



**CARRIER-SPONSORED LIFE INSURANCE AGENTS AND BROKERS
ERRORS & OMISSIONS PROGRAM PARTICIPATION AGREEMENT**
OPTIONAL: DATABASE MANAGEMENT/E&O
COMPLIANCE PROPOSAL ADDENDUM

SITUATION Performing the duties articulated in the Participation Agreement will cause Rockwood to communicate with each Participant producer four times over a twelve-month period. This situation places us in the unique position of being able to build a state-of-the-art, single-source database application on behalf of the Participant. Benefits to be realized include:

- a vehicle for ensuring compliance of E&O coverage requirements for their entire agency force;
- the capability to instantaneously communicate to their entire producer network via broadcast fax and/or e-mail. This facility would be established in such a way as to allow for product-specific announcements;
- the ability to validate/record tax id numbers for IRS reporting purposes; and
- a tool for developing in-depth marketplace analyses. By combining the producer database with consumer demographic data, new market opportunities may be identified.

1. ROCKWOOD DUTIES

In exchange for payment of \$10 per agent, Rockwood Programs will conduct the compliance activities listed in A through E below:

A. Electronic Data Cleansing After receiving a complete list of agents from Participant, an electronic “data scrubbing” will be performed on the database. Specific steps:

- Removal of duplicates, identification of incomplete records, etc.;
- Electronic standardization of all data records (replacement of abbreviations in addresses, addition of zip +4 where applicable, etc.);
- Update records by matching the original data file to the NCOA (National Change of Address) system; and
- Utilization of an outside firm to append telephone numbers to all records (when missing).

B. Telemarketing Follow-up Under the terms of the Participation Agreement, multiple written communications will be sent requesting that all non-responding requesting that all non-responding agents to provide evidence of

concurrent E&O coverage. Rockwood will:

- Conduct telemarketing follow-up to secure proof of E&O coverage. Three attempts will be made to reach every non-responder;
- Verify data within the file, including tax id, address, and contact name; and
- Secure additional data elements missing from the original file. This includes fax numbers, e-mail addresses, primary contact name (if an entity), as well as other information specifically requested by Participant.

C. Establish a Blast Fax Facility Rockwood will partner with an outside provider to develop a complete fax facility for Participant. This facility will serve as both:

An automated sales support center. Marketing materials, application forms, new product offering announcements, overcoming common objections, etc. will all be available via fax. This facility will be available to Participant agents 24 hours a day; and

An out-bound, broadcast fax system. Press releases, newsletters, product fact sheets, etc. can be broadcast to the producer force via fax. Recipients can be limited by any of the data elements maintained in the agency file. Examples include carrier regional office, geographic location, production/annual revenues, etc.

D. Establish an E-Mail System Those agents who are connected to the Internet will be included in an e-mail network. Rockwood will partner with an outside vendor to host the site unless the Participant has sufficient IT resources to maintain the system in-house. Many of the benefits articulated in the blast fax section can also be realized by use of the Internet (two-way communication, cost effectiveness, speed of transmission, etc.). These producers would also have the capability to submit their application on-line.

E. Conduct Marketplace Analysis A “cleansed” version of the database of producers will be married to zip+4 level consumer demographic data to identify both under-served and over-saturated market areas. Analysis will be conducted on those factors identified by the Participant (e.g., annual income, average age, marital status, etc.) to determine key regional opportunities.

2. PARTICIPANT DUTIES

A. Provide Funding Funding required to support the compliance initiative will be provided by the Participant. Cost will be assessed on a per agent basis and will further be dependent on the number of activities being performed. Expenses required to maintain the Fax-On-Demand and Internet sites after initial set-up will also be borne by the Participant.

B. Commit Internal Resources Participant will dedicate sufficient internal resources to adequately support the compliance initiative as needed. Areas include (but are not limited to) data processing, legal, agency relations, and marketing.

C. Adhere to Pre-Established Time Service Standards The Participant recognizes that the success of the compliance initiative is dependent on its ability to respond to requests on a timely basis. These requests include:

- Data files, agency lists, etc.
- Legal and marketing approvals on brochures, Fax-On-Demand materials and other communications developed for the Participant’s producer force;
- Strategic direction, such as the identification of additional data elements the Participant wishes to be secured from their producers; and
- Funding support. NOTE: All requests for funds will be accompanied by supporting documentation.

Participant agrees to retain Rockwood Programs to perform the compliance services articulated above.

WITNESS:

Participating Carrier:

By: _____

By: _____