer, Administrator shall cause the bank in which such fiduciary account is maintained to keep records clearly recording the deposits and withdrawals from such account on behalf of or for each insurer. Administrator shall promptly obtain and keep copies of all such records and, upon request of Insurer, shall furnish Insurer with copies of such records pertaining to deposits and withdrawals on behalf of or for Insurer. The administrator shall not pay any claim by withdrawals from such fiduciary account. Withdrawals from such fiduciary account shall be made, as provided in the Agreement between Administrator and Insurer, for: (1) remittance to Insurer entitled

thereto; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims paying account with claims to be paid as provided in KRS 304.9-376; (4) Payment to a group policyholder for remittance to Insurer entitled thereto; (5) payment to Administrator of its commission, fees, or charges; or (6) remittance of return premium or charges to any person entitled thereto. Kentucky Rev. Stat. § 304.9-375.

LOUISIANA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Louisiana, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by LSA-R.S. 22:1642(A). This Addendum applies to the extent Member(s) reside in the State of Louisiana.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may use only such advertising pertaining to the business underwritten by Insurer that has been approved in writing by Insurer in advance of use. LSA-R.S. 22:1645.

IV. RECORD RETENTION

A. The Agreement. Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. LSA-R.S. 22:1642(A). Insurer or Administrator may, with written notice, terminate the Agreement for cause as provided in the Agreement. Insurer may suspend the underwriting authority of Administrator while any dispute regarding the cause for termination of the Agreement is pending. Insurer must fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. LSA-R.S. 22:1642(C).

B. Maintenance. For a period of not less than five (5) years from the date of their creation, Administrator shall maintain complete books and records of all transactions performed on behalf of Insurer in accordance with prudent standards of insurance recordkeeping. LSA-R.S. 22:1644(A). In the event the Agreement is cancelled, notwithstanding any other provisions of the Agreement or this Addendum, Administrator, in its sole discretion, may transfer all records to Insurer or a succeeding administrator selected by Insurer and licensed in Louisiana, rather than retain them for five (5) years. In the event of a cancellation under this subsection, the succeeding administrator or Insurer shall acknowledge and agree, in writing, that the administrator or Insurer shall be responsible for retaining the records of Administrator as required herein. LSA-R.S. 22:1644(D).

- C. Louisiana Insurance Commissioner Access.** Administrator acknowledges that Louisiana Revised Statutes § 22:1644(B) provides that “[t]he commissioner shall have access to books and records maintained by an administrator for the purposes of examination, audit, and inspection. Any trade secrets contained in such books and records, including the identity and addresses of policyholders and certificate holders, shall be kept confidential, except that the commissioner may use such information in any proceeding instituted against the administrator.”
- D. Administrator Access.** To the extent the Agreement provides that Insurer owns any records generated by Administrator pertaining to Insurer, Administrator shall retain the right of continuing access to those books and records to permit Administrator to fulfill all of its contractual obligations to Members, claimants, and Insurer. LSA-R.S. 22:1644(C).
- E. Insurer Access.** Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. LSA-R.S. 22:1644(A). If Administrator administers benefits for more than one hundred certificate holders on behalf of Insurer, Insurer may, at least semiannually, conduct a review of the operations of Administrator. At least one such review may be an on-site audit of the operations of Administrator. LSA-R.S. 22:1646(C). If Administrator holds any funds in a claims paying account, Administrator shall not use such funds to pay for any business operating expenses of Administrator. As provided in the Agreement, Administrator shall periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. LSA-R.S. 22:1647(A).

V. DUTIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the Agreement. LSA-R.S. 22:1646(A). It shall be the sole responsibility of Insurer to provide for competent administration of its programs. LSA-R.S. 22:1646(B).

VI. CLAIMS PAYMENT

The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by the Insurer, and the payment of return premiums or payment of claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. LSA-R.S. 22:1643. To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. LSA-R.S. 22:1647(D).

VII. COMPENSATION

- A.** Administrator’s compensation under the Agreement is not contingent upon savings effected in the adjustment, settlement and payment of losses covered by Insurer’s

obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing auditing services and shall not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. LSA-R.S. 22:1648.

- B. Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions, if any, paid by insurers providing reinsurance. LSA-R.S. 22:1649(C).

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. LSA-R.S. 22:1649(A). Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly, after receipt of instructions from Insurer to deliver them. LSA-R.S. 22:1650.

IX. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. LSA-R.S. 22:3032(B).

X. INSURER OBLIGATIONS

Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. LSA-R.S. 22:3032(C).

XI. PREMIUM COLLECTION AND PAYMENT OF CLAIMS

All insurance charges or premiums or plan contributions collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state insured financial institution. Funds held in a fiduciary account or a claims paying account shall not be used for payment of any business operating expenses of Administrator. Administrator shall periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to such deposits and withdrawals. Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Any withdrawal from such account shall be made as provided in the Agreement. The Agreement shall address but not be limited to the following: (1) remittance to Insurer entitled to remittance; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and

deposit in a claims-paying account, with claims to be paid in full compliance with this section; (4) payment to a group policyholder for remittance to Insurer entitled to such remittance; (5) payment to Administrator of its commissions, fees, or charges; (6) remittance of return premium to the person or persons entitled to such return premium.

MAINE STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Maine, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Maine Revised Statutes § Title 24-A, Chapter 18. This Addendum applies to the extent Member(s) reside in the State of Maine.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may use advertising pertaining to the plan only if that advertising has been approved in advance by Insurer. 24-A Maine Rev. Stat. § 1906(5).

IV. AGREEMENT IN WRITING

Administrator shall provide services as an administrator only pursuant to a written agreement between Administrator and Insurer. 24-A Maine Rev. Stat. § 1906(2).

V. COMMUNICATIONS WITH MEMBERS

Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly, after receipt of instructions from Insurer to deliver them. 24-A Maine Rev. Stat. § 1906(6).

VI. ACTIONS OF INSURER

When acting as an administrator, the acts of Administrator are deemed to be the acts of Insurer. In addition to any other applicable provisions of law, Insurer is accountable and may be penalized by the superintendent of the Maine Bureau of Insurance, as provided for in Title 24-A of Maine Revised Statutes, for the actions of its administrators. 24-A Maine Rev. Stat. §§ 1906(10), (11).

VII. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective

official records during the term of the Agreement and for at least seven (7) years thereafter. 24-A Maine Rev. Stat. § 1906(2).

- B. **Maintenance.** During the term of the Agreement and for at least seven (7) years thereafter, Administrator shall maintain adequate books and records of all transactions involving Insurer and Members. Such books and records shall be maintained in accordance with generally accepted standards of business recordkeeping. Administrator shall not be required to maintain copies of books and records if the originals are returned to Insurer before the end of the 7-year period. Administrator shall maintain evidence of the return of the originals for the balance of the 7-year period. 24-A Maine Rev. Stat. § 1906(3).
- C. **Maine Insurance Commissioner Access.** Administrator acknowledges that 24-A Maine Rev. Stat. § 1906(9) provides that “Upon request of the superintendent, an administrator shall make available for examination, either at the Bureau of Insurance or at the licensee’s principal place of 39 business, all basic organizational documents, including but not limited to, articles of incorporation, articles of association, partnership agreements, trade name certificates, trust agreements, shareholder agreements and other applicable documents and all amendments to those documents, bylaws, rules and regulations or similar documents regulating the conduct of the administrator’s internal affairs.” Additionally, Administrator acknowledges that 24-A Maine Rev. Stat. § 1911 provides that “The superintendent may designate examiners or consultants, as appropriate, to perform an audit of an administrator when the superintendent considers an audit necessary. Administrators shall make all records and books of account available to the examiners or consultants, and shall otherwise facilitate the performance of the audit. All claims information respecting individual claimants must be kept confidential.”

VIII. CLAIM FORMS

Administrator accepts the current standardized claim form for professional services approved by the federal government and accepts claims electronically. 24-A Maine Rev. Stat. § 1912.

IX. COMPENSATION

- A. The compensation paid to Administrator for its services may not be contingent upon the loss ratio of the Plan. This subsection does not, however, prevent Administrator from engaging in cost containment activities with Insurer. 24-A Maine Rev. Stat. § 1906(7).
- B. Administrator does not receive from Insurer or any Member any compensation or other payments except as expressly set forth in the Agreement. 24-A Maine Rev. Stat. § 1906(8).

X. FIDUCIARY ACCOUNTS AND DUTIES**A. Definitions.**

1. "ATF" means an administrator trust fund that is a special fiduciary account, established and maintained by an administrator under 24-A Maine Rev. Stat. § 1909, in which contributions and premiums are deposited
2. "CASA" means a claims administration services account that is a special fiduciary account, established and maintained by an administrator under 24-A Maine Rev. Stat. § 1909, from which claims and claims adjustment expenses are disbursed

B. All contributions/premiums received by the Administrator except Administrator's fee are held in fiduciary capacity and will not be "used as general operating funds of the Administrator." They will not be deposited into any account other than ATF or sponsor/carrier's own account, and will not be held undeposited by Administrator for more than 30 days. 24-A Maine Rev. Stat. § 1909(1).

C. No disbursements will be made from ATF except for:

1. Deposit into a CASA
2. Remittance to sponsor/carrier
3. Return of premiums owned, and
4. Administrator fees (when fully earned). 24-A Maine Rev. Stat. § 1909(2)

D. ATF will at all times have a balance equal to contributions plus interest less authorized disbursements. 24-A Maine Rev. Stat. § 1909(3).

E. ATF will be in a Maine financial institution if Administrator is resident or "quasi-resident". 24-A Maine Rev. Stat. § 1909(1).

F. Checks drawn on Administrator's ATF will clearly indicate this on their face. 24-A Maine Rev. Stat. § 1909(1).

G. Administrator's records will provide a clear accounting of funds belonging to each plan if same ATF is used for more than one plan. 24-A Maine Rev. Stat. § 1909(1).

H. Administrator may retain float with prior written agreement of sponsor/carrier. 24-A Maine Rev. Stat. § 1909(5).

I. Administrator will have sponsor/carrier's written consent to investment policy, (which will follow guidelines in 24-A Maine Rev. Stat. § 1909(5)).

- J. All money received by Administrator to pay claims or adjustment expenses will be held in a fiduciary capacity. 24-A Maine Rev. Stat. § 1909(6).
- K. No deposits will be made into or disbursements made from the CASA except for claims and claim adjustment expenses. 24-A Maine Rev. Stat. § 1909(7).
- L. CASA will at all times have balance equal to the amount deposited less claims and claims adjustment expenses paid. 24-A Maine Rev. Stat. § 1909(7).
- M. Administrator will perform a detailed monthly accounting of all fiduciary funds within 45 days after end of each month. 24-A Maine Rev. Stat. §§ 1909(8)-(10).

MARYLAND STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Maryland, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Md. Code Ann., Ins. § 15-1623 et seq. This Addendum applies to the extent Insurer prescription drug coverage or benefits in the State of Maryland under the Agreement, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

This Addendum is required in order to include the terms mandated by Md. Insurance Code Ann. § 8-301, 311. This Addendum applies to the extent Members(s) reside in the State of Maryland, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. DISCLOSURES

- A. Before entering into the Agreement with the Insurer, Administrator, as applicable shall inform the Insurer that the Administrator may: (i) solicit and receive manufacturer payments; (ii) pass through or retain the manufacturer payments depending on the contract terms with Insurer; (iii) sell aggregate utilization information; and (iv) share aggregate utilization information with other entities.
- B. Before entering into the Agreement with the Insurer, Administrator shall offer to provide to Insurer a report that contains: (i) net revenue of Administrator from sales of prescription drugs to Insurers made through Administrator’s network of contractually affiliated retail pharmacies or through Administrator’s mail order pharmacies, with respect to Administrator’s entire client base of Insurers; and (ii) amount of all manufacturer payments earned by Administrator.
- C. If Insurer requests the information described in section (III)(B), Administrator shall provide the information before entering into Agreement with Insurer.
- D. Notwithstanding the provisions section (III)(C), a nondisclosure agreement under which Insurer agrees that the information described in subsection (III)(B) is proprietary

information, Administrator may not be required to provide the information until Insurer has signed the nondisclosure agreement. Md. Code Ann., Ins. § 15-1623.

IV. FISCAL REPORTS PROVIDED TO INSURER

- A. If Insurer has a rebate sharing contract, Administrator shall offer to provide Insurer a report for each fiscal quarter and each fiscal year that contains the amount of the: (1) net revenue of Administrator from sales of prescription drugs to Insurers made through Administrator's network of contractually affiliated retail pharmacies or through the Administrator's mail order pharmacies, with respect to Administrator's entire client base of Insurers; (2) total prescription drug expenditures applicable to Insurer; (3) total manufacturer payments earned by Administrator during the applicable reporting period; and (4) total rebates applicable to Insurer during the applicable reporting period.
- B. If the exact amount of each item to be reported under (IV)(A) is not known by Administrator at the time of its report, Administrator shall offer to provide: (1) its current best estimate of the amount of each item; and (2) an updated report containing the exact amount of each item immediately after it becomes available.
- C. Administrator shall provide the information described in subsections (IV)(A) and (B) if requested by Insurer.
- D. Notwithstanding the provisions (IV)(C), if Administrator requires a nondisclosure agreement under which Insurer agrees that the information in (IV)(A) and (B) is proprietary information, Administrator may not be required to provide the information until Insurer has signed the nondisclosure agreement. Md. Code Ann., Ins. § 15-1624.

V. WRITTEN AGREEMENT NECESSARY

The written agreement must be retained as part of the official record of Administrator for the duration of the Agreement and for 3 years after the termination of the Agreement. Md. Insurance Code § 8-311(b).

MICHIGAN STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Michigan, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by MCL 550.932. This Addendum applies to the extent Member(s) reside in the State of Michigan.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN NOTICE TO MEMBERS

Insurer shall provide written notice to each Member containing the following information:

- A. What benefits are being provided.
- B. Of changes in benefits.
- C. The fact that Members are not insured or are only partially insured, as the case may be.
- D. If the Plan is not insured, the fact that in the event the Plan or the Insurer does not ultimately pay medical expenses that are eligible for payment under the Plan for any reason, Members may be liable for those expenses.
- E. The fact that Administrator merely processes prescription claims and does not insure that any medical or prescription expenses of Members will be paid.
- F. The fact that complete and proper Claims made by Members will be promptly processed but that in the event there are delays in processing Claims, the Members shall have no greater rights to interest or other remedies against Administrator than as otherwise afforded them by law.

MISSISSIPPI STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Mississippi, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Miss. Code Ann. § 83-18-5(1). This Addendum applies to the extent Member(s) reside in the State of Mississippi.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may only use such advertising pertaining to the business underwritten by Insurer as has been approved in writing by Insurer in advance of its use Miss. Code Ann. § 83-18-11.

IV. RECORD RETENTION

A. The Agreement. Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. Miss. Code Ann. § 83-18-5(1).

B. Maintenance. For a period of not less than five (5) years from the date of their creation, Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. The books and records shall be maintained in accordance with prudent standards of insurance record keeping. Miss. Code Ann. § 83-18-9(1).

C. Mississippi Insurance Commissioner Access. Administrator acknowledges that Miss. Code Ann. § 83-18-9(2) provides that “[t]he commissioner shall have access to books and records maintained by an administrator for the purposes of examination, audit and inspection. Any trade secrets contained in such books and records, including the identity and addresses of policyholders and certificate holders, shall be kept confidential, except that the commissioner may use such information in any proceeding instituted against the administrator.”

D. Administrator Access. Administrator shall retain the right to continuing access to any books and records owned by Insurer that were generated by Administrator and pertain

to Insurer to permit Administrator to fulfill all of its contractual obligations to Members and Insurer. Miss. Code Ann. § 83-18-9(3).

- E. Insurer Access.** If Administrator administers benefits for more than one hundred (100) certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least one such review shall be an on-site audit of the operations of Administrator. Miss. Code Ann. § 83-18-13(3).
- F.** In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of the Agreement and this Addendum, Administrator, in its sole discretion, may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required by Miss. Code Ann. § 83-18-9(1). Miss. Code Ann. § 83-18-9(4).

V. DUTIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the Agreement. It shall be the sole responsibility of Insurer to provide for competent administration of its programs. Miss. Code Ann. § 83-18-13(1), (2).

VI. PAYMENT

Payment to the Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. Miss. Code Ann. § 83-18-7. To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. Miss. Code Ann. § 83-18-15(4).

VII. COMPENSATION

- A.** Administrator's compensation under the Agreement is not contingent upon savings effected in the adjustment, settlement, and payment of losses covered by Insurer's obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing auditing services and shall not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. Miss. Code Ann. § 83-18-17(1).
- B.** Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions, if any, paid by insurers providing reinsurance. Miss. Code Ann. § 83-18-19(3).

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. Miss. Code Ann. § 83-18-19(1). Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly, after receipt of instructions from Insurer to deliver them. Miss. Code Ann. § 83-18-21.

IX. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. Miss. Code Ann. § 83-18-5(2).

X. TERMINATION

Insurer, employer or Administrator may, with written notice, terminate the Agreement for cause as provided in the Agreement. Insurer may suspend the underwriting authority of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer must fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. Miss. Code Ann. § 83-18-5(3).

XI. ADMINISTRATOR'S DUTIES AS FIDUCIARY FOR INSURER

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally insured financial institution. The Agreement shall provide for Administrator to periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records, and upon request of Insurer, shall furnish Insurer with copies of the records pertaining to such deposits and withdrawals. Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from such account shall be made as provided in the Agreement. The Agreement shall address, but not be limited to, the following: (a) remittance to Insurer entitled to remittance; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in a claims-paying account, with claims to be paid as provided in this section; (d) payment to a group policyholder for remittance to the insurer entitled to such remittance; (e) payment to Administrator of its commissions, fees or charges; and (f) remittance of return premium to the person or persons entitled to such return premium. All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. Miss. Code § 83-18-15.

MISSOURI STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Missouri, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by V.A.M.S. 376.1077(1). This Addendum applies to the extent Member(s) reside in the State of Missouri.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may only use such advertising pertaining to the business underwritten by Insurer as has been approved in writing by Insurer in advance of its use. V.A.M.S. 376.1083.

IV. RECORD RETENTION

A. The Agreement. Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. V.A.M.S. 376.1077(1).

B. Maintenance. For a period of not less than five (5) years from the date of their creation, Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. The books and records shall be maintained in accordance with prudent standards of insurance record keeping. V.A.M.S. 376.1082(1).

C. Missouri Insurance Commissioner Access. Administrator acknowledges that V.A.M.S. 376.1082(2) provides that “[t]he director shall have access to books and records maintained by an administrator for the purposes of examination, audit and inspection. Any trade secrets contained in such books and records, including the identity and addresses of policyholders and certificate holders, shall be kept confidential, except that the commissioner may use such information in any proceeding instituted against the administrator. Examinations shall be conducted pursuant to applicable sections of the Agreement.”

D. Administrator Access. Administrator shall retain the right to continuing access to any books and records owned by Insurer that were generated by Administrator and pertain

to Insurer to permit Administrator to fulfill all of its contractual obligations to Members and Insurer. V.A.M.S. 376.1082(3).

- E. Insurer Access.** If Administrator administers benefits for more than one hundred (100) certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least one such review shall be an on-site audit of the operations of Administrator. V.A.M.S. 376.1084(3).
- F.** In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of the Agreement and this Addendum, Administrator, in its sole discretion, may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required by V.A.M.S. 376.1082(1). V.A.M.S. 376.1082(4).

V. DUTIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the Agreement. V.A.M.S. 376.1084(1). It shall be the sole responsibility of Insurer to provide for competent administration of its programs. V.A.M.S. 376.1084(2). In cases where Administrator administers benefits for more than one hundred certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least one such review shall be an on-site audit of the operations of Administrator. V.A.M.S. 376.1084(3).

VI. CLAIMS PAYMENT

Payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. V.A.M.S. 376.1080. To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. V.A.M.S. 376.1085(4).

VII. COMPENSATION

- A.** Administrator's compensation under the Agreement is not contingent upon savings effected in the adjustment, settlement, and payment of losses covered by Insurer's obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing auditing services and shall not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. V.A.M.S. 376.1087.

- B. Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions, if any, paid by insurers providing reinsurance. V.A.M.S. 376.1088(3).

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. V.A.M.S. 376.1088(1). When Administrator collects funds, the reason for collection of each item shall be identified to the Member and each item shall be shown separately from any premium. Additional charges may not be made for services to the extent the services have been paid for by Insurer. V.A.M.S. 376.1088(2). Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly, after receipt of instructions from Insurer to deliver them. V.A.M.S. 376.1090.

IX. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. V.A.M.S. 376.1077(2).

X. INSURER OBLIGATIONS

Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. V.A.M.S. 376.1077(3).

XI. TERMINATION

Insurer or Administrator may, with written notice, terminate the Agreement for cause as provided in the Agreement. Insurer may suspend the underwriting authority of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. V.A.M.S. 376.1077(3).

XII. PREMIUMS HELD IN FIDUCIARY CAPACITY, DUTIES--FINANCIAL RECORDS, DUTIES--WITHDRAWALS FROM FIDUCIARY ACCOUNT BY AGREEMENT ONLY, CONTENTS

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state insured financial institution. The Agreement between Administrator and Insurer shall provide for Administrator to render periodically an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the

account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to such deposits and withdrawals. Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from such account shall be made as provided in the Agreement. The Agreement shall address, but not be limited to, the following: (1) remittance to Insurer entitled to remittance; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account, with claims to be paid as provided for in this section; (4) payment to a group policyholder for remittance to Insurer entitled to such remittance; (5) payment to Administrator of its commissions, fees or charges; or (6) remittance of return premium to the person or persons entitled to such return premium. Mo. Rev. Stat. § 376.1085.

MONTANA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Montana, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by MCA 33-17-602. This Addendum applies to the extent Members(s) reside in the State of Montana, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT NECESSARY

The Agreement must be retained as part of the official records of both Administrator and Insurer for the duration of the agreement and for five (5) years thereafter. MCA 33-17-602(1).

IV. APPROVAL OF ADVERTISING

Administrator may use only the advertising pertaining to the business underwritten by Insurer as is approved by Insurer in advance of its use. MCA 33-17-612.

V. PAYMENTS

Under the terms of the Agreement, the payment to Administrator of any premiums or charges for insurance by or on behalf of Members is considered to be received by Insurer and the payment of return premiums or claims by Insurer to Administrator is not considered payment to the Member(s) until the payments are received by the Member(s) or claimant. This section does not limit any right of the Insurer against Administrator resulting from Administrator’s failure to make payments to Insurer, Member(s), or claimants. MCA 33-17-614.

VI. CLAIMS PAYMENT

All claims paid by Administrator from funds collected on behalf of the Insurer must be paid only on drafts of and as authorized by the Insurer. MCA 33-17-615.

VII. CLAIM ADJUSTMENT AND SETTLEMENT

Where Administrator adjusts or settles claims, the compensation to Administrator shall in no way be contingent on claim experience. This section does not prevent Administrator's compensation from being based on premiums or charges collected or number of claims paid or processed. MCA 33-17-617.

VIII. BOOKS AND RECORDS REQUIRED

For the duration of the agreement required by MCA 33-17-602 and for 5 years thereafter, Administrator shall maintain at its principal administrative office adequate books and records of all transactions between Administrator, Insurer and Member(s). These books and records must be maintained in accordance with prudent standards of insurance recordkeeping. The commissioner shall have access to these books and records for examination, audit, or inspection. Any trade secrets contained in the books and records, including but not limited to the identity and addresses of policyholders and certificate holders, are confidential, except that the commissioner may use the information in any proceedings instituted against Administrator. Insurer retains the right to continuing access to those books and records of Administrator sufficient to permit the insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement between Insurer and Administrator. MCA 33-17-611.

IX. DELIVERY OF DOCUMENTS

Any policies, certificates, booklets, termination notices or other written communications delivered by Insurer to Administrator for delivery to Member(s) shall be delivered by Administrator promptly after receipt of instructions Insurer to do so. MCA 33-17-616.

X. COLLECTION OF CHARGES AND PREMIUMS

- A. All insurance charges or premiums collected by Administrator on behalf of or for Insurer and return premiums received from Insurer are held by Administrator in a fiduciary capacity. These funds must be immediately remitted to the person entitled to them or must be deposited promptly in a fiduciary bank account established and maintained by Administrator. If deposited charges or premiums were collected on behalf of or for more than one insurer, Administrator shall require the bank in which the fiduciary account is maintained to keep records clearly recording the deposits in and withdrawals from the account on behalf of or for each insurer. Administrator shall promptly obtain and keep copies of all these records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to deposits and withdrawals on behalf of or for Insurer. MCA 33-17-613(1).
- B. Administrator may not pay a claim by withdrawals from the fiduciary account. Withdrawals from the fiduciary account must be made, as provided in the Agreement between Administrator and Insurer, for: (a) remittance to an insurer entitled to the remittance; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in a claims paying account, with claims to be paid as provided in MCA 33-17-615; (d) payment to a group policyholder for remittance to the insurer entitled to the

payment; (e) payment to Administrator of its commission, fees, or charges; or (f) remittance of return premiums to the person entitled to the premium. MCA 33-17-613(2).

XI. NOTIFICATION

Administrator shall provide a written notice, approved by Insurer, to insured individuals, advising them of the identity of and relationship between Administrator, the policyholder, and Insurer. If Administrator collects funds, Administrator shall identify and state, separately in writing, to the person paying to Administrator any charge or premium for insurance coverage the amount of such charge or premium specified by Insurer for the insurance coverage. MCA 33-17-618.

NEBRASKA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Nebraska, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by Nebraska Revised Statute Sec. 44-5803, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Nebraska.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. DUTIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures, and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to these matters shall be set forth in the Agreement. Neb. Rev. Stat. §§ 44-5803(2), 44-5803(1). It shall be the sole responsibility of Insurer to provide for competent administration of its programs. Neb. Rev. Stat. § 44- 5807(2).

IV. CLAIMS PAYMENT

- A.** The payment to Administrator of any charges and premiums by or on behalf of any policyholder, contract holder, certificate holder, or subscriber shall be deemed to have been received by Insurer. The payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. Neb. Rev. Stat. § 44-5804.
- B.** To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. Neb. Rev. Stat. § 44- 5808(4).

V. RECORD RETENTION

- A. The Agreement.** Administrator and Insurer shall retain, as part of their official records, a copy of the Agreement for the term of the Agreement and five (5) years thereafter. Neb. Rev. Stat. § 44- 5803(1).
- B. Insurer Access.** Insurer retains the right to access Administrator’s records of all transactions performed on behalf of Insurer, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator’s records. The records shall be maintained in accordance with prudent standards of insurance recordkeeping and shall be maintained for a period of not less than five (5) years from the date of their creation. Neb. Rev. Stat. § 44-5805(1). If Administrator administers benefits for more than one hundred certificate holders on behalf of Insurer, Insurer may, at least semiannually, conduct a review of the operations of Administrator. At least one such review may be an onsite audit of the operations of Administrator. Neb. Rev. Stat. § 44-5807(3).
- C. Nebraska Insurance Director Access.** Administrator acknowledges that Nebraska Revised Statutes § 44-5805 provides that “[t]he director shall have access to records maintained by a third party administrator for the purposes of examination, audit, and inspection. Any trade secrets contained in such records, including the identity and addresses of policyholders, contract holders, certificate holders, and subscribers, shall be kept confidential, except that the director may use such information in any proceedings instituted against the third-party administrator and as set forth in [Nebraska Revised Statutes § 44-5805(2)(b) and (c)].” Neb. Rev. Stat. § 44-5805(2).
- D. Administrator Access.** To the extent the Agreement provides that Insurer owns any records generated by Administrator pertaining to Insurer, Administrator shall retain the right of continuing access to those books and records to permit Administrator to fulfill all of its contractual obligations to Members, claimants, and Insurer. Neb. Rev. Stat. § 44-5805(3).
- E.** In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of the Agreement and this Addendum, Administrator, in its sole discretion may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required by Nebraska Revised Statute Sec. 44- 5805(1). Neb. Rev. Stat. § 44-5805(1).

VI. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. Neb. Rev. Stat. § 44-5806.

VII. COMPENSATION

- A.** Administrator’s compensation under the Agreement is not contingent upon savings effected in the adjustment, settlement, and payment of losses covered by Insurer’s

obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing auditing services and shall not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. Neb. Rev. Stat. § 44- 5809.

- B.** Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions, if any, paid by insurers providing reinsurance. Neb. Rev. Stat. § 44-5810(3).

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to deliver them. Neb. Rev. Stat. §§ 44-5810, 44-5811. The reason for collection of each charge shall be identified to the Member and each item shall be shown separately from any premium. Additional charges shall not be made for services to the extent the services have been paid for by Insurer. Neb. Rev. Stat. §§ 44-5810(2).

IX. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. Neb. Rev. Stat. § 44-5803(3).

X. TERMINATION

Administrator or Insurer may, with written notice, terminate the Agreement for cause as provided for in the Agreement. Neb. Rev. Stat. § 44-5803(3).

XI. INSURER OBLIGATIONS

Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. Neb. Rev. Stat. § 44-5803(3).

XII. FUNDS COLLECTED; HELD IN FIDUCIARY CAPACITY; ACCOUNTING

All charges and premiums collected by Administrator on behalf of or for Insurer and the return of premiums received from Insurer shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally insured or state-insured financial institution. The Agreement shall provide for Administrator to periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the insurance business underwritten by Insurer. If charges and premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the fiduciary account on behalf of each insurer.

Administrator shall keep copies of all the records pertaining to such deposits and withdrawals and, upon request of Insurer, shall furnish Insurer with copies of the records. Administrator shall not pay any claim by withdrawals from a fiduciary account in which charges and premiums are deposited. Withdrawals from such account shall be made as provided in the Agreement. The Agreement shall address, but not be limited to, the following: (a) remittance to Insurer entitled to remittance; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in a claims-paying account, with claims to be paid as provided for in this section; (d) payment to a group policyholder or group contract holder for remittance to Insurer entitled to such remittance; (e) payment to Administrator of its commissions, fees, or charges; and (f) remittance of return of premium to the person or persons entitled to such return of premium. All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. Neb. Rev. Stat. § 44-5808.

NEVADA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Nevada, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Nevada Revised Statutes § 683A.086. This Addendum applies to the extent Member(s) reside in the State of Nevada.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. ADVERTISING

Administrator may advertise the insurance which it administers only after Administrator receives approval of the Insurer who underwrites the business involved. Nevada Rev. Stat. § 683A.087.

IV. RECORD RETENTION

- A. The Agreement.** Administrator and Insurer agree to retain the Agreement and any addenda or amendments thereto, including this Addendum, as part of their respective official records during the term of the Agreement and for at least five (5) years thereafter. Nevada Rev. Stat. § 683A.086(4).
- B. Maintenance.** During the term of the Agreement and for at least five (5) years thereafter, Administrator shall maintain adequate books and records of all transactions among Administrator, Insurer, and Members. Such books and records shall be maintained in accordance with prudent standards of insurance recordkeeping and with regulations of the Nevada Insurance Commissioner. After the five (5) year period, Administrator may store the contents of the books and records on microfilm or other technology or return them to the appropriate Insurer. Nevada Rev. Stat. § 683A.0873(1).
- C. Nevada Insurance Commissioner Access.** Administrator acknowledges that Nevada Revised Statutes § 683A.0873(2) provides that “[t]he Commissioner may examine, audit, and inspect books and records maintained by an administrator under the provisions of this section to carry out the provisions of NRS 679.230 to 679.300, inclusive.”
- D. Confidentiality of Members’ Information.** The names and addresses of Members and any other material identifying Members which is in the books and records of an

administrator are confidential except as otherwise provided in Nevada Revised Statutes § 239.0115 and except when used in proceedings against Administrator. Nevada Rev. Stat. § 683A.0873(3).

- E. **Insurer Access.** Insurer may inspect and examine all books and records to the extent necessary to fulfill all contractual obligations to Members, subject to restrictions in the Agreement. Nevada Rev. Stat. § 683A.0873(4).

V. CLAIM COVERAGE

- A. Except as otherwise provided in subsection V(B) of this Addendum, Administrator shall approve or deny a claim relating to health insurance coverage within thirty (30) days after Administrator receives the claim. If the claim is approved, Administrator shall pay the claim within thirty (30) days after it is approved. Except as otherwise provided in this section, if the approved claim is not paid within that period, Administrator, in accordance with the terms and conditions of the Agreement, shall pay interest on the claim at the rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus 6 percent. The interest must be calculated from thirty (30) days after the date on which the claim is approved until the date on which the claim is paid. Nevada Rev. Stat. § 683A.0879(1).
- B. If Administrator requires additional information to determine whether to approve or deny the claim, Administrator shall notify the claimant of Administrator's request for the additional information within twenty (20) days after receiving the claim. Administrator shall notify the provider of health care of all the specific reasons for the delay in approving or denying the claim. Administrator shall approve or deny the claim within thirty (30) days after receiving the additional information. If the claim is approved, Administrator shall pay the claim within thirty (30) days after receiving the additional information. If the approved claim is not paid within that period, Administrator shall pay interest on the claim in the manner prescribed in subsection V(A) of this Addendum and in accordance with the terms and conditions of the Agreement. Nevada Rev. Stat. § 683A.0879(2).
- C. Administrator shall not request a claimant to resubmit information that the claimant has already provided to Administrator, unless Administrator provides a legitimate reason for the request and the purpose of the request is not to delay the payment of the claim, harass the claimant or discourage the filing of claims. Nevada Rev. Stat. § 683A.0879(3).
- D. Administrator shall not pay only part of a claim that has been approved and is fully payable. Nevada Rev. Stat. § 683A.0879(4).
- E. A court shall award costs and reasonable attorney's fees to the prevailing party in an action brought pursuant to Nevada Revised Statutes § 683A.0879. Nevada Rev. Stat. § 683A.0879(5).
- F. The payment of interest provided for in Nevada Revised Statutes § 683A.0879 for the late payment of an approved claim may be waived only if the payment was delayed

because of an act of God or another cause beyond the control of the administrator. Nevada Rev. Stat. § 683A.0879(6).

- G. Administrator acknowledges that pursuant to Nevada Rev. Stat. § 683A.0879(7) “[t]he Commissioner may require an administrator to provide evidence which demonstrates that the administrator has substantially complied with the requirements set forth in [Nevada Revised Statutes § 683A.0879], including, without limitation, payment within 30 days of at least 95 percent of approved claims or at least 90 percent of the total dollar amount for approved claims.”
- H. Administrator acknowledges that pursuant to Nevada Rev. Stat. § 683A.0879(8) “the Commissioner may require the administrator to pay an administrative fine in an amount to be determined by the Commissioner. Upon a second or subsequent determination that an administrator is not in substantial compliance with the requirements set forth in this section, the Commissioner may suspend or revoke the certificate of registration of the administrator.”

VI. CLAIMS PAYMENT

To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by a check or draft upon and as authorized by Insurer. Nevada Rev. Stat. § 683A.088.

VII. COMPENSATION

- A. The compensation paid to Administrator for its services may be based upon premiums or charges collected, on number of claims paid or processed or on any other basis agreed upon by Administrator and Insurer, except as provided in subsection (B) below. Nevada Rev. Stat. § 683A.0883(1).
- B. Compensation paid to Administrator may not be based upon or contingent upon: (i) the claim experience of the policies that Administrator handles; or (ii) the savings realized by Administrator by adjusting, settling or paying the losses covered by a Insurer. Nevada Rev. Stat. § 683A.0883(2).

VIII. FIDUCIARY ACCOUNTS: DEPOSITS, RECORDS, WITHDRAWALS

All insurance charges and premiums collected by Administrator on behalf of Insurer and return premiums received from Insurer are held by Administrator in a fiduciary capacity. Money must be remitted within fifteen (15) days to the person or persons entitled to it, or deposited within fifteen (15) days in one or more fiduciary accounts established and maintained by Administrator in a bank, credit union or other financial institution in this state. The fiduciary accounts must be separate from the personal or business 55 accounts of Administrator. If charges or premiums deposited in an account have been collected for or on behalf of more than one insurer, Administrator shall cause the bank, credit union or other financial institution where the fiduciary account is maintained to record clearly the deposits and withdrawals from the account on behalf of each insurer. Administrator shall promptly obtain and keep copies of the records of each fiduciary account and shall furnish Insurer with copies of the records which pertain to him or her upon demand of Insurer. Administrator shall not pay any claim by withdrawing money from his or her fiduciary

account in which premiums or charges are deposited. Withdrawals must be made as provided in the Agreement for: (a) remittance to Insurer; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in an account for the payment of claims; (d) payment to a group policyholder for remittance to Insurer entitled to the money; (e) payment to Administrator of the commission, fees or charges of Administrator; (f) remittance of return premiums to persons entitled to them. Administrator shall maintain copies of all records relating to deposits or withdrawals and, upon the request of Insurer, provide Insurer with copies of those records. Nev. Rev. Stat. Ann. § 683A.0877(1)-(7)

NEW HAMPSHIRE STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of New Hampshire, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by New Hampshire Revised Statute Sec. 402-H:2, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of New Hampshire.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. DUTIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures, and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to these matters shall be set forth in the Agreement. It shall be the sole responsibility of Insurer to provide for competent administration of its programs. NH Rev. Stat. § 402-H:6(I) and (II).

IV. PAYMENT

A. The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. NH Rev. Stat. § 402-H:3.

B. To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. NH Rev. Stat. § 402- H:7(IV).

V. RECORD RETENTION

A. The Agreement. Administrator and Insurer shall retain, as part of their official records, a copy of the Agreement for the term of the Agreement and five (5) years thereafter. NH Rev. Stat. § 402- H:2(I).

- B. Maintenance.** For a period of not less than five (5) years from the date of creation, Administrator shall maintain complete books and records of all transactions performed on behalf of Insurer in accordance with prudent standards of insurance recordkeeping. NH Rev. Stat. § 402-H:4(I).
- C. Insurer Access.** Insurer retains the right to access Administrator's records of all transactions performed on behalf of Insurer, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator's records. The records shall be maintained in accordance with prudent standards of insurance recordkeeping and shall be maintained for a period of not less than five (5) years from the date of their creation. NH Rev. Stat. § 402-H:4(I). If Administrator administers benefits for more than one hundred certificate holders on behalf of Insurer, Insurer may, at least semiannually, conduct a review of the operations of Administrator. At least one such review may be an onsite audit of the operations of Administrator. Neb. Rev. Stat. § 402-H:6(III).
- D. New Hampshire Insurance Commissioner Access.** Administrator acknowledges that New Hampshire Revised Statutes § 402-H:4(II) provides that "[t]he commissioner shall have access to books and records maintained by an administrator for the purposes of examination, audit, and inspection. Any documents, materials, or other information in the possession or control of the commissioner that are furnished by an administrator, insurer, insurance producer, or an employee or agent thereof acting on behalf of the administrator, insurer or insurance producer, or obtained by the commissioner in an investigation shall be confidential by law and privileged, shall not be subject to RSA 91-A, shall not be subject to subpoena and shall not be subject to discovery or admission in evidence in any private civil action. However, the commissioner may use such documents, materials, or other information in furtherance of any regulatory or legal action brought as part of the commissioner's official duties."
- E. Administrator Access.** To the extent the Agreement provides that Insurer owns any records generated by Administrator pertaining to Insurer, Administrator shall retain the right of continuing access to those books and records to permit Administrator to fulfill all of its contractual obligations to Members, claimants, and Insurer. NH Rev. Stat. § 402-H:4(VII).
- F.** In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of the Agreement and this Addendum, Administrator, in its sole discretion may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required by New Hampshire Revised Statute Sec. 402-H:4(VIII). NH Rev. Stat. § 402-H:4(VIII).

VI. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. NH Rev. Stat. § 402-H:5.

VII. COMPENSATION

- A.** Administrator's compensation under the Agreement is not contingent upon savings effected in the adjustment, settlement, and payment of losses covered by Insurer's obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing auditing services and shall not prevent Administrator's compensation from being based on premiums or charges collected or the number of claims paid or processed. NH Rev. Stat. § 402-H:8.
- B.** Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions, if any, paid by insurers providing reinsurance. NH Rev. Stat. § 402-H:9(III).

VIII. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. NH Rev. Stat. § 402-H:9(I). When Administrator collects funds, the reason for collection of each item shall be identified to the Member and each item shall be shown separately from any premium. Additional charges may not be made for services to the extent the services have been paid for by Insurer. NH Rev. Stat. § 402-H:9(II). Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to deliver them. NH Rev. Stat. § 402-H:10.

IX. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. NH Rev. Stat. § 402-H:2(II).

X. TERMINATION

Administrator or Insurer may, with written notice, terminate the Agreement for cause as provided for in the Agreement. NH Rev. Stat. § 402-H:2(III).

XI. INSURER OBLIGATIONS

Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. NH Rev. Stat. § 402-H:2(III).

XII. PREMIUM COLLECTION AND PAYMENT OF CLAIMS

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state insured financial institution. The Agreement shall provide for Administrator to periodically render an accounting to Insurer detailing all

transactions performed by Administrator pertaining to the business underwritten by Insurer. N.H. Rev. Stat. § 402-H:7(I). If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to such deposits and withdrawals. N.H. Rev. Stat. § 402-H:7(II). Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from the account shall be made as provided in the Agreement. The Agreement shall address, but not be limited to, the following: (a) remittance to Insurer entitled to remittance; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in a claims-paying account, with claims to be paid as provided for in RSA 402-H:7, IV; (d) payment to a group policyholder for remittance to Insurer entitled to such remittance; (e) payment to Administrator of its commissions, fees or charges; (f) remittance of a return premium to the person or persons entitled to such return premium. N.H. Rev. Stat. § 402-H:7(III). All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. N.H. Rev. Stat. § 402-H:7(IV).

NORTH CAROLINA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of North Carolina, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by N.C.G.S.A. § 58-56-6 et seq. This Addendum applies to the extent Member(s) reside in the State of North Carolina, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT NECESSARY

The written agreement shall be retained as part of the official records of both Insurer and Administrator for the duration of the agreement and for five (5) years thereafter. N.C.G.S.A. § 58-56-6(a).

IV. TERMINATION

Insurer or Administrator may, with written notice, terminate the agreement for cause as provided in the agreement. Insurer may suspend the underwriting authority of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer must fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. N.C.G.S.A. § 58-56-6(c).

V. PAYMENT TO ADMINISTRATOR

Payment to Administrator of any premiums or charges for insurance by or on behalf of the Member is considered payment to Insurer. The payment of return premiums or claim payments forwarded by Insurer to Administrator is not considered payment to Member or claimant until the payments are received by the Member or claimant. This section does not limit any right of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, claimants, or Members. N.C.G.S.A. § 58-56- 11.

VI. DELIVERY OF MATERIALS TO MEMBERS

Any policies, certificates, booklets, termination notices, and other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from the insurer to deliver them. N.C.G.S.A. § 58-56-46.

VII. MAINTENANCE OF RECORDS

Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. The books and records shall be maintained in accordance with prudent standards of insurance record keeping and must be maintained for a period of at least five years after the date of their creation. N.C.G.S.A. § 58-56-16(a). The Commissioner shall have access to books and records maintained by Administrator for the purposes of examination, audit, and inspection. The Commissioner shall keep confidential any trade secrets contained in those books and records, including the identity and addresses of policyholders and certificate holders, except that the Commissioner may use the information in any judicial or administrative proceeding instituted Administrator. N.C.G.S.A. § 58-56-16(b). Insurer shall own the records generated Administrator pertaining to Insurer, but Administrator shall retain the right to continuing access to books and records to permit Administrator to fulfill all of its contractual obligations to Members, claimants, and Insurers. N.C.G.S.A. § 58-56-16(c). In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of N.C.G.S.A. § 58-56-16(a), Administrator may, by written agreement with Insurer, transfer all records to a new TPA rather than retain them for five years. In this case, the new TPA shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required in N.C.G.S.A. § 58-56-16(a). N.C.G.S.A. § 58-56-16(d).

VIII. APPROVAL OF ADVERTISING

Administrator may use only the advertising pertaining to the business underwritten by Insurer that has been approved in writing by the Insurer in advance of its use. N.C.G.S.A. § 58-56-21.

IX. RESPONSIBILITIES OF THE INSURER

Insurer is responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the Agreement. N.C.G.S.A. § 58-56-26(a). It is the sole responsibility of Insurer to provide for competent administration of its programs. N.C.G.S.A. § 58-56-26(b). If Administrator administers benefits for more than one hundred (100) certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least one semiannual review shall be an on-site audit of the operations of Administrator. Annually Insurer shall file with the Commissioner a certification of completion of the audits as required by this subsection and performed during the previous calendar year, in the format, content, and manner as specified by the Commissioner. Insurer shall maintain in its corporate records documentation of the audits conducted to support its

certification of audits for a period of five (5) years or, if a domestic insurer, until the completion of the next quinquennial examination. N.C.G.S.A. § 58-56-26(c).

X. PREMIUM COLLECTION AND PAYMENT OF CLAIMS

Charges or premiums collected by Administrator on behalf of or for Insurer, shall be held by Administrator in a fiduciary capacity. These funds shall be immediately remitted to the person entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or State insured financial institution. The Agreement shall require Administrator to periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. N.C.G.S.A. § 58-56-31(a). If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurer, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to the deposits and withdrawals. N.C.G.S.A. § 58-56-31(b). Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from this account shall be made only as provided in the Agreement. The Agreement shall address, but not be limited to, the following: (1) remittance to an insurer entitled to remittance; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account, with claims to be paid as provided in subsection (d) of N.C.G.S.A. § 58-56-31(d); (4) payment to a group policyholder for remittance to the insurer entitled to the remittance; (5) payment to Administrator of its commissions, fees, or charges; (6) remittance of a return premium to the person entitled to the return premium. N.C.G.S.A. § 58-56-31(c). All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. N.C.G.S.A. § 58-56-31(d).

XI. COMPENSATION TO ADMINISTRATOR

The Agreement shall not provide for commissions, fees, or charges contingent upon savings obtained in the adjustment, settlement, a payment of losses covered by Insurer's obligations. Administrator may receive performance-based compensation for providing auditing services or may receive compensation based on premiums or charges collected or the number of claims paid or processed. N.C.G.S.A. § 58-56-36.

XII. NOTICE TO COVERED INDIVIDUALS

Administrator shall provide written notice approved by the Insurer to Members advising them of the identity of, and relationship among, Administrator, Member and Insurer. N.C.G.S.A. § 58-56-41(a). When Administrator collects funds, the reason for collection of each item must be identified to Members and each item must be shown separately from any premium. Additional charges may not be made for services to the extent services have been paid for by Insurer. N.C.G.S.A. § 58-56-41(b). Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in conjunction with the provision of administrative services for Insurer, including any fees or commissions paid by insurers providing reinsurance. N.C.G.S.A. § 58-56-41(c).

NORTH DAKOTA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of North Dakota, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by NDCC 26.1-27-05, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of North Dakota.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. CLAIMS PAYMENT

To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. NDCC 26.1-27-10.

IV. RECORD RETENTION

A. The Agreement. Administrator and Insurer shall retain a copy of the Agreement for the term of the Agreement and five (5) years thereafter. In the event a policy is issued to a trust or trustees, Administrator shall provide a copy of the trust agreement and any amendments thereto to the insurer, and shall retain a copy of the trust agreement, with amendments, as part of its official records for the duration of the policy and for five (5) years thereafter. NDCC 26.1-27-05.

B. Maintenance. Administrator shall maintain at its principal office, for the term of the Agreement and five (5) years thereafter, adequate books and records of all transactions between Administrator, Insurer, and Members in accordance with prudent standards of insurance recordkeeping. NDCC 26.1-27-12.

C. Insurer Access. Insurer retains the right to continuing access to Administrator’s books and records sufficient to permit Insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator’s books and records. NDCC 26.1-27-12. Without limiting the foregoing, Insurer may audit Administrator’s books, accounts, and records, including de-identified utilization information, as reasonably necessary to confirm that the benefit of a payment received by the Administrator is being shared as applicable and as required by the Agreement. NDCC 26.1-27.1-05(2).

D. North Dakota Insurance Commissioner Access. Administrator acknowledges that NDCC 26.1-27-12 provides that “[t]he commissioner shall have access to such books and records for the purpose of examination, audit, and inspection. Any trade secrets contained therein, including the identity and addresses of policyholders and certificate holders, are confidential, except the commissioner may use such information in any proceedings instituted against the administrator.”

V. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. NDCC 26.1-27-06(1).

VI. NOTIFICATION

Administrator shall provide a written notice approved by the Insurer, to Members, advising them of the identity of and relationship among Administrator, the Plan, and the Insurer. When Administrator collects funds, it shall identify and state separately in writing to the person paying to Administrator any charge or premium for insurance coverage the amount of any such charge or premium specified by Insurer for the insurance coverage. NDCC 26.1-27-07.

VII. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. NDCC 26.1-27-06(2).

VIII. COMPENSATION

A. The payment to the Administrator of any premiums or charges for insurance by or on behalf of the Members is deemed to have been received by Insurer, and the payment of return premiums or claims by Insurer to Administrator is not deemed payment to Insured or claimant until the payment is received by Insured or claimant. This section does not limit any right of Insurer against Administrator resulting from its failure to make payments to Insurer, Members, or claimants. NDCC 26.1-27-09.

B. Administrator and Insurer agree that compensation to Administrator for any Plans in which Administrator adjusts or settles claims shall in no way be contingent on claims experience. Administrator and Insurer further agree that this provision does not prevent Administrator’s compensation from being based on premiums or charges collected or the number of claims paid or processed. NDCC 26.1-27-11.

IX. PREMIUM COLLECTION – FIDUCIARY ACCOUNT REQUIRED

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and return premiums received from Insurer, must be held by Administrator in a fiduciary capacity. The funds must be immediately remitted to the person or persons entitled thereto, or must be deposited promptly in a fiduciary bank account established and maintained by Administrator. If charges or premiums so deposited have been collected on behalf of or for more than one insurer, Administrator shall cause the bank in which the fiduciary account is maintained to keep

records clearly recording the deposits in and withdrawals from the account on behalf of or for each insurer. Administrator shall promptly obtain and keep copies of all such records and, upon request of Insurer, shall furnish Insurer with copies of such records pertaining to deposits and withdrawals on behalf of or for Insurer. Administrator may not pay any claim by withdrawals from the fiduciary account. NDCC 26.1-27-08.

X. WITHDRAWALS FROM FIDUCIARY ACCOUNT

Withdrawals from the fiduciary account may only be made for: (a) remittance to Insurer entitled thereto; (b) deposit in an account maintained in the name of Insurer; (c) transfer to and deposit in a claims paying account, with claims to be paid as provided in NDCC 26.1-27-10; (d) payment to a group policyholder for remittance to the insurer entitled thereto; (e) payment to Administrator of its commission, fees, or charges; (f) remittance of return premiums to the person or persons entitled thereto. NDCC 26.1-27-06(3).

OHIO STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Ohio, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by Ohio R.C. 3959.11, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Ohio.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer shall retain a copy of the Agreement as part of their respective official records for the term of the Agreement and five (5) years thereafter. Ohio R.C. 3959.11(A). In the event a policy or contract is issued to a trust, trustee or trustees of a benefit plan, Administrator will provide a copy of the trust agreement, and any amendments thereto, to Insurer and Administrator shall retain such documents for the duration of the Agreement and for five (5) years thereafter. Ohio Admin. Code § 3901-8-05(J).
- B. **Maintenance.** During the term of the Agreement and for at least five (5) years thereafter, Administrator shall maintain at its principal office or branch office customary books and records of all transactions and information relative to Members in accordance with the terms and conditions of the Agreement. Administrator shall keep the following types of books and records on behalf of Insurer: financial, administrative, claims, member records, and complaints and grievances. Such records and files shall belong to Insurer. Ohio R.C. 3959.11(B), Ohio Admin. Code § 3901-8-05(J).

IV. FIDELITY BOND

Administrator shall possess and maintain a fidelity bond in accordance with the provisions set forth in Ohio Administrative Code Rule 3901-8-05(D)(5). Ohio Admin. Code § 3901-8-05(J).

V. INSURER FUNDS

Administrator shall collect and hold Insurer's Plan funds in accordance with the provisions set forth in the Agreement. Ohio Admin. Code § 3901-8-05(J).

VI. ADMINISTRATOR RELATIONSHIP

Administrator will disclose any ownership interest and/or material business relationships between Administrator or its officers, directors, shareholders, partners, or trustees and any insurance, reinsurance, or other ultimate risk bearer to the extent that it arises or is proposed to arise under the Agreement. Ohio Admin. Code § 3901-8-05(J).

OKLAHOMA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Oklahoma, “Administrator” shall mean MeridianRx, LLC and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by 36 Okl.St. Ann. § 1441 et seq. This Addendum applies to the extent Member(s) reside in the State of Oklahoma, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The functions that Administrator will perform on behalf Insurer, as well as the underwriting standards, if applicable or other standards pertaining to the business underwritten by Insurer are as stated in the written Agreement. Administrator and Insurer shall each maintain the Agreement as part of their official records for a minimum of five (5) years after termination of the Agreement. 36 Okl.St. Ann. § 1443(A), (G).

IV. ADVERTISING

Administrator shall obtain approval from Insurer before publishing any advertising pertaining to the business underwritten by Insurer. For purposes of this section, “publishing” includes mailing of advertising material. 36 Okl.St. Ann. § 1446.

V. ACCOUNTING AND CLAIMS PAYMENTS

A. Administrator shall act as a fiduciary in collecting or returning premiums or charges for Insurer. Funds collected by Administrator shall be immediately remitted to the person entitled to the funds or deposited in a fiduciary account which shall be established and maintained by Administrator. If charges or premiums deposited in a fiduciary account have been collected for more than one insurer or trust, Administrator shall maintain records clearly showing the deposits and withdrawals from the fiduciary bank account for each insurer or trust, including Insurer. Administrator shall furnish to Insurer, upon its request, copies of the required records. 36 Okl.St. Ann. § 1445(A) – (B).

- B.** Subject to the Agreement, withdrawals from the fiduciary bank account shall only be made as set forth in the Agreement, which shall authorize withdrawals only for the following: (1) remittance to an insurer or trust entitled to the funds; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insurer or trust entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the funds. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts or checks authorized by Insurer. 36 Okl.St. Ann. § 1445(C)-(D).
- C.** In the event Administrator collects funds from Members, Administrator, upon request from a Member, shall furnish written information as to the amount of any premium or charge for coverage specified by Insurer to the Member. This information shall be furnished within ten (10) days after Administrator receives the request for information. 36 Okl.St. Ann. § 1449(B).

VI. RECORDS

- A.** Administrator shall maintain the duration of the Agreement and for five (5) years thereafter the written Agreement and books and records of all transactions between Administrator and Insurer. 36 Okl.St. Ann. § 1443(D).
- B.** The Commissioner of the Insurance Department of the State of Oklahoma shall have access to all books and records of Administrator relevant to the Agreement for the purpose of examination, audits, and inspection. Trade secrets contained in books and records reviewed by the Commissioner, including the identity and addresses of policyholders and certificate holders shall be kept confidential, except that the Commissioner may use the information in a proceeding instituted against Administrator. 36 Okl.St. Ann. § 1443(E)(1), (3).
- C.** All work papers, recorded information, documents and copies thereof produced or obtained by or disclosed to the Commissioner or other person in the course of examination, audit and inspection, shall be given confidential treatment and not be made public by the Commissioner or any other person who obtained the information in the course of the examination, audit and inspection, except as provided by this Section VI. Access may be granted to the National Association of Insurance Commissioners. The parties shall agree in writing prior to receiving the information to provide to it the same confidential treatment as required by this Section VI unless the prior written consent of the company to which it pertains has been obtained. The confidentiality and protection from discovery by subpoena provided for in this subsection C shall not be construed to be extended to identical, similar or other related documents or information or to the work papers that are not deemed to be in the possession, custody or control of the Commissioner. 36 Okl.St. Ann. 1443(E)(2)
- D.** Insurer shall have the right to continuing access to books and records maintained by Administrator sufficient to fulfill its contractual obligations to Members, subject to any restriction in the Agreement concerning the proprietary rights of the parties to such books and records. 36 Okl.St. Ann. § 1443(F).

VII. DELIVERY OF WRITTEN COMMUNICATIONS TO MEMBERS

Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to do so. 36 Okl.St. Ann. § 1447(A).

VIII. NOTICE TO MEMBERS OF WRITTEN AGREEMENT

Administrator shall provide written notice to Members advising them of the identities of Administrator, the policyholder, and Insurer. 36 Okl.St. Ann. § 1449(A).

IX. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for insurance paid by or on behalf of Members shall be deemed to have been received by Insurer when paid to Administrator. Claims or return premiums paid by Insurer to Administrator shall not be deemed to have been paid to a Member or Network Pharmacy until the payment is received by the Member or Network Pharmacy. Nothing in this section limits the rights of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. 36 Okl.St. Ann. § 1444.

X. BASIS OF COMPENSATION

Compensation to Administrator shall not be contingent upon claims experience. This section shall not prevent compensation based on the amount of premiums or charges collected or number of claims paid or processed or the number of Members. 36 Okl.St. Ann. § 1447(B).

XI. LICENSED AGENTS

To the extent that anything in the Agreement calls for Administrator to do the business of insurance for Insurer, Administrator shall only use licensed insurance agents. 36 Okl.St. Ann. § 1447(C).

OREGON STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Oregon, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Oregon Revised Statute Section 744.720 et seq. This Addendum applies to the extent Member(s) reside in the State of Oregon, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The duties that Administrator will perform on behalf Insurer, as well as the lines, classes or types of insurance that Administrator is authorized to administer, and the underwriting or other standards pertaining to the business underwritten by Insurer are as stated in the written Agreement. Administrator and Insurer shall each maintain the Agreement as part of their official records for the duration of the Agreement and five (5) years thereafter. Ore. Rev. Stat. §§ 744.720(3)(a)-(b).

IV. ADVERTISING

Administrator shall use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. Ore. Rev. Stat. § 744.728.

V. INSURER RESPONSIBILITIES

Insurer shall be responsible for (1) determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage; and (2) securing reinsurance, if any. Contemporaneously with execution of the Agreement, Insurer shall provide to Administrator in writing, procedures pertaining to Administrator’s administration of benefits, premium rates, underwriting criteria and claims payment. The responsibilities of Administrator as to any of these matters shall be as set forth in the Agreement. Insurer retains sole responsibility for the competent administration of its programs. To the extent

Administrator administers benefits for more than one hundred (100) Members on behalf of Insurer, then Insurer shall, at least annually, review the operations of Administrator. Ore. Rev. Stat. § 744.740.

VI. ACCOUNTING AND CLAIMS PAYMENTS

- A.** Premiums or charges collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to the funds or deposited promptly in a fiduciary account which shall be established and maintained by Administrator in a federally or state insured financial institution. Ore. Rev. Stat. § 744.730(1).
- B.** Administrator shall render an accounting to Insurer, on such frequency as stated in the Agreement, which details all transactions performed by Administrator pertaining to the business underwritten by Insurer. Ore. Rev. Stat. § 744.720(3)(c).
- C.** To the extent Administrator deposits in a fiduciary account charges or premiums collected on behalf of or for one or more insurers, Administrator shall keep clear records of the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request by Insurer, shall furnish Insurer with a copy of the records of the deposits and withdrawals pertaining to Insurer. Ore. Rev. Stat. § 744.730(2).
- D.** Administrator shall not pay any claim by making withdrawals from a fiduciary account in which premiums or charges are deposited. Subject to the Agreement, procedures for withdrawals from the fiduciary bank account shall provide for: (1) remittance to an insurer entitled to the funds; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insurer entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the funds. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts or checks of, and as authorized by, Insurer. Ore. Rev. Stat. § 744.720(3)(d), 744.730(3)-(4).

VII. RECORDS

- A.** Administrator shall maintain in accordance with prudent standards of insurance record keeping complete books and records of all transactions performed by Administrator on behalf of Insurer. Administrator shall make available to Insurer such books and records. Administrator shall maintain such books and records for a period of not less than five (5) years from the date of their creation. Ore. Rev. Stat. § 744.724(1).
- B.** The Director of the Department of Consumer and Banking Services of the State of Oregon shall have access to books and records of Administrator relevant to the Agreement for the purpose of examination, audits, and inspection. Any documents, materials or other information in the possession or control of the Director that are furnished by Administrator, Insurer, an insurance producer, or any employee or agent

thereof in an investigation shall be confidential as provided in Oregon Revised Statute Section 705.137. Ore. Rev. Stat. § 744.724(2).

- C. Insurer shall own the records generated by Administrator pertaining to Insurer; however, Administrator shall retain the right to continuing access to the books and records to permit Administrator to fulfill all of its contractual obligations to Insurer, Members and Network Pharmacies. Ore. Rev. Stat. § 744.724(3).
- D. If Administrator and Insurer cancel the Agreement, Administrator may, by a written agreement with Insurer, transfer the books and records to a new administrator if the written agreement provides that Administrator is no longer responsible for retaining the records for the five-year period and the new administrator acknowledges in writing that it is responsible for retaining the books and records in the manner provided in this section. Ore. Rev. Stat. § 744.724(4).

VIII. DELIVERY OF WRITTEN COMMUNICATIONS TO MEMBERS

Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to do so. Ore. Rev. Stat. § 744.736.

IX. DISCLOSURES

- A. Administrator shall provide written notice to Members, on a form approved by Insurer, advising Members of the identity of, and relationship among, Administrator, the policyholder, and Insurer. Ore. Rev. Stat. § 744.734.
- B. In the event Administrator collects funds from Members, the reason for collection of each item shall be identified to the Member and each item shall be shown separately from any premium. Administrator shall not make additional charges for services to the extent the services have been paid for by Insurer. Ore. Rev. Stat. § 744.734.
- C. Administrator shall disclose to Insurer all charges, fees and commission that Administrator receives arising from services it provides for Insurer, including any fees or commissions paid by insurers providing reinsurance. Ore. Rev. Stat. § 744.732(3).

X. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for insurance paid by or on behalf of Members shall be considered to have been received by Insurer when paid to Administrator. Return premium payments or claim payments forwarded by Insurer to Administrator shall not be considered to have been paid to a Member or Network Pharmacy until the payment is received by the Member or Network Pharmacy. Nothing in this section limits any right of Insurer against Administrator arising from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. Ore. Rev. Stat. § 744.722.

XI. BASIS OF COMPENSATION

Compensation to Administrator shall not be contingent upon savings effected in the adjustment, settlement or payment of losses covered by Insurer's obligations. This section shall not prevent Administrator from receiving performance-based compensation for auditing services nor shall this section prevent compensation based on the amount of premiums or charges collected or number of claims processed. Ore. Rev. Stat. § 744.732(1)-(2).

XII. TERMINATION

Either party may terminate the Agreement for cause upon written notice, subject to the procedures as stated in the Agreement. Insurer may suspend the underwriting authority, if any, of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer shall fulfill any lawful obligations with respect to policies or plans affected by the Agreement, regardless of any dispute between Administrator and Insurer. Ore. Rev. Stat. § 744.720(4).

XIII. ERRORS AND OMISSION INSURANCE

Administrator shall maintain with the Director of the Oregon Department of Consumer and Business Services a current certificate of errors and omissions insurance in an amount satisfactory to the Director. Ore. Rev. Stat. § 744.726.

XIV. DISPUTE RESOLUTION

Disputes arising under the Agreement shall be subject to arbitration, mediation, or other means as expressly set forth in the Agreement. Ore. Rev. Stat. § 744.720(3)(e).

PENNSYLVANIA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Pennsylvania, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by 40 P. S. § 324.5, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Pennsylvania.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. CLAIMS PAYMENT

The payment to Administrator of any premiums or charges for benefit coverage by or on behalf of those persons covered by the benefit plan shall be deemed to have been received by Insurer. The payment of claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. 40 P. S. § 324.6.

IV. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer shall retain a copy of the Agreement as part of their official records for the term of the Agreement and five (5) years thereafter. In the event a policy is issued to a trust or trustees, Administrator shall provide a copy of the trust agreement and any amendments thereto to the insurer, and shall retain a copy of the trust agreement, with amendments, as part of its official records for the duration of the contract and for five (5) years thereafter. 40 P. S. § 324.5.
- B. **Maintenance.** Administrator shall maintain for the term of the Agreement and five (5) years from their date of creation, adequate books and records of all transactions between Administrator, Insurer, and Members. 40 P. S. § 324.7.
- C. **Insurer Access.** Insurer retains the right to access to Administrator’s books and records sufficient to permit Insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator’s books and records. 40 P. S. § 324.7.

D. **Pennsylvania Insurance Commissioner Access.** Administrator acknowledges that 40 P. S. § 324.7 provides that “[t]he commissioner shall have access to all books and records which are the property of administrators required to be maintained by this act for the purpose of examination, audit, inspection and investigation. Books and records, the property of bona fide employee benefit plans established by an employer or employee organization, or both, may be available to the department for audit, inspection, examination or investigation at the option of the employer or employee organization. Nothing in this subsection is intended to abridge or interfere with the department’s authority to review all records necessary to determine jurisdiction over any entity that may be subject to this or other insurance laws generally. Expenses incurred by the department in examination of administrators shall be paid by the administrator in the same manner, and in the same amounts, pursuant to the examination provisions of this act and applicable regulations. Trade secrets, including the identity and addresses of policyholders and certificate holders, will be treated as confidential by the department, except the department may use that information in proceedings instituted against the administrator.”

V. **ADVERTISING**

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved by Insurer before the advertising is used. 40 P. S. § 324.8.

VI. **PREMIUM COLLECTION**

All charges or premiums collected by Administrator on behalf of or for Insurer and return charges or premiums received from Insurer shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person or persons entitled thereto or shall be deposited promptly in one or more appropriately identified bank accounts in banks or other financial institutions which are subject to supervision or examination by Federal or State banking regulatory authorities. If charges or premiums so deposited have been collected on behalf of or for more than one benefit plan, Administrator shall maintain the accounts to clearly record the deposits in and withdrawals from the account on behalf of each benefit plan. Administrator shall promptly obtain and keep copies of all such records and, upon request of Insurer, shall furnish Insurer with copies of records pertaining to deposits and withdrawals on behalf of or for Insurer. Administrator shall not pay any claim by withdrawals from the fiduciary account. Withdrawals from the fiduciary account shall be made, as provided in the Agreement between Administrator and Insurer, for: (1) remittance to Insurer entitled thereto; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to Insurer for remittance to an insurer entitled thereto; (5) payment to Administrator of its commission, fees or charges; (6) remittance of return premiums or charges to the person or persons entitled thereto. 40 P. S. § 324.9.

VII. **NOTIFICATION REQUIRED**

Where services of an administrator are utilized, the administrator shall provide a written notice approved by the entity providing the benefit plan to persons covered by the benefit plan advising them of the identity of and relationship among the administrator, the entity

providing the benefit plan and the insurer, if any. Where an administrator collects funds, it must identify and state separately in writing to the person paying any charge or premium to the administrator for coverage the amount of any such charge or premium specified by the benefit plan for the coverage. 40 P. S. § 324.11.

VIII. CLAIM ADJUSTMENT AND SETTLEMENT

The compensation to Administrator with regard to the contracts shall in no way be contingent upon claim experience. This section shall not prevent the compensation of Administrator from being based upon premiums or charges collected or number of claims paid or processed. 40 P. S. § 324.10.

RHODE ISLAND STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Rhode Island, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by R.I. Gen. Laws § 27-20.7-1 et seq. This Addendum applies to the extent Member(s) reside in the State of Rhode Island, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The Agreement between Administrator and Insurer shall be retained as part of the official records of both Administrator and Insurer for the duration of the Agreement and for five (5) years thereafter. R.I. Gen. Laws § 27-20.7-3(a).

IV. TERMINATION

Insurer or Administrator may, with written notice, terminate the Agreement for cause as provided in the Agreement. Insurer may suspend the underwriting authority of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer shall fulfill any lawful obligations with respect to policies affected by Agreement, regardless of any dispute between Insurer and Administrator. R.I. Gen. Laws § 27-20.7-3(c).

V. COMMUNICATIONS WITH MEMBERS/DELIVERY OF MATERIALS

Any policies, certificates, booklets, termination notices or other written communications delivered by Insurer to Administrator for delivery to insured parties or covered individuals shall be delivered by Administrator promptly after receipt of instructions from Insurer to deliver them. R.I. Gen. Laws § 27-20.7-11.

VI. ADVERTISING

Administrator may only use advertising pertaining to the business underwritten by Insurer that has been approved in writing by Insurer in advance of its use. R.I. Gen. Laws § 27-20.7-6.

VII. RESPONSIBILITIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria and claims payment procedures applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by the Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the written agreement between Administrator and Insurer. R.I. Gen. Laws § 27-20.7-7(a). It is the sole responsibility of Insurer to provide for competent administration of its programs. R.I. Gen. Laws § 27-20.7-7(b). Insurer shall, at least semi-annually, conduct a review of the operations of Administrator. At least one of these reviews shall be an on-site audit of the operations of Administrator. R.I. Gen. Laws § 27-20.7-7(c).

VIII. MAINTENANCE OF RECORDS

Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. The books and records shall be maintained in accordance with prudent standards of insurance record keeping and must be maintained for a period of not less than five (5) years from the date of their creation. R.I. Gen. Laws § 27-20.7-5(a). The commissioner shall have access to books and records maintained by Administrator for the purposes of examination, audit and inspection. Any documents, materials or other information in the possession or control of the department of business regulation that are furnished by Administrator, Insurer, a producer, or an employee or agent acting on behalf of Administrator, Insurer or a producer, or obtained by the commissioner in an investigation, shall be confidential by law and privileged, shall not be subject to chapter 2 of title 38, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. The commissioner is nevertheless authorized to use the documents, materials or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. R.I. Gen. Laws § 27-20.7-5(b). Insurer shall own the records generated by Administrator pertaining to Insurer. Administrator shall retain the right to continuing access to books and records to permit Administrator to fulfill all of its contractual obligations to Members, claimants and Insurer. R.I. Gen. Laws § 27-20.7-5(g). In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of R.I. Gen. Laws § 27-20.7-5(a), Administrator may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for five (5) years. In those cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required in R.I. Gen. Laws § 27-20.7-5(a). R.I. Gen. Laws § 27-20.7-5(h).

IX. PAYMENTS TO ADMINISTRATOR

Payment to Administrator of any premiums or charges for insurance by or on behalf of Member(s) shall be deemed to have been received Insurer, and the payment of return premiums or claim payments forwarded by Insurer to Administrator shall not be deemed to have been paid to the Member or claimant until the payments are received by the Member or claimant. Nothing in this section limits any right of Insurer against Administrator resulting from the failure of Administrator to make payments to the Insurer, Members or claimants. R.I. Gen. Laws § 27-20.7-4.

X. COMPENSATION TO ADMINISTRATOR

Administrator shall not enter into an agreement or understanding with Insurer in which the effect is to make the amount of Administrator's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement and payment of losses covered by Insurer's obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing hospital or other auditing services. R.I. Gen. Laws § 27-20.7-9(a). This section shall not prevent the compensation of Administrator from being based on premiums or charges collected or the number of claims paid or processed. R.I. Gen. Laws § 27-20.7-9(b).

XI. NOTICE AND DISCLOSURE OF CHARGES AND FEES

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, the Member and Insurer. R.I. Gen. Laws § 27-20.7-10(a). When Administrator collects funds, the reason for collection of each item must be identified to the Member and each item must be shown separately from any premium. Additional charges may not be made for services to the extent the services have been paid for by Insurer. R.I. Gen. Laws § 27-20.7-10(b). Administrator shall disclose to Insurer all charges, fees and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions paid by insurers providing reinsurance. R.I. Gen. Laws § 27-20.7-10(c).

XII. PREMIUM COLLECTION AND PAYMENT OF CLAIMS

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state insured financial institution. The Agreement shall provide for Administrator to periodically render an accounting to Insurer detailing all transactions performed by the administrator pertaining to the business underwritten by Insurer. R.I. Gen. Laws § 27-20.7-8(a). If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon requests of Insurer, shall furnish Insurer with copies of the records pertaining to the deposits and withdrawals. R.I. Gen. Laws § 27-20.7-8(b). Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from the account shall be made as provided in the Agreement. The Agreement shall address, but not be limited to, the following: (1) remittance to an insurer entitled to remittance; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims paying account, with claims to be paid as provided for in R.I. Gen. Laws § 27-20.7-8(d) of this section; (4) payment to a group policyholder for remittance to the insurer entitled to the remittance; (5) payment to Administrator of its commissions, fees or charges; and (6) remittance of return premium to the person or persons entitled to the return premium. R.I. Gen. Laws § 27-20.7-8(c). All claims paid by Administrator from funds

collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. R.I. Gen. Laws § 27-20.7-8(d).

SOUTH CAROLINA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of South Carolina, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by S.C. Code § 38-51-40. This Addendum applies to the extent Member(s) reside in the State of South Carolina, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT NECESSARY

A written agreement between Administrator and Insurer must be retained as part of the official records of both Insurer and Administrator for the duration of the agreement and five years thereafter. S.C. Code § 38-51-40.

IV. ADVERTISING

Administrator may use only the advertising pertaining to the business underwritten by Insurer that has been approved by Insurer in advance of its use. S.C. Code § 38-51-70.

V. NOTICE REQUIRED

Administrator shall provide a written notice approved by the Insurer to the Member(s) advising them of the identity of and relationship among the Administrator, the policyholder, and the Insurer. S.C. Code § 38-51-120.

VI. COMPENSATION TO ADMINISTRATOR.

When Administrator adjusts or settles claims, the compensation to Administrator with regard to these policies may in no way be contingent on claim experience. This section does not prevent the compensation of Administrator from being based on premiums or charges collected or number of claims paid or processed. S.C. Code § 38-51-110.

VII. CLAIMS PAYMENT

All claims paid by Administrator from funds collected on behalf of Insurer must be paid only on drafts of and as authorized by Insurer. S.C. Code § 38-51-100.

VIII. BOOKS AND RECORDS REQUIRED

Administrator shall maintain at its principal office for the duration of the Agreement and five (5) years thereafter adequate books and records of all transactions among Administrator, Insurer, and Member. The books and records must be maintained in accordance with prudent standards of insurance record keeping. The director or his designee shall have access to the books and records for the purpose of examination, audit, and inspection, and information from the records must be furnished to the director or his designee on demand. Any trade secrets contained therein, including, but not limited to, the identity and addresses of policyholders and certificate holders, are confidential, except that the director or his designee may use the information in any proceedings instituted against Administrator. Insurer shall retain the right to continuing access to the books and records of Administrator sufficient to permit Insurer to fulfill all of its contractual obligations to Member subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. S.C. Code § 38-51-60.

IX. UNDERWRITING

The Agreement shall make provision with respect to the underwriting or other standards pertaining to business underwritten by Insurer. S.C. Code § 38-51-80.

X. CHARGES OR PREMIUMS

All insurance charges or premiums collected by Administrator on behalf of or for Insurer and return premiums received from Insurer must be held by Administrator in a fiduciary capacity. The funds must be immediately remitted to the person entitled thereto or deposited promptly in a fiduciary bank account established and maintained by Administrator. If charges or premiums so deposited are collected on behalf of or for more than one insurer, Administrator shall cause the bank in which the fiduciary account is maintained to keep records clearly recording the deposits in and withdrawals from the account on behalf of or for each insurer. Administrator shall promptly obtain and keep copies of all records and, upon request of Insurer, furnish Insurer with copies of the records pertaining to deposits and withdrawals on behalf of or for Insurer. Administrator may not pay any claim by withdrawals from the fiduciary account. Withdrawals from the account may be made, as provided in the Agreement between Administrator and Insurer, for; (1) remittance to an insurer entitled thereto; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account with claims to be paid as provided in § 38-51-100; (4) payment to a group policyholder for remittance to the insurer entitled thereto; (5) payment to Administrator of its commission, fees, or charges; or (6) remittance of return premiums to the person entitled thereto. S.C. Code § 38-51-90.

SOUTH DAKOTA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of South Dakota, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the requirements of SDCL § 58-29D-5 in the Agreement. This Addendum applies to the extent Member(s) reside in the State of South Dakota.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. SDCL § 58-29D-5.

IV. BOOKS AND RECORDS

- A. Administrator shall maintain and make available to Insurer complete books and records of all transactions performed on behalf of Insurer. The books and records shall be maintained in accordance with prudent standards of insurance record keeping and must be maintained for a period of not less than five (5) years from the date of their creation. SDCL § 58-29D-8.
- B. Insurer shall own the records generated by Administrator pertaining to Insurer. However, Administrator shall retain the right to continuing access to books and records to permit the Administrator to fulfill all of its contractual obligations to insured parties, claimants, and Insurer. SDCL § 58-29D-10.
- C. In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of Section IV(A), Administrator may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for five years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records for Administrator as required in SDCL § 58-29D-8. SDCL § 58-29D-11.

V. ADVERTISING

An administrator may use only such advertising pertaining to the business underwritten by an insurer as has been approved in writing by the insurer in advance of its use. SDCL § 58-29D-12.

VI. TERMINATION OF AGREEMENT, SUSPENSION OF UNDERWRITING AUTHORITY

Insurer or Administrator may, with written notice, terminate the Agreement for cause as provided in the Agreement. Insurer may suspend the underwriting authority of Administrator during the pendency of any dispute regarding the cause for termination of the Agreement. Insurer must fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. Insurer must file the notice and the reason for termination with the director within thirty days (30) of such termination. SDCL § 58-29D-6.

VII. DELIVERY OF COMMUNICATIONS

Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to deliver them. SDCL § 58-29D-20.

VIII. COLLECTION OF PREMIUMS AND PAYMENT OF CLAIMS

The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be deemed to have been received by Insurer, and the payment of return premiums or claim payments forwarded by Insurer to Administrator may not be deemed to have been paid to the Member or claimant until such payments are received by the Member or claimant. Nothing in this section limits any right of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members or claimants. SDCL § 58-29D-7. All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state insured financial institution. The Agreement between Administrator and Insurer provides for Administrator to periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. SDCL § 58-29D-14. If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to such deposits and withdrawals. SDCL § 58-29D-15. Administrator may not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from such account shall be made as provided in the Agreement between Administrator and Insurer. The Agreement shall address the following: (1) remittance to an insurer entitled to remittance; (2) deposit in an account maintained in the name of the insurer; (3) transfer to and deposit in a claims-paying account, with claims to be paid as provided for in SDCL § 58-29D-17; (4) payment to a group policyholder for

remittance to the insurer entitled to such remittance; (5) payment to Administrator of its commissions, fees or charges; or (6) remittance of return premium to the person or persons entitled to such return premium. SDCL § 58-29D-16.

IX. INSURER RESPONSIBILITIES

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in Agreement. It is the sole responsibility of Insurer to provide for competent administration of its programs. In cases where Administrator administers benefits for more than one hundred (100) certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least one such review shall be an on-site audit of the operations of Administrator. SDCL § 58-29D-13.

X. COMPENSATION TO ADMINISTRATOR

Administrator may not enter into any agreement or understanding with Insurer in which the effect is to make the amount of Administrator's commissions, fees or charges contingent upon savings effected in the adjustment, settlement and payment of losses covered by Insurer's obligations. This section may not prevent the compensation of Administrator from being based on premiums or charges collected or the number of claims paid or processed. SDCL § 58-29D-18.

XI. NOTIFICATIONS AND DISCLOSURES

Administrator shall provide a written notice approved by insurer to Members advising them of the identity of, and relationship among, Administrator, the Member and Insurer. When Administrator collects funds, the reason for collection of each item must be identified to Member and each item must be shown separately from any premium. Additional charges may not be made for services to the extent the services have been paid for by Insurer. Administrator shall disclose to Insurer all charges, fees and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions paid by insurers providing reinsurance. SDCL § 58-29D-19.

TENNESSEE STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Tennessee, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by T.C.A. 56-6-401 et seq. This Addendum applies to the extent Member(s) reside in the State of Tennessee, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The functions that Administrator will perform on behalf Insurer, as well as the underwriting standards, if applicable or other standards pertaining to the business underwritten by Insurer are as stated in the written Agreement. Administrator and Insurer shall each maintain the Agreement as part of their official records for a minimum of five (5) years after termination of the Agreement. Where a policy is issued to a trustee or trustees, a copy of the trust agreement and any amendments to the trust agreement shall be furnished to Insurer by Administrator and shall be retained as part of the official records of both Insurer and Administrator for the duration of the policy and five (5) years thereafter. T.C.A. 56-6-402.

IV. ADVERTISING

Administrator may use advertising pertaining to the business underwritten by Insurer only if the advertising has been approved by Insurer in advance of its use. T.C.A. 56-6-405.

V. ACCOUNTING AND CLAIMS PAYMENTS

A. Administrator shall act as a fiduciary in collecting or returning premiums or charges for Insurer. Funds collected by Administrator shall be immediately remitted to the person entitled to the funds or deposited in a fiduciary bank account which shall be established and maintained by Administrator. If charges or premiums deposited in a fiduciary account have been collected for more than one insurer, Administrator shall cause the bank in which the fiduciary account is maintained to keep records clearly showing the deposits and withdrawals from the fiduciary bank account for each insurer, including

Insurer. Administrator shall promptly obtain and keep copies of all the records and furnish to Insurer, upon its request, copies of the records pertaining to Insurer. T.C.A. 56-6-406.

- B. Administrator shall not pay any claim by withdrawals from the fiduciary account. Subject to the Agreement, withdrawals from the fiduciary bank account shall be made for the following: (1) remittance to an insurer entitled to the remittance; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insured entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the remittance. T.C.A.. 56-6-406.
- C. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts, checks, or electronic transfers of and as authorized by Insurer. T.C.A.. 56-6-407.

VI. RECORDS

- A. Administrator shall maintain for the duration of the Agreement and for five (5) years thereafter the written Agreement and books and records of all transactions between Administrator, Insurer, and Members in accordance with prudent standards of insurance recordkeeping. T.C.A.. 56-6-404(a).
- B. The Commissioner of the Insurance Department of the State of Tennessee shall have access to all books and records of Administrator relevant to the Agreement for the purpose of examination, audits, and inspection. Trade secrets contained in the books and records, including but not limited to, the identity and addresses of policyholders and certificate holders shall be kept confidential, except that the Commissioner may use the information in a proceeding instituted against Administrator. T.C.A. 56-6-404(a)-(b).
- C. Insurer shall have the right to continuing access to books and records maintained by Administrator sufficient to fulfill its contractual obligations to Members, subject to any restriction in the Agreement concerning the proprietary rights of the parties to such books and records. T.C.A.. 56-6-404(c).

VII. NOTICES REQUIRED

Administrator shall provide written notice to Members advising them of the identities of and relationship among Administrator, the policyholder, and Insurer. In the event Administrator collects funds, Administrator shall identify and state separately in writing to the person paying to Administrator any charge or premium for insurance coverage, the amount of any premium or charge for coverage specified by Insurer. T.C.A.. 56-6-409.

VIII. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for insurance paid by or on behalf of Members shall be deemed to have been received by Insurer when paid to Administrator. Claims or return premiums paid by Insurer to Administrator shall not be deemed to have

been paid to a Member or Network Pharmacy until the payment is received by the Member or Network Pharmacy. Nothing in this section limits the rights of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. T.C.A.. 56-6-403.

IX. BASIS OF COMPENSATION

Compensation to Administrator shall not be contingent upon claims experience. This section shall not prevent compensation based on the amount of premiums or charges collected or number of claims paid or processed. T.C.A.. 56-6-408.

TEXAS STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Texas, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by Tex. Ins. Code § 4151.102, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of Texas.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. DUTIES OF INSURER

Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the Agreement. The Insurer shall be the sole responsibility of Insurer to provide for competent administration of its programs. Tex. Ins. Code § 4151.1042(a), (b).

IV. CLAIMS PAYMENT

- A. A payment of a premium or contribution to Administrator by or on behalf of an insured or Member is considered to have been received by Insurer. Tex. Ins. Code § 4151.105.
- B. The payment of claims by Insurer to Administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant. Nothing herein shall limit any right of Insurer against Administrator resulting from its failure to make payments to the insureds or claimants. Tex. Ins. Code § 4151.105.
- C. To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or checks of and as authorized by Insurer. Tex. Ins. Code § 4151.111(b).
- D. Administrator may not pay a claim from a fiduciary bank account established under Section Tex. Ins. Code § 4151.107. Tex. Ins. Code § 4151.109.

V. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer agree to retain a copy of the Agreement as part of their official records for the term of the Agreement and five (5) years thereafter. Tex. Ins. Code § 4151.103(a). In the event a policy or plan document is issued to a trust, a copy of the trust agreement and any amendment thereto, becomes part of the Agreement. Tex. Ins. Code § 4151.102(b).
- B. **Maintenance.** During the term of the Agreement and for at least five (5) years thereafter, Administrator shall maintain at its principal office adequate books and records among Administrator, Insurer, and Members in accordance with prudent standards of insurance recordkeeping. Tex. Ins. Code § 4151.112. Upon termination of the Agreement, Administrator shall (i) deliver the books and records to a successor administrator or if there is not a successor administrator, to Insurer, and (ii) provide written notice to the Commissioner of the location of the books and records. Tex. Ins. Code § 4151.114.
- C. **Insurer Access.** Insurer is entitled to continuing access to Administrator's books and records sufficient to permit Insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator's books and records. Tex. Ins. Code § 4151.113(c). If Administrator administers benefits for more than one hundred (100) certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least biennially, Insurer shall conduct an on-site audit of the operations of Administrator. Tex. Ins. Code § 4151.1042(c).
- D. **Texas Insurance Commissioner Access.** Administrator acknowledges that Texas Insurance Code Sec. 4151.103(b) provides that "[o]n written request by the commissioner, the Administrator shall make the written agreement available for inspection by the commissioner or the commissioner's designee." Administrator further acknowledges that Texas Insurance Code Sec. 4151.113 provides that "[f]or the purpose of examination, audit, and inspection, the Administrator shall provide to the commissioner and the commissioner's designee access to the books and records maintained as required by Section 4151.112."

VI. ADJUDICATION OF CLAIMS

Administrator shall adjudicate a claim not later than the 60th day after the date on which it receives valid proof of loss in connection with the claim. Tex. Ins. Code § 4151.111(a).

VII. UNDERWRITING

The Agreement provides for the underwriting or other standards pertaining to the business underwritten by Insurer. Tex. Ins. Code §§ 4151.102(a-1), 4151.110.

VIII. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved by Insurer before the advertising is used. Tex. Ins. Code § 4151.116.

IX. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. To the extent Administrator is administering workers' compensation claims, Administrator may satisfy the notice requirements by including the notice as part of, or in conjunction with, the notice required under Texas Labor Code Sec. 406.005(c). Tex. Ins. Code § 4151.104(a), (b).

X. COMPENSATION

Administrator and Insurer agree that the compensation that is payable to Administrator under the Agreement may not be based on the savings accruing to Insurer because of adverse determinations regarding claims for benefits, reductions of or limitations of benefits, or other analogous actions that are made or taken by Administrator. This section shall not prevent Administrator's compensation from being based on a percentage of the premiums or charges Administrator collects or the number of claims paid or processed. Tex. Ins. Code § 4151.117.

XI. CONFIDENTIALITY

Administrator shall maintain information that identifies an individual covered by a plan as confidential, in accordance with Texas Insurance Code Sec. 4151.115. Tex. Ins. Code § 4151.115.

XII. AGREEMENTS BETWEEN ADMINISTRATORS AND EMPLOYERS

To the extent the Agreement is with an employer in connection with workers' compensation benefits for collecting contributions, adjusting claims, or settling claims, the Agreement does not limit or modify in any way (i) the insurance carrier's authority or responsibility, including financial responsibility, to comply with each statutory or regulatory requirement, and (ii) the provisions of the Agreement between Administrator and the insurance carrier under Texas Insurance Code Sec. 4151.253. Administrator shall comply with each statutory or regulatory requirement relating to a function assumed by or carried out by Administrator. Tex. Ins. Code § 4151.254.

XIII. CERTAIN FUNDS COLLECTED OR RECEIVED BY ADMINISTRATOR

Administrator must identify and state separately in writing the amount of any premium or contribution specified by Insurer for the coverage and provide the information to any person who pays to Administrator a premium or contribution. Administrator holds in a fiduciary capacity: (1) a premium or contribution Administrator collects on behalf of Insurer; and (2) a return premium Administrator receives from Insurer. Tex. Ins. Code § 4151.106.

XIV. DELIVERY OR DEPOSIT OF CERTAIN FUNDS RECEIVED BY ADMINISTRATOR

On receiving a premium, contribution, or return premium, Administrator shall: (1) timely deliver the funds to the person entitled to the funds according to terms of the Agreement; or (2) promptly deposit the funds in a fiduciary bank account established and maintained by Administrator. Tex. Ins. Code § 4151.107(a). If premiums or contributions deposited in a fiduciary bank account were collected on behalf of more than one insurer, plan, or plan sponsor, Administrator shall: (1) maintain records that clearly record separately the deposits to and withdrawals from the account on behalf of Insurer; and (2) on request of Insurer, provide to Insurer a copy of the records relating to deposits and withdrawals on behalf of Insurer or Plan. Tex. Ins. Code § 4151.107(b). The requirements of Tex. Ins. Code § 4151.107(b): (1) are in addition to requirements of any other federal or state law; and (2) do not authorize the commingling of funds if otherwise prohibited by law. Tex. Ins. Code § 4151.107(c).

XV. WITHDRAWALS FROM FIDUCIARY ACCOUNT

A withdrawal from a fiduciary bank account established under Section Tex. Ins. Code § 4151.107 may be made only as provided in the Agreement for any of the following purposes: (1) delivery to Insurer entitled to payment; (2) deposit in an account controlled and maintained in the name of Insurer; (3) transfer to and deposit in a claims payment account for payment of a claim as provided by Section Tex. Ins. Code § 4151.111; (4) payment to a group policyholder for delivery to the insurer entitled to payment; (5) payment to Administrator of Administrator's commission, fees, or charges; (6) delivery of a return premium to any person entitled to payment; or (7) payment of a premium for stop-loss or excess loss insurance. Tex. Ins. Code § 4151.108.

UTAH STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Utah, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by U.C.A. 1953 § 31A-25-301 et seq. This Addendum applies to the extent Member(s) reside in the State of Utah, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

Administrator and Insurer shall execute the Agreement and Administrator shall have a written agreement with each group policyholder represented. The Agreement shall include provisions addressing the underwriting or other standards pertaining to the business underwritten by the insurer. U.C.A. 1953 §§ 31A-25-301 and 31A-25-303(2).

IV. ADVERTISING

Administrator shall use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. U.C.A. 1953 § 31A-25-303(1).

V. ACCOUNTING AND CLAIMS PAYMENTS

A. All money received by Administrator in the capacity of third party administrator to Insurer shall be held by Administrator as a fiduciary. The money shall be paid in a timely manner to the persons entitled to the money. While any money is being held by Administrator, it shall be deposited promptly in one or more fiduciary bank accounts maintained by Administrator pursuant to any rule the Commissioner of the Department of Insurance for the State of Utah adopts to protect the integrity of the funds. U.C.A. 1953 § 31A-25-305(1).

B. To the extent Administrator deposits in a fiduciary account premiums collected on behalf of more than one insurer or more than one class of insureds, Administrator shall keep records clearly recording the deposits and withdrawals from the account by or for the benefit of persons beneficially entitled to them, if there are not separate accounts

for that purpose. Administrator shall furnish Insurer or the policyholder with copies of the records of the deposits and withdrawals pertaining to Insurer or the policyholder. U.C.A. 1953 § 31A-25-305(2).

- C. Administrator shall not pay any claim by making withdrawals from a fiduciary account in which premiums or charges are deposited. Subject to the Agreement, procedures for withdrawals from the fiduciary bank account may be made for the following: (1) remittance to an insurer entitled to the funds; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insurer entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the funds. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts or checks as authorized by Insurer. U.C.A. 1953 §§ 31A-25-305(3) and 31A-25-306.

VI. RECORDS

- A. Insurer shall have the right of continuing access to the books and records to permit Insurer to fulfill all of its contractual obligations to Members. The proprietary rights of the parties in the records shall be as stated in the Agreement. U.C.A. 1953 § 31A-25-302(1).
- B. Administrator shall maintain the Agreement and complete books and records of all transactions among Administrator, Insurer, and Members. Administrator shall maintain the records in accordance with prudent standards of insurance record keeping for at least three (3) years. Administrator shall provide copies of the books and records to any successor administrator upon request. U.C.A. 1953 § 31A-25-302(2).
- C. The Commissioner of the Department of Insurance for the State of Utah shall have access to books and records of Administrator relevant to the Agreement for the purpose of audit and inspection. Any trade secrets contained in the books and records, including the identity and addresses of policyholders and certificate holders, are confidential, except the Commissioner may use that information in any proceeding instituted against Administrator. U.C.A. 1953 § 31A-25-302(3).

VII. DELIVERY OF WRITTEN COMMUNICATIONS TO MEMBERS

Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly after receipt of instructions from Insurer to do so. U.C.A. 1953 § 31A-25-307.

VIII. DISCLOSURES

- A. Administrator shall provide written notice to Members, on a form approved by Insurer, advising Members of the identity of, and relationship among, Administrator, the policyholder, and Insurer. U.C.A. 1953 § 31A-25-402(1).

- B.** In the event Administrator collects funds, Administrator shall identify and state separately to the person paying Administrator the amount of Administrator's charge and the premium specified by Insurer for the insurance coverage. U.C.A. 1953 § 31A-25-402(2).

IX. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for insurance paid by or on behalf of Members shall be considered to have been received by Insurer when paid to Administrator. Payment of return premium or claims by Insurer to Administrator shall not be considered to have been paid to a Member or Network Pharmacy. Nothing in this section limits any right of Insurer against Administrator arising from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. U.C.A. 1953 § 31A-25-304.

X. BASIS OF COMPENSATION

Compensation to Administrator may be contingent upon claims experience only if Administrator discloses to the person whose plan is being administered any conflicts of interest which are present on account of the compensation arrangement. U.C.A. 1953 § 31A-25-401.

VERMONT STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Vermont, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

XI. APPLICABILITY

This Addendum is required in order to include the terms mandated by 18 V.S.A. § 9472. This Addendum applies to the extent Member(s) reside in the State of Vermont, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

XII. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

XIII. DUTIES OF ADMINISTRATOR

- A. If Administrator provides pharmacy benefit management to Insurer when Insurer is a health plan, Administrator shall discharge its duties with reasonable care and diligence and be fair and truthful under the circumstances then prevailing that Administrator acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. 18 V.S.A. § 9472(a).
- B. Administrator and Insurer may contract to III(C) and if Administrator and Insurer elect to do so then Administrator shall notify Insurer. 18 V.S.A. § 9472(b).
- C. If Administrator provides pharmacy benefit management to Insurer when Insurer is a health plan, Administrator shall:
 - a. Provide all financial and utilization information requested by Insurer relating to the provision of benefits to beneficiaries through that Insurer’s health plan and all financial and utilization information relating to services to Insurer. Administrator providing information under 18 V.S.A. § 9472 may designate that material as confidential. Information designated as confidential by Administrator and provided to Insurer under this subsection may not be disclosed by the health insurer to any person without the consent of Administrator, except that disclosure may be made by Insurer:
 - i. In a court filing under the consumer protection provisions of 9 V.S.A. chapter 63, provided that the information shall be filed under seal and that prior to the information being unsealed, the court shall give notice and an opportunity to be heard to Administrator on why the information should remain confidential;
 - ii. When authorized by 9 V.S.A. chapter 63;

- iii. When ordered by a court for good cause shown; or
 - iv. When ordered by the Commissioner as to a health insurer as defined in subdivision 9471(2)(A) of V.S.A. Title 18 pursuant to the provisions of V.S.A. Title 8 and V.S.A. Title 18.
- b. Notify Insurer in writing of any proposed or ongoing activity, policy, or practice of Administrator that presents, directly or indirectly, any conflict of interest with the requirements of this section.
 - c. With regard to the dispensation of a substitute prescription drug for a prescribed drug to a beneficiary in which the substitute drug costs more than the prescribed drug and Administrator receives a benefit or payment directly or indirectly, disclose to Insurer the cost of both drugs and the benefit or payment directly or indirectly accruing to Administrator as a result of the substitution.
 - d. Unless the Agreement provides otherwise, if Administrator derives any payment or benefit for the dispensation of prescription drugs within the State of Vermont based on volume of sales for certain prescription drugs or classes or brands of drugs within the State of Vermont, pass that payment or benefit on in full to Insurer.
 - e. Disclose to Insurer all financial terms and arrangements for remuneration of any kind that apply between Administrator and any prescription drug manufacturer that relate to benefits provided to beneficiaries under or services to Insurer's health plan, including formulary management and drug-switch programs, educational support, claims processing, and pharmacy network fees charged from retail pharmacies and data sales fees. Administrator providing information under this subsection may designate that material as confidential. Information designated as confidential by Administrator and provided to Insurer under this subsection may not be disclosed by Insurer to any person without the consent of Administrator, except that disclosure may be made by Insurer:
 - i. In a court filing under the consumer protection provisions of 9 V.S.A. Chapter 63, provided that the information shall be filed under seal and that prior to the information being unsealed, the court shall give notice and an opportunity to be heard to Administrator on why the information should remain confidential;
 - ii. When authorized by 9 V.S.A. Chapter 63;
 - iii. When ordered by a court for good cause shown; or
 - iv. When ordered by the Commissioner as to a health insurer as defined in 18 V.S.A. § 9471(2)(A) of V.S.A. Title 18 pursuant to the provisions of Title 8 and V.S.A. Title 18. 18 V.S.A. § 9472(c)

XIV. DUTIES OF INSURER

If Administrator provides pharmacy benefit management to Insurer when Insurer is a health plan, Insurer shall remain responsible for administering the health benefit plan in accordance with the health insurance policy or subscriber contract or plan and in compliance with all applicable provisions of the law. 18 V.S.A. § 9472(a).

XV. NOTICE REQUIRED

At least annually, if Administrator provides pharmacy benefit management to Insurer when Insurer is a health plan, Administrator shall disclose to Insurer, the Department of Financial Regulation, and the Green Mountain Care Board the aggregate amount Administrator retained on all claims charged to Insurer for prescriptions filled during the preceding calendar year in excess of the amount Administrator reimbursed pharmacies. 18 V.S.A. § 9472(d).

WEST VIRGINIA STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of West Virginia, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required by W. Va. § Code 33-46-3, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement. This Addendum applies to the extent Member(s) reside in the State of West Virginia.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. DUTIES OF INSURER

- A. Insurer shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Insurer to Administrator. The responsibilities of Administrator as to any of these matters shall be set forth in the Agreement. It shall be the sole responsibility of Insurer to provide for competent administration of its programs. W. Va. Code §§ 33-46- 7(a) and (b).
- B. Insurer shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Insurer and Administrator. W. Va. Code § 33-46-3(c).

IV. CLAIMS PAYMENT

- A. The payment to Administrator of any premiums or charges for insurance by or on behalf of the Member shall be considered to have been received by Insurer and the payment of return premiums or claim payments forwarded by Insurer to Administrator shall not be considered to have been paid to the Member or claimant until the payments are received by the Member or claimant. Nothing in this section limits any right of Insurer against Administrator resulting from the failure of Administrator to make payments to the Insurer, Members, or claimants. W. Va. Code § 33-46-4.
- B. To the extent Administrator pays a claim from money collected for or on behalf of Insurer, such claim shall be paid by on drafts or check of and as authorized by Insurer. W. Va. Code § 33-46-8(d).

V. RECORD RETENTION

- A. **The Agreement.** Administrator and Insurer shall retain a copy of the Agreement as part of their respective official records for the term of the Agreement and ten (10) years thereafter. W. Va. Code § 33-46-3(a).
- B. **Maintenance.** During the term of the Agreement and for at least ten (10) years from the date of their creation, Administrator shall maintain books and records among Administrator, Insurer, and Members in accordance with prudent standards of insurance recordkeeping and the terms and conditions of the Agreement. W. Va. Code § 33-46-5(a).
- C. **Insurer Access.** Insurer retains the right to access to Administrator's books and records sufficient to permit Insurer to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in Administrator's books and records. W. Va. Code § 33-46-5(a). If Administrator administers benefits for more than one hundred (100) certificate holders on behalf of Insurer, Insurer shall, at least semiannually, conduct a review of the operations of Administrator. At least one such review may be an on-site audit of the operations of Administrator. W. Va. Code § 33-46-7(c).
- D. **Administrator Access.** To the extent the Agreement provides that Insurer owns any records generated by Administrator pertaining to Insurer, Administrator shall retain the right of continuing access to those books and records to permit Administrator to fulfill all of its contractual obligations to Members, claimants, and Insurer. W. Va. Code § 33-46-5(g).
- E. **West Virginia Insurance Commissioner Access.** Administrator acknowledges that W. Va. Code § 33-46-5(b) provides that "[t]he commissioner shall have access to books and records maintained by an administrator for the purposes of examination, audit, and inspection. Any documents, materials or other information in the possession or control of the commissioner that is furnished by an administrator, insurer, insurance producer or an employee or agent thereof acting on behalf of the administrator, insurer or insurance producer, or obtained by the commissioner in an investigation is confidential by law and privileged, is not subject to chapter twenty-nine-b of this code, is not subject to subpoena and is not subject to discovery or admissible as evidence in any private civil action. However, the commissioner may use the documents, materials or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties."
- F. In the event Insurer and Administrator cancel the Agreement, notwithstanding the provisions of the Agreement and this Addendum, Administrator, in its sole discretion, may, by written agreement with Insurer, transfer all records to a new administrator rather than retain them for ten (10) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Administrator as required by W. Va. Code 33-46. W. Va. Code § 33-46-5(h).

VI. COMPENSATION

- A. Administrator's compensation under the Agreement is not contingent upon savings effected in the adjustment, settlement, and payment of losses covered by Insurer's obligations. This provision shall not prohibit Administrator from receiving performance-based compensation for providing auditing services and shall not prevent Administrator's compensation from

being based on premiums or charges collected or the number of claims paid or processed. W. Va. Code § 33-46-9.

- B. Administrator shall disclose to Insurer all charges, fees, and commissions received from all services in connection with the provision of administrative services for Insurer, including any fees or commissions, if any, paid by insurers providing reinsurance. W. Va. Code § 33-46-10(c).

VII. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. W. Va. Code § 33-46-6.

VIII. UNDERWRITING

The Agreement includes a statement of duties that the Administrator is expected to perform on behalf of the insurer and the lines, classes or types of insurance which the Administrator is to be authorized to administer. The Agreement shall make provision with respect to underwriting or other standards pertaining to the business underwritten by the Insurer. W. Va. Code § 33-46-3(b).

IX. NOTICE TO MEMBERS

Administrator shall provide a written notice approved by Insurer to Members advising them of the identity of, and relationship among, Administrator, Member, and Insurer. W. Va. Code § 33-46-10(a). Any policies, certificates, booklets, termination notices, or other written communications delivered by Insurer to Administrator for delivery to Members shall be delivered by Administrator promptly, after receipt of instructions from Insurer to deliver them. W. Va. Code § 33-46-11. In the event Administrator collects funds, Administrator shall inform Members of the reason for collecting such funds and shall show each item separately from any premium. Additional charges shall not be made for services to the extent the services have been paid for by the insurer. W. Va. Code § 33-46-10(b).

X. TERMINATION

Administrator and Insurer may, with written notice, terminate the Agreement for cause as provided in the Agreement. W. Va. Code § 33-46-3(c).

XI. PREMIUM COLLECTION AND PAYMENT OF CLAIMS

All insurance charges or premiums collected by Administrator on behalf of or for Insurer, and the return of premiums received from Insurer, shall be held by Administrator in a fiduciary capacity. The funds shall be immediately remitted to the person entitled to them or shall be deposited promptly in a fiduciary account established and maintained by Administrator in a federally or state-insured financial institution. The Agreement provides for Administrator to periodically render an accounting to Insurer detailing all transactions performed by Administrator pertaining to the business underwritten by Insurer. W. Va. Code § 33-46-8(a).

If charges or premiums deposited in a fiduciary account have been collected on behalf of or for one or more insurers, Administrator shall keep records clearly recording the deposits in and withdrawals from the account on behalf of each insurer. Administrator shall keep copies of all the records and, upon request of Insurer, shall furnish Insurer with copies of the records pertaining to the deposits and withdrawals. W. Va. Code § 33-46-8(b).

Administrator shall not pay any claim by withdrawals from a fiduciary account in which premiums or charges are deposited. Withdrawals from the account shall be made as provided in the Agreement between Administrator and Insurer. The Agreement shall address, but not be limited to, the following: (1) remittance to an insurer entitled to remittance; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account, with claims to be paid as provided for in W. Va. Code § 33-46-8(d); (4) payment to a group policyholder for remittance to the insurer entitled to the remittance; (5) payment to Administrator of its commissions, fees or charges; and (6) remittance of return premium to the person or persons entitled to the return premium. W. Va. Code § 33-46-8(c).

All claims paid by Administrator from funds collected on behalf of or for Insurer shall be paid only on drafts or checks of and as authorized by Insurer. W. Va. Code § 33-46-8(d).

WISCONSIN STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Wisconsin, “Administrator” shall mean MeridianRx, LLC, and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Wis. Adm. Code Ins 8.22-8.32 and W.S.A. 633.01-633.12. This Addendum applies to the extent Member(s) reside in the State of Wisconsin, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT NECESSARY

Administrator and Insurer shall each retain a copy of the Agreement for the duration of the Agreement and for five (5) years thereafter. If a policy is issued to a trust, Administrator shall retain a copy of the trust agreement for the duration of the trust agreement and for five (5) years thereafter. W.S.A. 633.04.

IV. EXAMINATION OF BOOKS AND RECORD

The commissioner may examine, audit or accept an audit of the books and records of Administrator as provided for examination of licensees under W.S.A. 601.43(1), (3), (4), and (5), to be conducted as provided in W.S.A. 601.44, and with costs to be paid as provided in W.S.A. 601.45. W.S.A. 633.06(1). Insurer may inspect the books and records of Administrator, subject to any restrictions set forth in W.S.A. § 146.81 to 146.835 and in the Agreement required under W.S.A. 633.04, for the purpose of enabling the Insurer to fulfill its contractual obligations to Member(s). W.S.A. 633.06(2).

V. PAYMENT TO ADMINISTRATOR

Payment to Administrator of a premium or charge by or on behalf of a Member is payment to Insurer, but payment of a return premium or claim by Insurer to Administrator is not payment to a Member until the payment is received by the Member. This section does not limit any right of Insurer against Administrator for failure to make payments to Insurer or Member. W.S.A. 633.05.

VI. APPROVAL OF ADVERTISING

Administrator may not use any advertising for a plan underwritten by Insurer unless Insurer approves the advertising in advance. W.S.A. 633.07.

VII. UNDERWRITING

The parties agree that Administrator does not provide any underwriting services to Insurer. Insurer understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Insurer. W.S.A. 633.04(6) and 633.08.

VIII. ACCOUNTS

Administrator shall hold in a fiduciary capacity all moneys that Administrator collects or receives on behalf of other persons. Within two (2) business days after collection or receipt of such moneys, Administrator either shall pay the moneys to the persons entitled to them or shall deposit the moneys in a fiduciary account established and maintained by Administrator in a financial institution. W.S.A. 633.09(1). Administrator shall maintain fiduciary account records in accordance with generally accepted accounting principles. Administrator shall retain the fiduciary account records pertaining to Insurer for at least five (5) years beginning on the date of creation of the records. If Administrator deposits in a fiduciary account, moneys that Administrator has collected on behalf of more than one (1) principal, Administrator shall keep records of the account that clearly indicate deposits made under W.S.A. 633.09(1) and withdrawals made under W.S.A. 633.09(4) on behalf of each principal. Upon request by Insurer, Administrator shall provide Insurer copies of those portions of the records pertaining to deposits and withdrawals made on behalf of Insurer and shall otherwise permit inspection by Insurer as provided under W.S.A. 633.06(2). W.S.A. 633.09(2). Interest earned on moneys deposited in a fiduciary account is the property of Insurer unless otherwise provided in the Agreement. W.S.A. 633.09(3). Administrator may not pay any claim by withdrawal from a fiduciary account. Administrator may make the following payments from a fiduciary account: (1) to Insurer, the funds belonging to Insurer; (2) to a plan policyholder for payment to a principal, the funds belonging to the principal; (3) to a Member, the funds belonging to the Member; (4) to another account maintained in the name of Insurer, the funds belonging to Insurer; (5) to a claims paying account, the funds belonging to Insurer for payment of claims owed by Insurer; (6) to Administrator, commissions, fees or charges owed Administrator by Insurer. W.S.A. 633.09(4).

IX. PAYMENT OF CLAIMS

Administrator shall pay claims from funds paid to the claims paying account under W.S.A. 633.09(4)(b) on drafts or checks authorized in advance by Insurer. W.S.A. 633.10.

X. CLAIM ADJUSTMENT COMPENSATION

If Administrator adjusts or settles claims, the commission, fees or charges that Insurer pays Administrator may not be based on the plan's loss experience. This does not prohibit compensation based on charges collected or amount of claims paid or processed by Administrator. W.S.A. 633.11.

XI. NOTIFICATION

Administrator shall prepare sufficient copies of a written notice approved in advance by Insurer for distribution to all Members and shall either distribute the copies to the Members or provide copies to the Insurer to do so. Written notice shall contain:

- A. Names and addresses of Administrator and Insurer.
- B. An explanation of the rights and responsibilities of Administrator, Insurer, and Members.
- C. Statement of the extent to which the plan is insured or self-insured, and explanation of the terms “insured” and “self-insured”. W.S.A. 633.12(1). If Administrator collects charges from Members on behalf of Insurer, at least once each year, prior to collecting, Administrator shall provide written notice to the person stating the amount of the charges. W.S.A. 633.12(2).

XII. LICENSURE

Administrator is licensed as provided in W.S.A. 633.13.

WYOMING STATUTORY/REGULATORY REQUIREMENTS

With respect to the following provisions required by the State of Wyoming, “Administrator” shall mean MeridianRx, LLC and “Insurer” shall mean Client.

Notwithstanding anything in the Agreement to the contrary, Administrator and Insurer agree as follows:

I. APPLICABILITY

This Addendum is required in order to include the terms mandated by Chapter 4, Wyoming Insurance Regulations. This Addendum applies to the extent Member(s) reside in the State of Wyoming, to the extent such requirements are applicable to the services provided by Administrator under the Agreement and such requirements are not already addressed in the Agreement.

II. GENERAL

In the event of a direct conflict between this Addendum and the Agreement, the applicable provisions of this Addendum shall control if required. Absent such direct conflict, the terms and conditions of the Agreement shall remain in full force and effect. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

III. WRITTEN AGREEMENT

The written Agreement between Administrator and Insurer shall be in place before Administrator may act in the capacity of a third party administrator to Insurer. The underwriting standards of Insurer, if applicable, or other standards pertaining to the business underwritten by Insurer shall be as stated in the Agreement. Administrator and Insurer shall each maintain the Agreement as part of their official records for the duration of the Agreement and three (3) years thereafter. Wyo. Ins. Reg., Ch. 4, §§ 4(a), 8.

IV. ADVERTISING

Administrator may use advertising relating to the business underwritten by Insurer only to the extent that the advertising has been approved in writing by Insurer before the advertising is used. Wyo. Ins. Reg., Ch. 4, § 7.

V. ACCOUNTING AND CLAIMS PAYMENTS

A. Administrator shall act as a fiduciary in collecting or returning premiums or charges for Insurer. Funds collected by Administrator shall be immediately remitted to the person entitled to the funds or deposited in a fiduciary bank account which shall be established and maintained by Administrator. If charges or premiums deposited in a fiduciary account have been collected for more than one insurer, Administrator shall cause the bank in which such fiduciary account is maintained to keep records clearly showing the deposits and withdrawals from the fiduciary bank account for each insurer, including Insurer. Administrator shall promptly obtain and keep copies of all such records and

shall furnish to Insurer, upon its request, copies of such records pertaining to deposits and withdrawals on behalf of or for Insurer. Wyo. Ins. Reg., Ch. 4, § 9.

- B. Administrator shall not pay any claim with money withdrawn from a fiduciary account established as set forth above. Subject to the Agreement, withdrawals from the fiduciary bank account shall only be made for the following: (1) remittance to an insurer entitled to the funds; (2) deposit in an account maintained in the name of Insurer; (3) transfer to and deposit in a claims-paying account; (4) payment to a group policyholder for remittance to the insurer entitled to the funds; (5) payment to Administrator for its commission, fees, or charges; or (6) remittance of return premiums to the person entitled to the funds. All claims paid by Administrator from funds collected on behalf of Insurer shall only be paid on drafts of and as authorized by Insurer. Wyo. Ins. Reg., Ch. 4, §§ 9, 10.

VI. RECORDS

- A. Administrator shall maintain, in accordance with prudent standards of insurance record keeping, books and records of all transactions between Administrator, Insurer, and Members for the duration of the Agreement and three (3) years thereafter. Wyo. Ins. Reg., Ch. 4, § 6.
- B. The Commissioner of the Insurance Department of the State of Wyoming shall have access to the books and records of Administrator relevant to the Agreement for the purpose of examination, audit, and inspection. Wyo. Ins. Reg., Ch. 4, § 6.
- C. Insurer retains the right to continuing access to the books and records of Administrator necessary to fulfill Insurer's contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. Wyo. Ins. Reg., Ch. 4, § 6.
- D. Nothing in the Agreement or this section shall relieve Insurer of the obligation to maintain books and records of all its insurance transactions for the purpose of examination, audit, and inspection by Commissioner of the Insurance Department of the State of Wyoming. Wyo. Ins. Reg., Ch. 4, § 6.

VII. NOTICES REQUIRED

Administrator shall provide written notice to Members, in a form approved by Insurer, advising them of the identities of and relationship among Administrator, the policyholder, and Insurer. Wyo. Ins. Reg., Ch. 4, § 13. In the event Administrator collects funds, Administrator shall identify and state separately in writing to the person paying to Administrator any charge or premium for insurance coverage, the amount of any premium or charge for coverage specified by Insurer. Wyo. Ins. Reg., Ch. 4, § 13.

VIII. EFFECT OF PAYMENT

Payment to Administrator of any premiums or charges for coverage paid by or on behalf of Members shall be deemed to have been received by Insurer when paid to Administrator. Claims or return premiums paid by Insurer to Administrator shall not be deemed to have

been paid to a Member, certificate holder, or Network Pharmacy until the payment is received by the Member, certificate holder, or Network Pharmacy. Nothing in this section limits the rights of Insurer against Administrator resulting from the failure of Administrator to make payments to Insurer, Members, or Network Pharmacies. Wyo. Ins. Reg., Ch. 4, § 5.

IX. BASIS OF COMPENSATION FOR CLAIMS ADJUSTMENT/SETTLEMENT

The Agreement shall not provide for commissions, fees, or charges to Administrator contingent upon claim experience. This section shall not prevent compensation to Administrator from being based on premiums or charges collected or number of claims paid or processed. Receipt by Administrator of claims, proofs of loss, and supporting evidence shall be deemed receipt by Insurer. Wyo. Ins. Reg., Ch. 4, § 11.

X. REGISTRATION AND APPOINTMENT

Insurer shall register and appoint Administrator to serve as its administrator with the Insurance Department of the State of Wyoming on forms provided by the Insurance Department. Wyo. Ins. Reg., Ch. 4, § 15.

XI. LICENSE REQUIREMENTS

Administrator shall act only in the capacity in which it is licensed.

- A.** Administrator shall not solicit applications for insurance or annuities for an insurer, negotiate insurance or annuities on its behalf, or carry out and countersign insurance policies unless licensed in Wyoming as an agent.
- B.** Administrator shall not, on behalf of any insured, for compensation or fee, solicit, negotiate, or procure insurance or the renewal or continuance thereof for insureds or prospective insureds unless licensed in Wyoming as a broker.
- C.** Administrator shall not adjust claims in Wyoming for an insurer by investigating or negotiating settlements unless licensed in Wyoming as an attorney at law, an adjuster, or an agent or broker who adjusts or assists in adjustment of losses arising under policies issued by the insurers represented by it. Nothing in this section shall be interpreted as prohibiting Administrator from engaging in ministerial or clerical activities relating to the payment of claims. Wyo. Ins. Reg., Ch. 4, § 12.