



August 15, 2014

**ADVANCE NOTICE OF RE-ADOPTION OF EMERGENCY REGULATIONS
TITLE 10. INVESTMENT
CHAPTER 12. CALIFORNIA HEALTH BENEFIT EXCHANGE
ARTICLE 10. CERTIFIED INSURANCE AGENTS**

This notice is sent in accordance with Government Code Section 11346.1(a)(2), which requires that State of California agencies give advance notice at least five working days of their intent to file emergency regulations with the Office of Administrative Law (OAL). The California Health Benefit Exchange (“Exchange”) intends to file a re-adoption of an Emergency Rulemaking package with the Office of Administrative Law (OAL) that allows the Exchange to establish policies and procedures for accepting applications, selecting applicants, establishing roles and responsibilities, and compensation standards for Certified Insurance Agents. As required by subdivisions (a)(2) and (b)(2) of Government Code Section 11346.1, this notice appends the following: (1) the specific language of the proposed regulation and (2) the Finding of Emergency, including specific facts demonstrating the need for immediate action, the authority and reference citations, the informative digest and policy statement overview, attached reports, and required determinations.

The Exchange plans to file the Emergency Rulemaking package with OAL at least five working days from the date of this notice. If you would like to make comments on the Finding of Emergency or the proposed regulations (also enclosed), they must be received by both the Exchange and the Office of Administrative Law within five calendar days. Response to these comments is strictly at the Exchange’s discretion.

Comments should be sent simultaneously to:

California Health Benefit Exchange
Attn: Tessa Hammer
1601 Exposition Blvd
Sacramento, CA 95815

Office of Administrative Law
300 Capitol Mall, Suite 1250
Sacramento, CA 95814

Upon filing, OAL will have ten (10) calendar days within which to review and make a decision on the proposed emergency rule. If approved, OAL will file the regulations with the Secretary of State, and the emergency regulations will become effective for two years from the initial date of adoption or until revised by the Board. This advance notice and comment period is not intended to replace the public's ability to comment once the emergency regulations are approved.

You may also view the proposed regulatory language and Finding of Emergency on the Exchange's website at the following address: <http://hbex.coveredca.com/regulations/>.

If you have any questions concerning this Advance Notice, please contact Tessa Hammer at (916) 228-8232.

UPDATED FINDING OF EMERGENCY

The Director of the California Health Benefit Exchange finds that an emergency exists and that this proposed emergency regulation is necessary to address a situation that calls for immediate action to avoid serious harm to the public peace, health, safety or general welfare.

This emergency rulemaking was previously adopted by OAL on September 30, 2013, readopted on April 2, 2014, and readopted July 1, 2014. The Exchange now seeks a further readoption. The Exchange has reviewed and refined the proposed emergency regulations to streamline the process and improve clarity. The changes for this readoption are as follows:

- Changes to the Agent Agreement (Rev. August, 2014)
- Changes to section 6804, Agent Certification Application.
- Changes to section 6806, Training Standards.
- Changes to the Brand Style Guide (Rev. May, 2014)
- Changes to Terms and Conditions of Use (Rev. April, 2014)
- Addition of Notice of Privacy Practices (Rev. March, 2014)

Text proposed to be added is displayed in underline type font. Text proposed to be deleted is displayed in ~~striketrough~~ type font. Other, non-substantive changes are documented in the attached revision.

The Exchange is also in the process of making this rulemaking permanent and has proceeded with diligence to comply with the requirements in Government Code § 11346.1(e), and has made substantial progress in that regard. For example, the Exchange is in the process of developing the economic cost estimate and an Initial Statement of Reasons for the permanent rulemaking. The Exchange cannot seek a permanent rulemaking at this time as it continues to gather information from the program's first year of operation. The Exchange continues to welcome stakeholder feedback on this rulemaking and intends to allow for a full 45-day comment period for formal comments during the subsequent process for permanent adoption.

SPECIFIC FACTS SHOWING THE NEED FOR IMMEDIATE ACTION

The necessity of this regulation to be adopted immediately has been declared by the legislature in Government Code section 100504 (a)(6) which deems the Exchange with emergency rule making authority:

Until January 1, 2016, any necessary rules and regulations may be adopted as emergency regulations in accordance with the Administrative Procedures Act. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

AUTHORITY AND REFERENCE

Authority: Government Code Sections 100503 and 100504.

Reference: Government Code Section 100503; 45 CFR §§ 155.205, 155.220, and 155.260.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Documents to be incorporated by reference:

Terms and Conditions of Use (Rev. April, 2014)

Notice of Privacy Practices (Rev. March, 2014)

Agent Agreement (Rev. August, 2014)

Brand Style Guide for Agents (Rev. May, 2014)

STD.204 Payee Data Record (Rev. June 2013)

Summary of Existing Laws

Under the federal Patient and Protection and Affordable Care Act (PPACA), each state is required, by January 1, 2014, to establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and small employers. Existing state law, the California Patient Protection and Affordable Care Act, established the California Health Benefit Exchange within state government, and specifies the powers and duties of the executive board of the Exchange.

The specific benefit anticipated from the proposed action is that it will allow the Exchange to establish policies and procedures for accepting applications, selecting applicants, establishing roles and responsibilities, and compensation standards for Certified Insurance Agents. With these regulations, consumers will be able to get assistance with enrollment into the programs administered by the Exchange.

After an evaluation of current regulations, the Exchange has determined that these proposed regulations are not inconsistent or incompatible with any existing regulations. The Exchange has determined these are the only regulations that concern the establishment of a certification process for agents by the Exchange.

MATTERS PRESCRIBED BY STATUTE APPLICABLE TO THE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

None.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The Executive Director of the California Health Benefit Exchange has determined that this proposed regulatory action does not impose a mandate on local agencies or school districts.

FISCAL IMPACT ESTIMATES (Attached Form 399)

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies.

COSTS OR SAVINGS TO STATE AGENCIES (Attached Form 399)

The proposal results in additional costs to the California Health Benefit Exchange, which is currently funded by federal grant money and will become financially self-sustaining in 2015. The proposal does not result in any costs or savings to any other state agency nor does it impact the general fund.

Text of Regulatory Language to Readopt:

Article 10, Sections 6800, 6802, 6804, and 6806,

Article 10. Certified Insurance Agents.

§ 6800. Definitions.

(a) For purposes of this article, the following terms shall have the following associated meanings:

Consumer: A person or entity seeking information on eligibility and enrollment or seeking application assistance with a health insurance or health related product available through the Exchange. The term consumer includes, but is not limited to, an applicant, an application filer, authorized representative, employer, qualified employee, qualified employer, qualified individual, small employer, or enrollee as defined in Section 6410 of Article 2 of this Chapter.

Certified Insurance Agent: An agent certified by the Exchange to transact in the individual and Small Business Health Options Program (SHOP) Exchanges.

Note: Authority cited: Sections 100503 and 100504, Government Code. Reference: Sections 100503, Government Code; and 45 C.F.R. §§ 155.205 and 155.220.

§ 6802. Eligible Individuals.

- (a) All individuals who are natural persons who hold a valid license and are in good standing as a life licensee under Insurance Code Section 1626 by the California Department of Insurance to transact in accident and health insurance are eligible to apply to become a Certified Insurance Agent.
- (b) The Exchange may require proof of a valid license and good standing by the California Department of Insurance as a condition of eligibility.

Note: Authority cited: Sections 100503 and 100504, Government Code. Reference: Sections 100503, Government Code; and 45 C.F.R. § 155.220.

§ 6804. Agent Certification Application.

- (a) To become a Certified Insurance Agent an eligible individual pursuant to Section 6802 shall:
- (1) Create an account for agents at www.CoveredCA.com, including, but not limited to, the following:
- (A) Agreement to adhere to the ~~CalHEERS~~ Terms and Conditions of Use (Rev. September-~~April~~, 2013~~4~~) herein incorporated by reference and the Notice of Privacy Practices (Rev. March, 2014) herein incorporated by reference;

Article 10. Certified Insurance Agents.

- (B) Business Legal Name, Federal Tax-ID (FEIN) and State Tax-ID (SEIN) if the individual is employed by or associated with a business. If the individual is not employed or associated with a business, provide the individual's First Name, Last Name, and Social Security Number;
 - (C) Identifying information for the individual including first name, last name, date of birth, Social Security Number, and Department of Insurance agent license number;
 - (D) Contact information including, but not limited to, address, email, phone number and preferred method of communication;
 - (E) A username, password, and Personal Identification Number (PIN).
- (2) Apply to the Exchange at www.CoveredCA.com by providing information including, but not limited to, the following:
- (A) First and last name;
 - (B) Insurance agent license number from the California Department of Insurance;
 - (C) License expiration date;
 - (D) Primary, business, and alternate phone number;
 - (E) Business name;
 - (F) Fax number;
 - (G) Federal Employment Identification Number, if any;
 - (H) Business address; and
 - (I) Correspondence address;
- (3) Select a preferred method of payment as either check or direct deposit.
- (A) If the individual chooses direct deposit, the individual shall provide the following information:
 1. Bank Name;
 2. Bank Routing Number;
 3. Bank Account Number;
 4. Name on account; and
 5. Payment Method.
 - (B) If the individual chooses checks, the individual shall provide the address to which the checks will be mailed.
- (b) The Exchange shall review the application and request any additional or missing information necessary to determine eligibility.

Article 10. Certified Insurance Agents.

- (c) Individuals who have submitted a completed application shall be notified of available opportunities by the Exchange for the individual to complete the training requirements established pursuant to Section 6806, subdivision (a).
- (d) Individuals who complete the training requirements established pursuant to Section 6806, subdivision (a), shall submit the following:
- (1) Payment for:
 - (A) Fees required by the California Department of Insurance pursuant to Insurance Code Sections 1751.3 and 12978; and
 - (B) Administrative fees of ~~ten (10)~~ twelve dollars and ~~twenty five (25) cents~~.
 - (2) An executed Agent Agreement (Rev. ~~September 2013~~ March/August, 2014) establishing the agent's roles and responsibilities, herein incorporated by reference;
 - (3) Proof of errors and omissions liability insurance with coverage of not less than \$1,000,000 per occurrence and \$1,000,000 annually in the aggregate; and
 - (4) A completed STD.204 Payee Data Record (Rev. June 2003) herein incorporated by reference.
- (e) Upon successful completion of subdivisions (a) – (d) above, the individual shall be designated as Certified Insurance Agent by the Exchange.

Note: Authority cited: Sections 100503 and 100504, Government Code. Reference: Sections 100503, Government Code; and 45 C.F.R. §§ 155.220. and 155.260.

§ 6806. Training Standards.

- (a) All individuals who apply to become a Certified Insurance Agent shall complete training and receive a passing score of at least 80% in the Exam administered by the Exchange including, but not limited to, the ~~following~~ subjects listed in subsection (c) prior to becoming certified.
- (b) All Certified Insurance Agents shall maintain current knowledge of the subjects listed in subsection (c).
- ~~(a)~~(c) Individuals applying to become Certified Insurance Agents and Certified Insurance Agents shall receive training in the following subjects:-
- (1) QHPs (including the metal levels described at 45 C.F.R. § 156.140(b)), and how they operate, including benefits covered, payment processes, rights and processes for appeals and grievances, and contacting individual plans;
 - (2) The range of insurance affordability programs, including Medicaid, the Children's Health Insurance Program, and other public programs;
 - (3) The tax implications of enrollment decisions;

Article 10. Certified Insurance Agents.

- (4) Eligibility requirements for premium tax credits and cost-sharing reductions, and the impacts of premium tax credits on the cost of premiums;
- (5) Contact information for appropriate federal, state, and local agencies for consumers seeking additional information about specific coverage options not offered through the Exchange;
- (6) Basic concepts about health insurance and the Exchange; the benefits of having health insurance and enrolling through an Exchange; and the individual responsibility to have health insurance;
- (7) Eligibility and enrollment rules and procedures, including how to appeal an eligibility determination;
- (8) Providing culturally and linguistically appropriate services;
- (9) Ensuring physical and other accessibility for people with a full range of disabilities;
- (10) Understanding differences among health plans;
- (11) Privacy and security standards applicable under 45 C.F.R. § 155.260 for handling and safeguarding consumers' personally identifiable information;
- (12) Working effectively with individuals with limited English proficiency, people with a full range of disabilities, people of any gender identity, people of any sexual orientation, and vulnerable, rural, and underserved populations;
- (13) Customer service standards;
- (14) Outreach and education methods and strategies; and
- (15) Applicable administrative rules, processes, and systems related to Exchanges and QHPs.

~~(b)~~(d) Training shall be provided by the Exchange through instructor led training or computer based training at the discretion of the Exchange.

~~(c) All Certified Insurance Agents shall participate in at least four (4) hours of Continuing Education Courses offered by the Exchange during the first year and each subsequent year to maintain certification by the Exchange. A year shall be based on the date of certification.~~

Note: Authority cited: Sections 100503 and 100504, Government Code. Reference: Sections 100503, Government Code; and 45 C.F.R. §§ 155.220 and 155.260.

CalHEERS Terms and Conditions

Terms and Conditions for CalHEERS

Welcome to Covered California's website. Please see below for information on our Privacy Policy and our Terms and Conditions.

Covered California's Privacy Policy

The Covered California has a Privacy Policy that applies to the personal information we may collect on this site. Our Privacy Policy describes the information privacy practices for the website you are currently visiting. We maintain administrative, physical, technical, electronic and procedural safeguards to protect the confidentiality and security of the personal information we collect. In our Privacy Policy, we explain:

- The information we collect online and how we use it;
- How to access or correct your information;
- How to request an accounting of disclosures of your information;
- How to request restrictions on the use and disclosure of your information;
- Your right to receive confidential communications;
- Your right to a paper copy of our Privacy Policy;
- How to file a complaint if you believe your privacy rights have been violated;
- Our commitment to website security;
- How we use technology to better serve you;
- What third-party website links you may see and use;
- How to contact us about your privacy or security; and
- The effective date of this Privacy Policy.

Information we may collect

Non-personally-identifiable information:

While you are visiting this website, at least, the following information will be automatically tracked:

Personally-identifiable information:

When you use our Service you are authorizing the sharing of your inquiry and your personal information with other businesses who provide services that match your inquiry. The personal information we collect may include, but is not limited to:

- Name
- Address
- Email address
- Phone number
- Demographic information
- Health information
- Financial information

If you have any questions, please email us at outreach@covered.ca.gov. We will respond to your questions within 30 days.

"Cookies" and "Clear Gifs"

"Cookies" are small files that are stored by your web browser to help a particular system recognize you and the pages you visited in a website. Our website uses cookies to make your online experience more convenient. For example, we may use a cookie to store your account information between sessions and to maintain information about the quotes you've requested during your session. Additionally, we may use data from cookies for a variety of internal purposes, such as studying how users navigate our website. We do not collect any personal information from cookies. Further, no other information we collect from cookies can be linked back to your personal information. Most browsers automatically accept cookies, but if you prefer, you can set yours to refuse cookies. Even without a cookie, you can still use most of the features on our website, including obtaining quotes and applying for an insurance policy.

"Clear gifs" are tiny graphics with a unique identifier, similar in function to cookies, that are used to track the online movements of website users. The main difference between the two is that clear gifs are invisible on the page and are much smaller than cookies. We do not collect any personal information from clear gifs. Further, no information we collect from clear gifs can be linked back to your personal information. We use third party web analytics services to track and analyze anonymous usage and volume statistical information from visitors to help us administer our website, analyze trends, improve our website's performance and to report website traffic. These web analytics services use cookies, clear gifs, log files and other web monitoring technologies to help track visitor behavior on our behalf. These services do not use these technologies to collect any personally identifiable information from website visitors.

Links to Other Websites

Our website contains links to other websites. Please note that when you click on one of these links you are "clicking" to another website. Covered California is not responsible for the information privacy practices or the content of such websites. We encourage you to read the privacy policies of these linked websites as their information privacy practices may differ from ours. Any Terms of Use, if any, of these third party sites may differ from Covered California Terms of Use. We also, encourage you to read the Terms of Use for any website you visit.

Changes to This Site

Information may be changed or updated on this site without notice. Covered California may also make improvements and/or changes in the products and/or programs described in this information at any time without notice.

Contacting Us

If you have any questions about CalHEERS (California Healthcare Eligibility, Enrollment and Retention System), this website, our service, or this Privacy Policy, you may contact us at: 1-888-975-1142

Terms of use

Your access to and use of this site ("Site") are subject to the terms and conditions contained herein. By checking the box on this screen, you accept these Terms of Use, without limitation or qualification. By checking this box, you also acknowledge that you agree with our Privacy Policy, (click link to view Privacy Policy).

The entry of your Password, Personal Identification Number (PIN), Social Security Number

(SSN), and/or other identifier serves as verification of your identity. Any instructions, choices, or requests you make on this Site will be considered your written permission to Covered California to provide information or conduct transactions on your behalf. You understand that your personal information may be shared, via secured connections only, with third parties with whom Covered California has contracted to provide benefits-related content on this website, but only to the extent necessary for the third party to perform its services to Accenture.

You are responsible for reviewing any written confirmation statements provided to you (on paper or in electronic form) regarding any instructions, choices, or requests that you make through this Site. You are also responsible for reviewing for inaccuracies all of the information transmitted to you. If there are inaccuracies, you are responsible for correcting them using the tools available to you on the Site or by contacting the Covered California to point them out.

The functionality of this Site permits you to request or provide personal information-for example, medical information, income, etc. You are solely responsible for any loss of privacy or confidentiality of this information if you move this information outside this Site or disclose your Password, Personal Identification Number (PIN), Social Security Number (SSN), or any other identifier to any other party. You agree to contact Covered California immediately if you have reason to believe that someone has gained unauthorized access to your Password, PIN, SSN, or any other identifier.

Certain links on this Site connect to Web sites maintained by third parties. We make no representations or warranties as to the content of these sites and take no responsibility for such sites. Our link to another site is not an endorsement of that site. We encourage you to review any Web site's policies before providing any personal information.

This Site may not perform as intended at all times. You agree that Covered California is not responsible for any error, omission, interruption or delay in operation of or transmission through this Site, communication line failure, system failure, or other circumstance beyond their control.

Terms and Conditions of Use

PURPOSE OF THIS AGREEMENT

PRIVACY PRACTICES

NOTICES REQUIRED UNDER GOVERNMENT CODE SECTION 11015.5

MODIFICATION OF THIS AGREEMENT

PERMISSION TO ACT ON YOUR BEHALF

HOW WE IDENTIFY YOU

REGISTRATION

SAFEGUARDING YOUR PERSONAL INFORMATION

ADDITIONAL TERMS FOR PRODUCTS OFFERED THROUGH THIS WEBSITE

OUTSIDE WEBSITES

THIRD-PARTY WEBSITE APPLICATIONS (TPWAs)

CONTENT AND OWNERSHIP

CONDUCT

POLICY ON SPAMMING

SECURITY & MONITORING NOTICE

TERMINATION OF USE

INDEMNITY

LIMITATION OF LIABILITY

JURISDICTION AND VENUE

REPRESENTATIONS

INTEGRATION AND SEVERABILITY

CONTACT US

PURPOSE OF THIS AGREEMENT

Referred to collectively as our “website,” Covered California operates and/or maintains several websites including, but not limited to, www.CoveredCA.com, v.calheers.ca.gov, www.healthexchange.ca.gov, and www.hbex.ca.gov. This document describes the Terms and Conditions of Use for our website. **Please review it carefully.**

Your access to and use of our website are subject to the following terms and conditions without limitation or qualification, as well as all applicable laws. Your access to the website is in consideration for your agreement to these Terms and Conditions, whether or not you are a registered user. By accessing, browsing, and using the Site, you accept, without limitation or qualification, these Terms and Conditions of Use.

PRIVACY PRACTICES

Our Notice of Privacy Practices describes how we use and disclose your personal information. For instance, the Notice of Privacy Practices describes how we share information with our contractors such as Certified Insurance agents and Certified Enrollment Counselors which we certify to help you enroll. By accessing, browsing, and using the Site, you accept, without limitation or qualification, our Notice of Privacy Practices. The Notice of Privacy Practices may change without notice. You may view the Notice of Privacy Practices at www.CoveredCA.com/Privacy or request a copy by contacting us at

Phone: (800) 889-3871

Email: PrivacyOfficer@covered.ca.gov

Mailing Address: ATTN: Privacy Officer
P.O. Box 1347, Sacramento, CA 95814

NOTICES REQUIRED UNDER GOVERNMENT CODE SECTION 11015.5

Pursuant to Government Code section 11015.5, Covered California is required to create a Privacy Notice concerning electronically collected personal information on our website.

According to Government Code section 11015.5, "electronically collected personal information" is any information maintained by an agency that identifies or describes an individual user, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, medical or employment history, password, electronic mail address, and information that reveals any network location or identity, but excludes any information manually submitted to a state agency by a user, whether electronically or in written form, and information on or relating to individuals who are users, serving in a business capacity, including, but not limited to, business owners, officers, or principals of that business.

INFORMATION VOLUNTEERED BY YOU

We may ask you for identifying information to provide services to you through our online application. During your visit to the website, you may also participate in a voluntary survey or

send an e-mail. The information collected is not limited to text characters and may include audio, video, and graphic information. The types of personal information we collect from you and the purpose for which we collect that information is described in our Notice of Privacy Practices. You may access the Notice as described above under Privacy Practices.

When contacting us by email, we recommend that you only provide the personal information that you think we need to respond to your concern. If, however, you do not give us enough information, we may not be able to contact you or help you resolve your concern. We may use the information to improve our service to you or to respond to your request. We may forward your e-mail to other state employees who may be better able to help you, and this staff may be employed by a different agency within the State. Except for authorized law enforcement investigations or as required by law, we do not share our e-mail with any other organizations.

INFORMATION COLLECTED AUTOMATICALLY WHEN YOU VISIT THIS WEBSITE

When you browse through any website, certain information about your visit can be automatically collected. While you are visiting this website, at least the following information will be automatically tracked:

1. The Internet Protocol Address and domain name used but not the e-mail address. The Internet Protocol address is a numerical identifier assigned either to your Internet service provider or directly to your computer. We use the Internet Protocol Address to direct Internet traffic to you and generate statistics used in the management of this site;
2. The type of browser and operating system you used;
3. The date and time you visited this site;
4. The web pages or services you accessed at this site;
5. The website you visited prior to coming to this website;
6. The website you visit as you leave this website;
7. Amount of data sent from the web server to website visitor during that connection;
8. Amount of data sent from website visitor to the web server;
9. Uniform Resource Locator (URL) that referred to the requested file;
10. The exact request the user made;
11. The transport protocol and the version used;
12. Version of HTTP used by the visitor's web browser software; and
13. If you downloaded a form, the form that was downloaded.

The information we automatically collect or store is used to improve website content and to help us understand how people are using our site. This information does not identify you personally and is used for gathering information such as website statistics, which are used for authorized purposes. For instance, the authorized purposes may include assessing what information is of interest, determining technical design specifications, and identifying system performance or problem areas. This information helps us analyze our website to continually improve the value of the materials available, including, but not limited to, our marketing materials. Covered California may provide or distribute certain lists and statistical reports of regulatory information as provided by law, but no personal information is sold or distributed, and all relevant legal protections still apply to the website. If you voluntarily participate in an activity that asks for specific information (i.e., completing a request for assistance, personalizing the content of the website, sending an e-mail or participating in a survey), more detailed data will be collected.

COOKIES

We use "cookies" to customize your browsing experience with the Covered California website. Cookies are simple text files stored on your web browser to provide a means of distinguishing among users of this website. The use of cookies is a standard practice among websites. A cookie contains unique tracking information for lists of pages you have visited and the date you last looked at a specific page. It is also used to identify your session and distinguish among visitors. You can refuse the cookie or delete the cookie file from your computer by using any of the widely available methods.

To better serve you, we occasionally use "session cookies" to enhance or customize your visit to this website. Session cookies can be created automatically on the device you use to access this state agency website. They do not contain personal information and do not compromise your privacy or security. A session cookie is erased during operation of your browser or when your browser is closed.

If you wish, you may complete a registration to personalize this website and permit a "persistent cookie" to be stored on your computer's hard drive. This persistent cookie will allow the website to recognize you when you visit again and tailor the information presented to you based on your needs and interests. Covered California uses persistent cookies only with your permission.

The software and hardware you use to access the website allows you to refuse new cookies or delete existing cookies. Refusing or deleting these cookies may limit your ability to take advantage of some features of this website.

RIGHT TO HAVE YOUR PERSONAL INFORMATION DISCARDED

If you choose, you may have any personal information collected about you discarded without reuse or distribution, provided we are given timely notice.

COMPLIANCE WITH THE INFORMATION PRACTICES ACT

Any information acquired by Covered California is subject to the limitations set forth in the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code).

PERMISSION TO DISTRIBUTE OR SELL YOUR PERSONAL INFORMATION

Covered California will not distribute or sell any electronically collected personal information, as defined in Government Code Section 11015.5, subdivision (d), about you to any third party without your permission.

EXEMPTION FROM THE PUBLIC RECORDS ACT

Electronically collected personal information, as defined in Government Code Section 11015.5 subdivision (d), is exempt from requests made pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

RECORDS REQUESTS

Under Civil Code Section 1798.17(b) you have the right to request a copy of your records. To do so, visit www.Coveredca.com/privacy or contact the Privacy Officer at (800) 889-3871, PrivacyOfficer@covered.ca.gov, or mail to ATTN: Privacy Officer, P.O. Box 1347, Sacramento, CA 95814.

MODIFICATION OF THIS AGREEMENT

Covered California reserves the right at any time and in its sole discretion to modify, suspend, or discontinue the website (or any portion thereof) with or without notice. By continuing to use this website after any amendment, you agree to accept any such change.

PERMISSION TO ACT ON YOUR BEHALF

Any instructions, choices, or requests you make on our website(s) will be considered your written permission to Covered California to provide information or conduct transactions on your behalf.

HOW WE IDENTIFY YOU

The entry of your Password, Personal Identification Number (PIN), Social Security Number (SSN), and/or other identifier may serve as verification of your identity. Without this information we may be unable to process your application.

REGISTRATION

Certain portions of the website are limited to registered users and/or allow a user to request support or services online by entering personal information. Your approval as a registered user is at the sole discretion of Covered California. In order to apply for health insurance online through Covered California, an applicant will have to create an online account. This account access is granted subject to compliance with law and these Terms and Conditions.

By registering, you agree that any information provided to us will be complete and accurate, that you will not register under the name of, nor attempt to enter the website under the name of, another person, and that you will not adopt a user name that Covered California, in its sole discretion, deems offensive. You agree to inform us of any updates or changes to your registration information.

You agree to keep your account information and password confidential. You agree to notify Covered California's Privacy Officer immediately of any actual or suspected unauthorized use of your account at (800) 889-3871, PrivacyOfficer@covered.ca.gov, or mail to ATTN: Privacy Officer, P.O. Box 1347, Sacramento, CA 95814. You are solely responsible for all activities that occur through your account. Covered California will not be liable for any loss or damage resulting from your failure to safeguard your password and account.

As part of creating your account, you may also be required to select questions and secret answers that may be used by Covered California to help verify your identity and assist in resetting your password. Some services may require added security, and in these cases, you may be asked to create an additional security key. Covered California permanently records the

IP address of the machine you use for registration and each login thereafter. Finally, a unique ID number will be assigned to your account which will be used to identify your profile and associated information, such as login history and application history.

SAFEGUARDING YOUR PERSONAL INFORMATION

Covered California takes reasonable precautions to protect personal information it collects from loss, unauthorized access, illegal use, or unauthorized disclosure. Covered California uses Secure Socket Layer (SSL) encryption software to protect the security of individuals' personal information during transmission of such information through Covered California's website. Such personal information is stored by Covered California in secure locations. Covered California's staff is trained on procedures for the management of personal information, including limitations on the release of information. Access to personal information is limited to those members of Covered California's staff and contractors whose work requires such access. Confidential information is destroyed according to Covered California's records retention schedule. Covered California conducts periodic reviews to ensure that proper information management policies and procedures are understood and followed.

The functionality of this website permits you to request or provide personal information-for example, medical information, income, etc. You are solely responsible for any loss of privacy or confidentiality of this information if you move this information outside this website or disclose your password, Personal Identification Number (PIN), Social Security Number (SSN), or any other identifier to any other party. You agree to contact Covered California immediately if you have reason to believe that someone has gained unauthorized access to your Password, PIN, SSN, or any other identifier.

ADDITIONAL TERMS FOR PRODUCTS OFFERED THROUGH THIS WEBSITE

Additional guidelines, terms, and agreements may apply to programs and products offered through this website. For example, if you select a health insurance plan through this website, separate terms may apply to your selection. In the event of a conflict between such additional terms and these Terms and Conditions of Use, such additional terms will control.

OUTSIDE WEBSITES

Our website includes links to outside websites that are not operated by Covered California. Covered California provides these links to users for their convenience. Covered California does not control these websites nor do we review or control their content. We make no representations or warranties as to the content of these websites and take no responsibility for such websites. These links are not an endorsement of products, services, or information, and do not imply an association between Covered California and the operators of the linked website. If you access an outside website from our website, you do so at your own risk. When you select a link to an outside website, you are subject to the terms and conditions of the owner/sponsors of that outside website. We encourage you to review any site's policies before providing any personal information.

THIRD-PARTY WEBSITE APPLICATIONS (TPWAs)

Covered California uses a variety of technologies and social media services to communicate and interact with citizens through third-party website applications (TPWA). These TPWA tools include popular social networking and media sites, open source software communities, and more. Examples include Facebook, Twitter, YouTube, Instagram, and Google Plus. Your use of TPWAs is completely voluntary and in no way limits your use of our website. TPWAs are not exclusively operated or controlled by Covered California. Users of TPWAs often share information with the general public, user community, and/or the third party operating the website. These actors may use this information in a variety of ways. TPWAs could cause personally identifiable information to become available or accessible to Covered California and the public, regardless of whether the information is explicitly asked for or collected by us. Covered California sometimes collects and uses your personally identifiable information if you made it available through these TPWAs. However, we do not share personally identifiable information made available through these TPWAs. Your activity on these TPWAs websites we use is governed by the security and privacy policies of those sites. You should review the third-party privacy policies before using the sites and ensure that you understand how your information may be used. For example, if you have an account with a third-party website and choose to “like,” “friend,” follow, or comment, certain personally identifiable information associated with your account may be made available to Covered California based on the privacy policy of the third-party website and your privacy settings within that website. You should adjust privacy settings on your account to match your preferences.

CONTENT AND OWNERSHIP

Covered California makes use of copyrighted data (e.g., photographs) which may require additional permissions prior to your use. The unique branding of the site and various official seals and marks may not be used without permission. In order to use any information on this website not owned or created by Covered California, you must seek permission directly from the owning (or holding) sources. Covered California shall have the unlimited right to use for any purpose, free of any charge, all information submitted via this website except those submissions made under separate legal contract. Covered California shall be free to use, for any purpose, any ideas, concepts, or techniques contained in information provided through this website.

United States and foreign copyright laws and international conventions protect the contents of the website. You agree to abide by all copyright notices posted on the website. The website and the entire contents of the website, including, but not limited to, text, files, images, graphics, illustrations, audio, video, and photographs on or offered through the website (collectively, “Content”) are protected by intellectual property rights, including, as applicable and without limitation, copyrights, trademarks, patents, and other proprietary and intellectual property rights (“Intellectual Property Rights”) of Covered California or other third parties who have granted rights to Covered California.

Except as noted above, you receive no right or license, by implication, estoppel, or otherwise, in or under any patent, trademark, copyright, or proprietary right of Covered California or any third party through your use of this website. No proprietary data on the Covered California website may be downloaded, republished, resold, duplicated, or “scraped,” in whole or in part, for any purpose other than the personal uses permitted in these Terms and Conditions.

CONDUCT

You agree to access and use the website only for lawful purposes. You are solely responsible for the knowledge of and adherence to any and all laws, statutes, rules, and regulations pertaining to your use of the website. By accessing the website, you agree that you will not:

1. Access, or attempt to access, this website by any means other than through the interface that is provided by Covered California, unless you have been specifically allowed to do so in a separate, written agreement with Covered California. You specifically agree not to access or attempt to access this website through any automated means (including, but not limited to, use of scripts, web crawlers, or screen scrapers) and shall ensure that you comply with the instructions set out in any robots.txt file present on the site;
2. Use for commercial purposes or resell any of the data derived from this website unless you have been specifically allowed to do so in a separate, written agreement with Covered California;
3. Use the website to commit a criminal offense or to encourage others to engage in any conduct which would constitute a criminal offense or give rise to civil liability;
4. Post or transmit any discriminatory, libelous, harassing, defamatory, obscene, pornographic, or otherwise unlawful content;
5. Use the website to impersonate other parties or entities;
6. Use the website to upload any content that contains a software virus, "Trojan Horse" or any other computer code, files, or programs that may alter, damage, or interrupt the functionality of the website or the hardware or software of any other person who accesses the website;
7. Upload, post, email, or otherwise transmit any materials that you do not have a right to transmit under any law or under a contractual relationship;
8. Alter, damage, or delete any content posted on the site;
9. Disrupt the normal flow of communication in any way;
10. Claim a relationship with or represent any business, association, or other organization with which you are not authorized to claim such a relationship or represent;
11. Post or transmit any unsolicited advertising, promotional materials, or other forms of solicitation;
12. Post any material that infringes upon or violates the intellectual property rights of another; or
13. Collect or store personal information about others.

SECURITY & MONITORING NOTICE

To protect this website as well as the associated computer system supporting the website from unauthorized use and to ensure that the computer system is functioning properly, individuals accessing this website and the associated computer system are subject to having all of their activities monitored and recorded by personnel authorized to do so. Network traffic is monitored in order to identify unauthorized attempts to upload or change information, or otherwise conduct criminal activity. Anyone using this website and the associated computer system expressly consents to such monitoring. Covered California reserves the right, but is not obligated to

(except as required by applicable law,) report any illegal activity to any and all regulatory, administrative and/or governmental authorities for prosecution. In connection with authorized law enforcement investigations and pursuant to required legal process, navigational information may be used to assist in obtaining personally identifiable information.

For site security purposes, Covered California reserves the right to monitor any content that you provide, but shall not be obligated to do so. Although Covered California cannot monitor all postings on the website, we reserve the right to delete, move, or edit any postings that violate these Terms and Conditions.

TERMINATION OF USE

Covered California may, in its sole discretion, terminate or suspend your access to and use of this website without notice and for any reason, including for violation of these Terms and Conditions or for other conduct which Covered California believes is unlawful or harmful to others. In the event of termination, you will no longer be authorized to access the website, and Covered California will use any means possible to enforce this termination. Covered California may also suspend your use of the website or deactivate a User ID and direct you to cease using the website with or without notice to you and with or without cause. Upon any termination of this agreement, all rights granted to you under this agreement will cease and you must promptly discontinue all access to any part of the website and the use of any content downloaded or otherwise obtained from the website.

INDEMNITY

You agree to defend, indemnify, and hold harmless Covered California and all of its employees, directors, officers, and agents from any and all liabilities incurred in connection with any claim arising from any breach by you of these Terms and Conditions of Use, your use of the materials and information contained herein, or your inappropriate or unlawful use of the website. These include attorney fees, costs, damages, losses, and expenses. You agree to cooperate fully in the defense of any such claim. Covered California reserves the right to assume, at its own expense, the exclusive defense and control of any matter otherwise subject to indemnification by you. You agree not to settle any matter without the written consent of Covered California.

LIMITATION OF LIABILITY

Covered California strives to maintain the highest accuracy of content on its website. Any errors or omissions should be reported for investigation to (800) 889-3871, PrivacyOfficer@covered.ca.gov, or mail to ATTN: Privacy Officer, P.O. Box 1347, Sacramento, CA 95814. This site is provided by Covered California “as is” and “as available” with no warranties whatsoever. Covered California makes no claims, promises, or guarantees about the absolute accuracy, completeness, or adequacy of the contents of this website and expressly disclaims liability for errors and omissions in the contents of this website. We do not warrant that access to this website or any of its content will be uninterrupted or error free, that defects will be corrected, or that this website will be free of viruses or other harmful components. Covered California disclaims all warranties and conditions of merchantability, fitness for a particular

purpose, non-infringement, and any warranties arising out of course of dealing or usage of trade.

In no event will Covered California or its employees be liable for any incidental, indirect, special, punitive, exemplary, or consequential damages, whether in contract, tort, or any other legal theory, arising out of your use of or inability to use the website or any other matter relating to your interaction with the website, including without limitation, loss of revenue or anticipated profits, loss of goodwill, loss of business, loss of data, computer failure or malfunction, or any other damages.

JURISDICTION AND VENUE

The materials made available for public use on Covered California's website are from computer systems located within California, and are for the use and benefit of the citizens of California. These Terms and Conditions will be governed by the laws of the State of California, without giving effect to any conflict of laws principles. The parties specifically exclude from application to the United Nations Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act. You hereby irrevocably and unconditionally consent to the jurisdiction and venue in the state and federal courts sitting in Sacramento, California.

The website is to be deemed a passive website that does not seek to purposefully avail itself of the benefits and privileges of doing business in any state other than California and thus does not give rise to personal jurisdiction over Covered California, either specific or general, in jurisdictions other than California.

REPRESENTATIONS

You hereby represent, warrant, and covenant for the benefit of Covered California and its affiliates that: (1) You have the legal right and authority to enter into this agreement, and, if you are accepting this agreement on behalf of a company or other entity, to bind the company or other entity to the terms of this agreement; (2) you have the legal right and authority to perform your obligations under this agreement and to grant the rights and licenses described in this agreement and in any applicable additional agreement you enter into in connection with any of the services; (3) all information you provide to Covered California in connection with this agreement and your access to the website and use of the services is correct and current.

INTEGRATION AND SEVERABILITY

These Terms and Conditions set forth the entire understanding of the parties with regard to use of this website and supersedes any and all prior oral and written agreements or understandings between the parties regarding the subject matter of this agreement. Failure to comply with the foregoing shall constitute a breach of this agreement, which may result in immediate termination of your account. The waiver by Covered California of a breach of any provision of these Terms and Conditions will not operate or be interpreted as a waiver of any other or subsequent breach.

Should any provision of these Terms and Conditions be held invalid, unlawful, or for any reason unenforceable, then the invalid, unlawful, or unenforceable provision shall be severable from the

remaining provisions. Such invalid, unlawful or unenforceable provision shall not affect the validity or enforceability of the remaining provisions.

CONTACT US

If you have any questions about these terms and conditions, contact us at:

Privacy Officer
P.O. Box 1347
Sacramento, CA 95814
(800) 889-3871
PrivacyOfficer@covered.ca.gov

(Rev. 4/14)

Notice of Privacy Practices



www.CoveredCA.com

Your Information. Your Rights. Our Responsibilities.

This notice describes how your personal information may be used and disclosed and how you can get access to this information.

Please review it carefully.

Privacy Officer
PrivacyOfficer@Covered.ca.gov
P.O. Box 1347, Sacramento, CA 95814
www.CoveredCA.com/Privacy
(800) 889-3871

Your Information

We collect personal information about you. Some examples of the personally identifiable information we collect include:

- Contact information
- Social Security Number
- Demographic information
- Health information
- Financial information
- Alien status

We limit the collection of personal information to what is relevant and necessary to accomplish our lawful purpose, defined in the California Patient Protection and Affordable Care Act. When we collect your personal information, we follow all applicable laws and regulations.

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Your Rights

When it comes to your personal information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of your records

- You can ask to see or get a copy of your records and other personal information we have about you. Ask us how to do this or visit www.CoveredCA.com/Privacy/Access.
 - We will provide a copy or a summary of your records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.
-

Ask us to correct your records

- You can ask us to correct your records if you think they are incorrect or incomplete. Ask us how to do this or visit www.CoveredCA.com/Privacy/Correction.
 - We may say “no” to your request, but we will tell you why in writing within 60 days.
-

Request confidential communications

- You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address. Ask us how to do this or visit www.CoveredCA.com/Privacy/Communication.
 - We will consider all reasonable requests, and will say “yes” if you tell us you would be in danger if we do not.
-

Ask us to limit what we use or share

- You can ask us not to use or share certain personal information for enrollment or our operations. Ask us how to do this or visit www.CoveredCA.com/Privacy/Restrict.
 - We may not be able to agree to your request if it would affect your enrollment or our operations.
-

Get a list of those with whom we’ve shared information

- You can ask for a list (accounting) of the times we’ve shared your personal information, who we shared it with, and why. Ask us how to do this or visit www.CoveredCA.com/Privacy/Accounting.
 - We will provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.
-

Get a copy of this privacy notice

- You can ask for a paper copy of this notice at any time or view it at www.CoveredCA.com/Privacy/NPP. We will provide you with a paper copy promptly.
-

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Your Rights *(continued)*

Choose someone to act for you

- If you have authorized someone to represent you or if someone is your legal guardian, that person can exercise your rights and make choices about your personal information. Ask us how to do this or visit www.CoveredCA.com/Privacy/Authorize.
- We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

- You can complain if you feel we have violated your rights by contacting us or visiting www.CoveredCA.com/Privacy/Complaint.
- You can also file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or by visiting www.hhs.gov/ocr/privacy/hipaa/complaints/.
- We will not retaliate against you for filing a complaint.

For certain personal information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care
- Share information in a disaster relief situation
- Contact you for fundraising efforts

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we never share your information unless you give us written permission:

- Marketing purposes
- Sale of your information

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Our Use and Disclosure

How do we typically use or share your personal information? We limit the use and disclosure of your information to the minimum amount needed to perform our functions. We typically use or share your personal information in the following ways.

Determine your eligibility

- We may disclose your personal information with other governmental agencies to determine your eligibility for premium assistance or other insurance affordability programs.

Example: We may share your personal information with the IRS to determine your eligibility for advance premium tax credits.

Manage your enrollment in health coverage

- We may use your personal information and share it with our contractors to enroll you in a health plan and for our operations.

Example: We may share your personal information with a contractor who helps develop and maintain our information systems.

Example: We may share personal information with the health plan you enroll in.

Facilitate your enrollment in health coverage

- We may use your personal information and share it with our contractors to help with your enrollment and contact you when necessary. All of these contractors undergo a fingerprint and background check as well as receive specialized training on keeping your information confidential.

Example: We may share your personal information with a contractor to follow up on your application or to assist you if you have requested help.

Create a more personalized experience

- Information collected through one of our programs or services may be combined with other information we have in order to offer you a more personalized experience.

Example: We may use your information to determine your location and offer you customized services.

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Our Use and Disclosure *(continued)*

How else can we use or share your personal information? We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes.

Help with public health and safety

- We can share your personal information for situations such as preventing disease or reducing a serious threat to anyone’s health or safety.

Do research

- We can use or share your information for research.

Comply with state or federal law

- We can share information about you with the U.S. Department of Health and Human Services if it wants to see that we’re complying with federal privacy law.
- We can share information about you in response to a Public Records Act request, as allowed by the California Information Practices Act.

Respond to lawsuits and legal actions

- We can share information about you in response to a court or administrative order, or in response to a subpoena.

Our Responsibilities

We are required by law to maintain the privacy and security of your personal information.

We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.

We must follow the duties and privacy practices described in this notice and give you a copy of it.

We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

Covered California utilizes secure electronic interfaces when sharing personally identifiable information electronically.

Changes to This Notice. We can change the terms of this notice, and the changes will apply to all information we have about you. The new notice will be available upon request and on our website at www.CoveredCA.com/Privacy.

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Our Responsibilities *(continued)*

Data quality and integrity. We will take steps to ensure that personally identifiable information is complete, accurate, and up-to-date to the extent necessary for its intended purposes and has not been altered or destroyed in an unauthorized manner.

Safeguards. We will protect personally identifiable information with operational, administrative, technical, and physical safeguards to ensure its confidentiality, integrity, and availability and to prevent unauthorized or inappropriate access, use, or disclosure. These safeguards ensure:

- The confidentiality, integrity, and availability of personally identifiable information created, collected, used, and/or disclosed by Covered California;
 - Personally identifiable information is only used by or disclosed to those authorized to receive or view it;
 - Tax Return information is kept confidential under section 6103 of the Internal Revenue Service Code;
 - Personally identifiable information is protected against any reasonably anticipated threats or hazards to the confidentiality, integrity, and availability of such information;
 - Personally identifiable information is protected against any reasonably anticipated uses or disclosures of such information that are not permitted or required by law; and
 - Personally identifiable information is securely destroyed or disposed of in an appropriate and reasonable manner and in accordance with retention schedules.
-

Accountability. We will implement and adhere to these practices through appropriate monitoring and other means and methods to report and mitigate non-adherence and breaches. We will monitor, periodically assess, and update the security controls and related system risks to ensure the continued effectiveness of those controls.

We maintain a system that receives, investigates and responds to complaints from individuals concerning non-compliance with applicable privacy requirements, as reflected in relevant law or regulation, policies and procedures and/or contract. Based on our review, we will use the information received through the complaint process to implement or request appropriate corrective action to address the issue identified in the complaint. We will also use the information received through the complaint process to improve our safeguards of personal information, and to monitor and improve our operations.

Terms and Conditions of Using our Website

Referred to collectively as our "Website," Covered California operates and/or maintains several websites including, but not limited to, www.CoveredCA.com, v.calheers.ca.gov, www.hbex.ca.gov, and www.healthexchange.ca.gov. Use of our Website is subject to the Terms and Conditions of Use available at www.CoveredCA.com/Privacy/Terms, which may change without notice.

STATE OF CALIFORNIA
STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER

143-A- _____

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Health Benefit Exchange

CONTRACTOR'S NAME

2. The term of this Agreement is: Per Exhibit A, Item H. From the Date Signed by the State below for one (1) year

3. The maximum amount of this Agreement is: Undefined

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	104 Pages
Exhibit B – Budget Detail and Payment Provisions	23 Pages
Exhibit C – General Terms and Conditions	167 Pages
Exhibit D – Business Associates Agreement <u>Privacy and Security Requirements</u>	156 Pages
Exhibit E – Branding Guidelines	4 Pages
Exhibit F – Schedule of Commissions	1 Pages

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

[Signature]

DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

California Health Benefit Exchange

BY (Authorized Signature)

[Signature]

DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

~~David Maxwell Jolly, Chief Deputy Executive Director, Strategy~~ Peter V. Lee, Executive Director

ADDRESS

~~560 J Street, Suite 290, Sacramento, CA 95814~~ 1601 Exposition Blvd., Sacramento, CA 95815

California Department of General Services Use Only

Exempt per:
Government Code Section 100505

Exhibit A
SCOPE OF WORK

SCOPE OF WORK

This Agreement is made between the State of California, acting by and through the California Health Benefit Exchange, hereafter referred to as the "Exchange" and

an individual licensed by the California Department of Insurance to transact in health insurance and acting pursuant to the laws of the State of California, hereafter referred to as "Agent" or "Contractor" interchangeably. Agent enters this contract For the Benefit of

Agent as it appears on license: _____
License Number/Expiration: _____ / ____ / ____
Federal ID number or SSN: _____ - ____ - ____
Business Phone: (____) ____ - ____
Business Fax: (____) ____ - ____
Email address: _____

A. Purpose:

The mission of the Exchange is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

The Exchange operates ~~is creating a new~~ marketplace that will assist ~~will~~ individuals that may be eligible for Medi-Cal and will offer subsidized health care coverage in the form of premium assistance and cost sharing reductions to individuals and families with incomes between 138% - 400% of the Federal Poverty Level limits. Premium assistance and/or cost sharing reductions will only be available to consumers in California through the Exchange. Consumers will not be able to obtain premium assistance and/or cost sharing reductions through the private health insurance market. Regardless of whether a consumer is determined to be eligible for subsidies, the Exchange will provide access to coverage and premiums in an easy to access and understandable format at the same price that is available in the outside market.

The Exchange will also operate a Small Business Health Options Program (SHOP) that offers small businesses and their employees, new health insurance options. The SHOP is designed specifically for employers with 50 or fewer eligible employees and offers affordable health coverage through ~~of~~ a variety of health insurance companies.¹ Through SHOP, both employers and their employees can choose the plans that fit their needs and their budgets.

Exhibit A
SCOPE OF WORK

Accordingly, the purpose of this Agreement is to secure the services of licensed agents to assist with the determining of eligibility of individuals for Medi-Cal or premium assistance and to assist in the enrollment of individuals into either the Individual Exchange or the SHOP.

The authority to enter into this Agreement arises from Government Code Section 100503, subparagraph (s), where the Exchange is directed to “Exercise all powers reasonably necessary to carry out and comply with the duties, responsibilities, and requirements of this act [California Patient Protection and Affordable Care Act] and the federal act [Patient Protection and Affordable Care Act (Public Law 111-148)].” Furthermore, under 45 Code of Federal Regulations section 155.220, the Secretary of the United States Health and Human Services has promulgated regulations allowing for the participation of Agents in the Exchange.

B. Definitions:

1. Agent(s): individuals who are licensed and in good standing as a life licensee under Insurance Code Section 1626 by the California Department of Insurance to transact in accident and health insurance.
2. Advance Payments of Premium Tax Credit (APTC): Payment of the tax credits authorized by 26 U.S.C. 36B and its implementing regulations, which are provided on an advance basis to an eligible individual enrolled in a QHP through an Exchange in accordance with Section 1412 of the Affordable Care Act.
3. California Health Care Eligibility, Enrollment & Retention System (CalHEERS): CalHEERS was created pursuant to Government Code Sections 100502 and 100503, as well as 42 U.S.C. 18031, to enable customers to apply for eligibility, enrollment, and reenrollment in QHPs through the Exchange as well as other Insurance Affordability Programs (IAPs) such as Medi-Cal.
4. Certified Insurance Agent: An Agent certified by the Exchange to transact in the individual and SHOP Exchanges.
5. Certified QHP: Any QHP that is selected by the Exchange and has entered into a contract with the Exchange for the provision of health insurance coverage for enrollees who purchase health insurance coverage through the Individual and/or SHOP Exchanges.
6. Children’s Health Insurance Program (CHIP): The programs established under the State plan adopted in accordance with title XXI of the Social Security Act to provide health insurance for children.

-
1. The Exchange may increase the number of employees in a small employer to 100. See Section 1304(b) of the Patient Protection and Affordable Care Act.

Exhibit A
SCOPE OF WORK

7. Consumer: A person or entity seeking information on eligibility and enrollment or seeking application assistance with a health insurance or health related product available through the Exchange. The term consumer includes, but is not limited to, an applicant, an application filer, authorized representative, employer, qualified employee, qualified employer, qualified individual, small employer, or enrollee as defined in Section 6410, Title 10, California Code of Regulations.
8. Employee: An individual as defined in Section 2791 of the Public Health Service Act (42 U.S.C. 300gg-91(d)(5)).
9. Employer: A person as defined in Section 2791 of the Public Health Service Act (42 U.S.C. 300gg-91(d)(6)), except that such term includes employers with one or more employees. All persons treated as a single employer under subsection (b), (c), (m), or (o) of Section 414 of IRC (26 U.S.C. § 414) are treated as one employer.
10. Individual and SHOP Exchanges: The programs administered by the Exchange pursuant to California Government Code § 100500 et seq., 42 U.S.C. 18031(b) of the federal Patient Protection Affordable Care Act and other applicable laws to furnish and to pay for health insurance plans for Qualified Individuals and Qualified Employers.
11. Individual Market: A market as defined in Section 1304(a)(2) of the Affordable Care Act.
12. Medi-Cal: Medi-Cal is administered by the California Department of Health Care Services. This program pays for a variety of medical services for children and adults with limited income and resources.
13. Qualified employee: An individual who is employed by a qualified employer and has been offered health insurance coverage by such qualified employer through the SHOP.
14. Qualified Employer: Qualified Employer has the same meaning as that term is defined in 42 U.S.C. 18032(f)(2) and 45 CFR 155.710.
15. Qualified Health Plans (QHPs): QHP has the same meaning as that term is defined in Patient Protection and Affordable Care Act Section 1301, 42 U.S.C. 18021. If a Standalone Dental Plan is offered through the Exchange, another health plan offered through the Exchange shall not fail to be treated as a QHP solely because the plan does not offer coverage of benefits offered through the standalone plan under 42 U.S.C. 18022(b)(1)(J).
16. Qualified Individual: Qualified Individual is an individual who meets the requirements of 42 U.S.C. 18032(f)(1) and 45 CFR 155.305(a).

Exhibit A
SCOPE OF WORK

17. Small employer: An employer as defined in Section 1357.500(k) of California Health and Safety Code and in Section 10753(q) of California Insurance Code.

C. Scope of Work:

1. Licensure. Agent shall maintain licensure and good standing under Insurance Code Section 1626 by the California Department of Insurance to transact in accident and health insurance.
2. Certification. Agent shall comply with the certification standards set forth by the Exchange in the California Code of Regulations, Article Title 10, section 6800 et seq. prior to assisting Consumers.
3. Due Diligence. Agent shall solicit Consumers to apply for QHPs sold through the Exchange.
4. Consumer Applications.
 - a. Agent shall complete all eligibility verification and enrollment applications for Consumers online through CalHEERS or via the paper application established by the Exchange. Agent shall use this single streamlined application to determine eligibility and to collect information necessary for enrollment in a QHP, advance payments of the premium tax credit, cost-sharing reductions; and, where applicable, enrollment in Medicaid or CHIP. Agent shall not be included in any application submitted to the Exchange where Agent did not provide substantial assistance with the application either in-person or over the phone;
 - b. In the case that a Consumer is or may be eligible for Medi-Cal or CHIP, Agent shall facilitate the enrollment of interested Consumers without undue delay.
 - c. Agent shall ensure that each application is fully and truthfully completed by the Consumer and the completed application fully and accurately reflects and discloses the circumstances of persons included in the application.
 - d. To allow for the proper processing of Agent's compensation, Agent must ensure the completion the following sections of each consumer's application to the Exchange:
 - i. Name and license number of the Certified Insurance Agent; and
 - ii. Agent's personal identification number for electronic applications or Agent's signature and date of signature for paper applications.

Exhibit A
SCOPE OF WORK

5. Nondiscrimination. In addition to requirements of Exhibit C, section G, sub-section (2), Agent shall not discriminate against any individuals regardless of age, disability, race, ethnicity, sexual orientation, or gender identity. In order to ensure that no Consumer is discriminated against, Agent shall seek assistance or guidance from the Exchange when needed.
6. Representations. Agent shall represent the plans offered through the Exchange in accordance with the following:
 - a. Fairly and accurately present to Consumers all available enrollment options and prices regardless of the Agent's appointments with any health plan;
 - b. Unless specifically requested by the Consumer not to, when quoting prices, Agent shall fairly describe and display the health plans that the Consumer is eligible for;
 - c. Explain to all potential Consumers about the availability of APTCs and that APTCs are only available through the Exchange.
 - e.d. _____ Agent agrees not to steer Consumers towards or against any of the QHPs sold by the Exchange solely on the basis of payment schedules or other consideration made to agent;
 - d.e. _____ Agent is not authorized to and agrees not to enter into, alter, deliver or terminate any coverage on behalf of the Exchange or any QHP, extend the time for payment of charges, or bind the Exchange or any QHP in any way;
 - e.f. Advise every Consumer that in no event will the Consumer have any coverage unless and until the Exchange has approved the application and payment has been received; and
 - f.g. Agent shall not make any commitments on behalf of the Exchange or any QHP that have not been specifically approved in advance in writing by the Exchange or a QHP.

7. Voter Registration Assistance

- a. Agent shall ensure that voter registration assistance is available as required by Chapter 6 of the California Elections Code (Section 2400 et seq.) and the Exchange's implementing regulations set forth at Title 10, California Code of Regulations, section 6462.

Exhibit A
SCOPE OF WORK

8. Payment or Acceptance of Consideration as Inducements Prohibited.

a. Agent shall not directly or indirectly charge, receive, accept, or agree to charge, receive, or accept any valuable consideration from the Consumer for the services performed under this Agreement.

a.b. _____ Agent shall not provide payment or other valuable consideration to subgrantees of the Exchange, Certified Enrollment Entities or Certified Enrollment Counselors defined under Article 8, Title 10 of the California Code of Regulations, and other community-based groups for referrals and/or enrollment services.

~~7-9.~~ _____ Compensation. Compensation shall be made in accordance with Exhibit B. Agent is an independent contractor and shall have no claim to compensation except as provided in Exhibit B and shall not be entitled to reimbursement from the Exchange for any expenses incurred in performing this Agreement. Agent further agrees that to the extent of any indebtedness of Agent to the Exchange, such indebtedness may be deducted at the Exchange's option from compensation due Agent.

~~8-10.~~ _____ Acceptance of Payment.

a. For the individual market:

i. When Agent assists Consumers with an online application through CalHEERS, monies received by Agent shall be processed in accordance with Agent's agreement with the QHPs and, under no circumstances, shall be sent to the Exchange.

ii. When Agent assists Consumers with a paper application, Agent shall not accept any payments and the Consumer shall be instructed by Agent to pay the premium statement issued by the QHP.

~~b.~~ For the SHOP, monies received by Agent from employers for or on behalf of the Exchange shall be made payable to the Exchange and received by Agent in a fiduciary capacity. Monies received by Agent for the SHOP shall not be commingled by Agent with personal funds of Agent, and shall be remitted to the Exchange by no later than five (5) business days from the day of receipt. Agent shall only receive payment from employers tendered with a completed initial enrollment application. Agent shall not receive any subsequent payments.

e.b. _____

~~9-11.~~ _____ Records. Agent shall maintain complete records (i) of all transactions pertaining to applications submitted to and accepted by the Exchange, (ii) as may

Exhibit A
SCOPE OF WORK

be required by the California Department of Insurance, or California Department of Managed Health Care or any other governmental entity, and (iii) in connection with Agent's relationship with the Exchange. Any and all records described above shall be accessible and available to representatives of the Exchange who may audit them from time to time while this Agreement is in effect or within one (1) year after termination thereof.

~~10-12.~~ 12. Ongoing Service. Agent shall service Employers, Employees, and individuals enrolled in QHPs when Agent is the Agent of Record. Such service will include, but not be limited to, the following:

- a. Acting as liaison between these parties and the Exchange if requested by any of these parties;
- b. Assisting these parties to take the proper action in connection with Exchange coverage when there is a change of address, or other change of status;
- c. Assisting a family member/dependent to obtain coverage when he or she is no longer entitled to coverage as a family member – e.g., when a dependent child reaches the limiting age, or upon a divorce or dissolution of marriage; and
- d. Maintaining a working and current knowledge of QHPs offered through the Exchange and the ability to explain benefits and/or coverage.

~~11-13.~~ 13. Agent shall provide reasonable assistance to the Exchange in resolving any problems that may arise with new and existing Employers, Employees, or individuals enrolled in QHPs.

~~12-14.~~ 14. Agent of Record.

~~a.~~ For the Individual Market, Agent of Record policies are defined and administered by agreement between Agent and the health plans. -The Exchange does not define Agent of Record policies for participating QHPs.

a.

b. For the SHOP Exchange, Agent shall advise Employers that any Agent of Record changes must be made by providing the Exchange with a written request made by the Employer's authorized representative, which identifies the name, address, and if known, tax identification number of the new Agent of Record. Upon receipt of the Employer's request, the Exchange will notify the Employer's existing Agent of Record. The Exchange will honor the Employer's request unless the Exchange receives a written rescission signed by the Employer's authorized

Exhibit A
SCOPE OF WORK

representative within five (5) business days. The Exchange will honor the Employer's request effective on the first day of the month following the Exchange's receipt of the request, unless another future date is specified in the written request. The new Agent will be the Employer's designated Agent of Record.

43-15. Training Standards

- a. To ensure that all Agents are prepared to serve both the individual Exchange and SHOP, all Agents who carry out consumer assistance functions shall complete training and remain current in the following subjects prior to carrying out any consumer assistance functions:
 - i. QHPs (including the metal levels described at 45 C.F.R. § 156.140(b)), and how they operate, including benefits covered, payment processes, rights and processes for appeals and grievances, and contacting individual plans;
 - ii. The range of insurance affordability programs, including Medicaid, the Children's Health Insurance Program, and other public programs;
 - iii. The tax implications of enrollment decisions;
 - iv. Eligibility requirements for premium tax credits and cost-sharing reductions, and the impacts of premium tax credits on the cost of premiums;
 - v. Contact information for appropriate federal, state, and local agencies for consumers seeking additional information about specific coverage options not offered through the Exchange;
 - vi. Basic concepts about health insurance and the Exchange; the benefits of having health insurance and enrolling through an Exchange; and the individual responsibility to have health insurance;
 - vii. Eligibility and enrollment rules and procedures, including how to appeal an eligibility determination;
 - viii. Providing culturally and linguistically appropriate services;
 - ix. Ensuring physical and other accessibility for people with a full range of disabilities;
 - x. Understanding differences among health plans;

Exhibit A
SCOPE OF WORK

- xi. Privacy and security standards applicable under 45 C.F.R. § 155.260 for handling and safeguarding consumers' personally identifiable information;
- xii. Working effectively with individuals with limited English proficiency, people with a full range of disabilities, people of any gender identity, people of any sexual orientation, and vulnerable, rural, and underserved populations;
- xiii. Customer service standards;
- xiv. Outreach and education methods and strategies;
- xv. Applicable administrative rules, processes, and systems related to Exchanges and QHPs; and

~~b. All Certified Insurance Agents shall participate in at least four (4) hours of Continuing Education Courses offered by the Exchange during the first year and each subsequent year to maintain certification by the Exchange. A year shall be based on the date of certification.~~

14.16. Agent shall not concurrently be certified as a Plan Based Enroller defined in Article 9, Title 10, of the California Code of Regulations.

D. Exchange Rights

- 1. Agent agrees that the Exchange reserves the right to do any of the following:
 - a. Reject any and all applications submitted by Agent; and
 - b. Discontinue, modify, or exercise all lawful rights in connection with any of its QHPs without liability to Agent.

E. Agent Appointment

- 1. Appointments for plans sold through the Exchange shall be made as follows:
 - a. Individual Market
 - i. The Exchange does not appoint Agents in the Individual Market. QHPs are responsible for maintaining a reasonable appointment process for appointing agents to sell QHPs in the Individual Market.
 - b. SHOP Exchange

Exhibit A
SCOPE OF WORK

- i. The Exchange grants to Agent a non-exclusive, revocable appointment to enroll employers and employees in QHPs through ~~CalHEERS~~ for all plans sold in the SHOP. This appointment shall not limit or prohibit the Exchange from granting similar appointments to other Agents, and does not prohibit Agent from accepting appointments from any insurance companies.

F. Compliance with Governing Statutes:

1. The Contractor understands that all services rendered under this Agreement must comply with any applicable federal or state laws and regulations, including, but not limited to, the following:
 - a. The Patient Protection and Affordable Care Act of 2010 and any accompanying regulations promulgated thereunder;
 - b. California Code of Regulations, Title 10, ~~Article~~ Section 6800 et seq.
 - c. Sections 15438, 15439, and 100501 through 100521 of the Government Code;
 - d. Sections 1346.2 and 1366.6 of the Health and Safety Code; and
 - e. Sections 10112.3 and 10112.4 of the Insurance Code.

G. Consumer Messaging:

Agent agrees to use and be in compliance with the guidelines in Exhibit E.

H. Term

The term of this Agreement is for ~~one~~ five years starting after all parties have signed the Std. 213 Standard Agreement, and shall be automatically renewed ~~upon completion of Continuing Education by Agent annually~~.

I. Agent Services:

For any communications or questions that arise during the term of this Agreement, Agent shall contact Agent Services at:

ATTN: Covered California Agent Services
P.O. Box 7010
Newport Beach, CA 92658
(877) 453-9198
agents@covered.ca.gov

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

BUDGET DETAIL AND PAYMENT PROVISIONS

A. Payment

1. For sales in the Individual Exchange
 - a. QHPs are solely responsible for compensating agents for plans sold in the Individual Exchange. Compensation rates are set by QHPs and may vary depending on the terms and conditions established by agreement with Agent.

2. For sales in the SHOP
 - a. The Exchange shall pay Agent a percentage of the premium paid and retained for each QHP sold by Agent through the SHOP Exchange. The percentage for each employer group shall be established by the “Schedule of Commissions” in place on the effective date of coverage. The “Schedule of Commissions” in Exhibit F is applicable to Contracts entered into on and after all parties sign this Agreement. Unless all parties agree to sooner effective date, the Exchange may modify or replace its commission schedule upon thirty (30) days prior notice to Agent. Such modified or replacement schedule shall apply only to all other QHPs sold by Agent effective on or after the effective date of such modification or replacement. The Exchange will provide Agent with an updated “Schedule of Commissions” whenever changes occur by posting such changes to www.coveredca.com. No formal amendment is required for changes or modifications to the “Schedules of Commissions” except that such changes shall be adopted in regulations pursuant to the Exchange’s rulemaking authority and the Administrative Procedure Act. Agent understands and agrees that no commissions will be paid for Individual Conversion Plan Contracts.
 - b. Commissions shall continue to be paid if and only if the Qualified Employer remains enrolled in the SHOP and Agent continues to meet the following conditions:
 - i. Maintain licensure and good standing with the California Department of Insurance.
 - ii. Agent maintains Certification with the Exchange per California Code of Regulations, Title 10, ~~Article~~ section 6800 et seq. In the event that Agent’s certification with the Exchange is renewed within sixty days of decertification, Agent shall be compensated retroactively and commissions reinstated.

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

- iii. The Exchange does not terminate Agent's contract For Cause as described in Exhibit C, Section E, subsection 1.

c. Commission Assignment Rights

- i. The right to commissions under this Agreement may be assigned to another agent certified by the Exchange subject to the Exchange's prior written consent. Such consent shall not be unreasonably withheld. Written notice of the assignment shall be given to the Exchange at least thirty days prior to the effective date of the assignment. The Exchange shall pay the Assignee the commissions that would have been paid to Agent had the commission not been assigned.
- ii. The Assignee will be the Employer's Agent of Record with all the other rights and obligations thereunder.

3. For Medi-Cal Enrollment Assistance

a. Terms used in this section shall be defined as follows:

- i. Approved Medi-Cal Application: a New Medi-Cal Consumer is determined eligible for MAGI Medi-Cal and/or Non-MAGI Medi-Cal.
- ii. New Medi-Cal Consumer: On the day that the Exchange receives a Submitted Application, the Consumer is newly eligible for Medi-Cal coverage pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), or has not been enrolled in the Medi-Cal program during the previous 12 months prior to the day the Exchange received a Submitted Application.
- iii. MAGI Medi-Cal: The program whereby individuals are enrolled in Medi-Cal based on a Modified Adjusted Gross Income that is in the applicable federal poverty level (FPL) program.
- iv. Non-MAGI Medi-Cal: The program whereby individuals are enrolled in Medi-Cal based on status as aged, blind or disabled as defined by Title XIX of the Social Security Act.
- v. Medi-Cal Share of Cost (MC SOC): The program where individuals must pay or be obligated to pay a predetermine cost of health care services before the Medi-Cal program will pay for remaining health care services incurred in that month pursuant to Welfare and Institutions Code Sections 14005.7, 14005.9 and 14005.12.

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

- vi. Submitted Application: An application submitted per Section 6470(i), Title 10, of the California Code of Regulations unless that application is deemed incomplete per subdivision (k) of that same Section. An incomplete application shall be considered submitted once the applicant has provided the missing information pursuant to subdivision (k)(3) of Section 6470.
 - vii. Split Household: A single household that has an Approved Medi-Cal Application for one or more family members and coverage is effectuated in a QHP offered through the Exchange for one or more different family members.
- b. Where Agent has provided substantial assistance either in-person or over the phone to complete the application, Agent shall be compensated \$58 for each New Medi-Cal Consumer with an Approved Medi-Cal Application that results in enrollment. If an individual is eligible for both MAGI and Non-MAGI Medi-Cal, only one payment shall be made. Payment is per application (one per household).
 - c. Payments under this subsection shall be disbursed within 120 days of an Approved Medi-Cal Application that results in enrollment or 120 days of this agreement being signed, whichever comes later in time.
 - d. No payment shall be made for enrollments in Split Households or MC SOC.
 - e. Funding for Medi-Cal payments under this subsection (Exhibit B, Section A, subsection 3) is provided by the California Department of Health Care Services (DHCS).
 - i. It is mutually agreed that if funds from DHCS are not sufficient to provide the funds for this program, the Exchange shall give notice to Contractor and, upon such notice, have the option to either (1) cancel this subsection of the agreement with no liability occurring to the Exchange and no obligation to furnish any other consideration under this subsection of the Agreement or (2) offer an amendment to the Contractor to reflect the reduced amount.
 - ii. In no event shall the Exchange be responsible for late payment penalties related to Medi-Cal enrollments. DHCS is solely liable for paying late penalties for payments due under this subsection.

B. Prompt Payment Clause:

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

Payment shall be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

C. Non-resident Tax Withholdings:

Payments to all nonresidents may be subject to withholding. Non-resident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California shall have seven percent of their total payments withheld for state income taxes. No withholding is required, however, if total payments to the payee are \$1,500 or less for the calendar year.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

~~GENERAL TERMS AND CONDITIONS~~

A. Approval:

This Agreement is of no force or effect until signed by both parties.

B. Indemnification:

Contractor agrees to indemnify, defend and save harmless the State, its officers, trustees, agents and employees from any and all claims, losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorneys' fees, which:

1. Arise out of, are due to, are alleged to arise out of or be due to, a breach by the Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement, or
2. Are caused by or result from or are alleged to arise out of or result from, the Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence or reckless disregard of its duties under this Agreement, or
3. Accrue or result, or are alleged to accrue or result, to any and all contractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement, or
4. Arise out of, are due to, or are alleged to arise out of or be due to, any claim or allegation of infringement, misappropriation or violation of any patent, copyright, trademark, trade secret, domain name or other intellectual property right comprising or involving any of the Subject Inventions, Prior Inventions or other Inventions provided in any way by Contractor and used, reproduced or otherwise exploited by the State in connection with any of the Agreement Programs or any Turnover thereof; or
5. Arise out of, are due to or are alleged to arise out of or be due to, any violation of HIPAA, the HIPAA Regulations, HITECH Act, other security or privacy laws, or any other laws, by Contractor or any contractor or agent under Contractor 's control.

If and to the extent that the Contractor has knowledge of a claim that it believes may develop into an action that would be subject to this Agreement, the Contractor shall promptly notify the Exchange of the claim by written notice to Agent Services identified in Section I of Exhibit A.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

Right to Tender or Undertake Defense. If the State is named a party in any judicial, administrative, or other proceeding arising out of or in connection with a breach of this Agreement or a matter for which the Contractor is obligated to indemnify the State under this Agreement, then the State shall have the option at any time to either (i) tender its defense to Contractor, in which case Contractor shall provide qualified attorneys, consultants, and other appropriate professionals to represent the State's interests at Contractor's expense, or (ii) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case Contractor shall be responsible for and shall pay reasonable fees and expenses of such attorneys, consultants, and other appropriate professionals. If the State elects option (ii) above, the Contractor shall be afforded a reasonable opportunity to participate in the defense and attend the legal proceedings at its own expense; however, the State shall have sole control of the defense.

Right to Control Resolution. Notwithstanding that the State may have tendered its defense to the Contractor, neither party shall settle, compromise or resolve any claims, causes of action, liabilities or damages against the State without the consent of the other party, which consent shall not be unreasonably withheld. Any such resolution shall not relieve the Contractor of its obligation to indemnify the State.

C. Dispute Provisions:

1. The parties shall deal in good faith and attempt to resolve disputes informally. If the dispute persists, Contractor shall submit a written dispute notice to the Agent Services within 15 calendar days after the date of the action causing the dispute. The written dispute notice shall contain the following information:
 - a. The decision or issue under dispute;
 - b. The reason(s) Contractor believes the decision or position taken by the Exchange is in error (if applicable, reference pertinent Contract provisions);
 - c. Identification of all documents and substance of all oral communication which support Contractor's position; and
 - d. The dollar amount in dispute, if applicable.
2. Within 15 calendar days after receipt of the dispute notice, Agent Services shall issue a written decision regarding the dispute. The written decision shall include the following information:
 - a. A description of the dispute;
 - b. A reference to pertinent Contract provisions, if applicable;

EXHIBIT C
GENERAL TERMS AND CONDITIONS

- c. A statement of the factual areas of agreement or disagreement; and
 - d. A statement of the State's decision with supporting rationale
3. If the Contractor is not satisfied with the decision of the Exchange, the Contractor may, within 15 calendar days of the Exchange's decision, submit a written appeal to the Exchange Executive Director. The Executive Director shall then issue a final decision on the dispute within 30 days after receiving Contractor's written appeal. If the Executive Director fails to render a final decision within 30 days after receipt of Contractor's written appeal, it shall be deemed a final decision adverse to the Contractor's contentions. The Executive Director's final decision shall be conclusive and binding regarding the dispute unless Contractor commences an action in a court of competent jurisdiction to contest such decision within 30 days following the date of the final decision.
4. Pending the final resolution of any dispute arising under, related to or involving this Agreement, Contractor agrees to diligently proceed with the performance of this Agreement, in accordance with the Exchange's instructions. Contractor's failure to diligently proceed in accordance with the Exchange's instructions shall be considered a material breach of this Agreement.

D. Modification

The Exchange may modify this Agreement upon thirty (30) days prior written notification. Any such modification shall not affect Agent's rights in connection with business written with effective dates prior to the effective date of modification of this Agreement.

E. Termination

1. Termination For Cause:

The Exchange may terminate this Agreement for cause and be relieved of any payments at any time. Upon notice from the Exchange terminating this Agreement for Cause, Contractor shall immediately discontinue all activities affected, unless the notice directs otherwise, and the Exchange may proceed with the work in any manner deemed proper by the Exchange. In such event, the Exchange shall not be liable to pay Contractor any compensation from the date of termination, and all costs to the Exchange shall be remitted to the Exchange within 30 days. The Exchange may, at its sole discretion, offer an opportunity to cure any breach prior to terminating for default. A failure to terminate this Agreement for cause shall not be a waiver of the right to do so with respect to any past, current or future default. Such right of termination shall be without prejudice to any other remedies available to the Exchange. The Exchange may

EXHIBIT C
GENERAL TERMS AND CONDITIONS

terminate this Agreement for cause without prior written notice to Agent at any time for any of the following occurrences:

- a. The death of Agent. If this Agreement is terminated because of the death of an Agent, Agent's legal heirs may elect to, within one-hundred-eighty (180) days following the death of Agent, exercise the Assignment of Commission Rights set out in Section A, sub-section c of Exhibit B;
- b. Revocation, suspension or expiration of Agent license by the California Department of Insurance ;
- c. Revocation, suspension or expiration of Agent's certification by the Exchange.
- d. Commission of a fraudulent, illegal, deceitful or dishonest act as determined the Exchange;
- e. Termination of the Agent Agreement pursuant to ~~the Exhibit D, Business Associate Agreement~~ Privacy and Security Requirements, ~~Exhibit D,~~ Section ~~III~~ K;
- f. Agent's failure to comply with any provision of this Agreement; or
- g. Threatening, harassing, or acting in an abusive manner toward the Exchange or any of its employees, agents, representatives, or Consumers.

Although termination is effective immediately, Agent may dispute the Termination for Cause decision pursuant to Section C of this Exhibit, Dispute Provisions.

2. ~~Termination Without Cause~~ Vesting:

This Agreement may be ~~terminated~~ suspended for the sale of new business at any time by either party upon giving thirty (30) days prior written notice thereof to the other party. The effective date of ~~termination~~ the suspension shall be the first day of the month following the 30-day notice period unless said notice specifies a later date. In the instance that an Agent's contract is ~~terminated~~ suspended ~~Without Cause~~, Agent shall continue to be compensated in accordance with this Agreement after the date of ~~termination~~ suspension if Agent:

- a. Maintains licensure and certification; and
- b. Continues to service Consumers for whom Agent is the Agent of Record in accordance with this Agreement, unless the Agent of Record is changed as described in Exhibit A, Section C.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

F. Independent Contractor:

In the performance of this Agreement, Contractor and the agents and employees of Contractor shall act in an independent capacity and not as officers or employees or agents of the State except for purposes of Civil Code Section 1798.24.

G. Contractor Certification Clauses:

1. Compliance:

Contractor certifies that it is in compliance and will remain in compliance with all applicable federal and state laws.

2. Nondiscrimination Clauses

Contractor certifies that it will comply with all Federal and state statutes and regulations relating to nondiscrimination. These include, but are not limited to, the following:

- a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which Federal financial assistance is provided by the Department of Health and Human Services.
- b. Title IX of the Education Amendments of 1972 (Pub. L. 92-318), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 86), to the end that, in accordance with Title IX and the Regulation, no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any education program or activity for which Federal financial assistance is provided by the Department of Health and Human Services.
- c. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 84), to the end that, in accordance with Section 504 of that Act and the Regulation, no otherwise qualified individual with a disability in the United States shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination

EXHIBIT C
GENERAL TERMS AND CONDITIONS

under any program or activity for which Federal financial assistance is provided by the Department of Health and Human Services.

- d. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which Federal financial assistance is provided by the Department of Health and Human Services.
- e. Americans With Disabilities Act (ADA) of 1990, as amended, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).
- f. The Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (Title 2, California Code of Regulations, Section 11000 et seq.) require that during the performance of this Agreement, Contractor and its subcontractors, as well as their agents and employees, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including health impairments related to or associated with a diagnosis of cancer for which a person has been rehabilitated or cured), age (over 40), marital status, and use of family and medical care leave pursuant to state or federal law. Contractor and subcontractors, as well as their agents and employees, shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement; and
- g. The requirements of any other nondiscrimination statute(s) which may apply to this Agreement.

3. Conflict of Interest:

EXHIBIT C
GENERAL TERMS AND CONDITIONS

Contractor acknowledges that, in governmental agreements, even the appearance of a conflict of interest is harmful to the interest of the State. Thus, Contractor agrees to refrain from any practices, activities or relationships that could reasonably be considered to be in conflict with Contractor's fully performing his/her obligations to the State under the terms of this Contract. Contractor shall inquire about and require disclosure by its Staff and subcontractors of all activities that may create an appearance of conflict. In the event that Contractor is uncertain whether the appearance of a conflict of interest may reasonably exist, Contractor shall submit to Agent Services identified in Section I of Exhibit A a full disclosure statement setting forth the relevant details of any activity which the Contractor reasonably believes may have the appearance of a conflict of interest for the State's consideration and direction. Failure to promptly submit a disclosure statement setting forth the relevant details for the State consideration and direction shall be grounds for Termination of this Contract.

4. Conflict Of Interest for Current or Former State Employees:

Contractor acknowledges the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, Contractor shall contact the State immediately for clarification.

a. Current State Employees:

- i. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- ii. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

b. Former State Employees:

- i. For the two (2)-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transaction, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- ii. For the twelve (12)-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that

EXHIBIT C
GENERAL TERMS AND CONDITIONS

state agency in a policy-making position in the same general subject area as the proposed contract within the twelve (12)-month period prior to his or her leaving state service.

If Contractor violates any provisions of the above paragraphs, such action by Contractor shall render this Agreement void.

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem.

5. Labor Code/Workers' Compensation:

Contractor acknowledges the provisions of law which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor agrees to comply with such provisions before commencing the performance of the work of this Agreement (Labor Code Section 3700).

6. Contractor Name Change:

Contractor acknowledges that an amendment is required to change the Contractor name as listed on this Agreement. Upon receipt of legal documentation of the name change the State shall process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

7. Air Or Water Pollution Violation:

Contractor acknowledges that, under the State laws, Contractor shall not be:

- a. In violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district;
- b. Subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or
- c. Finally determined to be in violation or provisions of federal law relating to air or water pollution.

8. Drug-Free Workplace Requirements:

Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 and shall provide a drug-free workplace by taking the following actions:

EXHIBIT C
GENERAL TERMS AND CONDITIONS

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The person's or organization's policy of maintaining a drug-free workplace;
 - iii. Any available counseling, rehabilitation and employee assistance programs; and
 - iv. Penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed Agreement shall:
 - i. Receive a copy of the company's drug-free workplace policy statement; and
 - ii. Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the State determines that any of the following has occurred: (1) Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Govt Code Section 8350 et seq.)

9. National Labor Relations Board Certification:

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two (2)-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

10. Payee Data Record Form Std 204:

Contractor acknowledges that this form must be completed by all Contractors that are not another state agency or other government entity.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

11. Computer Software Copyrights:

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

12. Activities Abroad

Contractor certifies that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

13. Covenant Against Contingent Fees

Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Exchange shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

14. Child Support Compliance Act:

In accordance with the Child Support Compliance Act,

- a. Contractor acknowledges the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

15. Union Organizing:

By signing this Agreement, Contractor hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this Agreement

EXHIBIT C
GENERAL TERMS AND CONDITIONS

except to the extent any of those statutes are made inapplicable by the decision of the U. S. Supreme Court in Chamber of Commerce of U.S. v. Brown (2008) 554 U.S. 60.

16. Recycling Certification:

Contractor certifies in writing under penalty of perjury, if not exact, percentage of recycled content, both post-consumer waste and secondary waste as defined in the Public Contract Code, Sections 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Section 12209. Contractor may certify that the product contains zero recycled content.

17. Resource Conservation and Recovery Act

Contractor certifies that preference shall be given to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency (EPA) at 40 CFR parts 247-254. (2 CFR 215.16)

18. Antitrust Claims:

The Contractor by signing this Agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes sections set out below.

- a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - i. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - ii. "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
- b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective

EXHIBIT C
GENERAL TERMS AND CONDITIONS

at the time the purchasing body tenders final payment to the bidder.
Government Code Section 4552.

- c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

19. Domestic Partners:

Notwithstanding any other provision of law, no state agency may enter into any contract for the acquisition of goods or services in the amount of one hundred thousand dollars (\$100,000) or more with a contractor who, in the provision of benefits, discriminates between employees with spouses and employees with domestic partners, or discriminates between employees with spouses or domestic partners of a different sex and employees with spouses or domestic partners of the same sex, or discriminates between same-sex and different-sex domestic partners of employees or between same-sex and different-sex spouses of employees. Contractor hereby certifies that it does not discriminate in any of the ways described in this paragraph.

H. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

I. Timeliness:

Time is of the essence in this Agreement.

J. Governing Law:

EXHIBIT C
GENERAL TERMS AND CONDITIONS

This Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of law's provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder (including any action to compel arbitration or to enforce any award or judgment rendered thereby) shall be brought in the state or federal courts sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

K. Severability:

If any provision in this Agreement is invalid or unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to effectuate the purpose and intent of this Agreement, and the invalidity or unenforceability of any provision in this Agreement in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

L. Priority Hiring Considerations for Recipients Of Aid

If this Contractor is in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353. This requirement shall not interfere with or require a violation of a collective bargaining agreement, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws of California and does not require the employment of unqualified recipients of aid.

M. Audit:

Contractor agrees that the awarding department ("the State") and the Bureau of State Audits, Health and Human Services, or their designated representatives, shall have the right to review and to copy any records and supporting documentation directly pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of ten (10) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include the same right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (45 CFR Section 155.1210, GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

~~Contractor agrees that the Exchange and the California State Auditor's office, or their designated representatives, shall have the right to review and to copy any~~

EXHIBIT C
GENERAL TERMS AND CONDITIONS

~~records and supporting documentation directly pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include the same right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).~~

N. Insurance Requirements

When Contractor submits a signed Agreement to the State, Contractor shall furnish to the State a certificate of insurance, stating that there is:

1. Errors and Omissions Insurance in force in an amount satisfactory to Exchange, but no less than \$1,000,000 per occurrence and \$1,000,000 aggregate limit of all claims filed in the policy year and from a carrier satisfactory to Exchange. Agent shall be noted on the certificate. The obtaining and maintenance of such insurance shall be a material requirement of this Agreement.

O. Intellectual Property Rights:

1. All activities defined in the Statement of Work originated or prepared by Contractor pursuant to this Agreement including papers, reports, charts, and other documentation, but not including Contractor's administrative communications and records relating to this Agreement, shall upon delivery and acceptance by the Exchange become the exclusive property of the Exchange and may be copyrighted by the Exchange.
2. All inventions, discoveries or improvements of the techniques or programs or materials developed pursuant to this Agreement shall be the property of Exchange.
3. This Agreement shall not preclude Contractor from developing materials outside this Agreement, which are competitive, irrespective of their similarity to materials which might be delivered to the Exchange pursuant to this Agreement. All preexisting intellectual property, copyrights, trademarks and products shall be the sole property of Contractor.

P. Confidentiality:

Contractor agrees to protect the personal information of all individuals by following applicable federal and state privacy and security requirements.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

All financial, statistical, personal, technical, and other data and information related to the Exchange's operations that are not publicly available and that become available to Contractor shall be protected during or after its relationship with the Exchange by Contractor from unauthorized use and disclosure. Contractor agrees that Contractor shall not use any Confidential Information for any purpose other than carrying out the provisions of the Agreement.

Confidential Information includes, but is not limited to, all proprietary information of the Exchange including without limitation: the Deliverables; trade secrets; know-how; concepts; methods; techniques; designs; drawings; specifications; computer programs, including the State's software; support materials; information regarding the State's business operations and plans; client, customer, or supplier lists; pricing information; marketing plans or information; or other records concerning the State's finances, contracts, services, or personnel.

At the conclusion of its relationship with the Exchange, Contractor shall return any and all records or copies of records relating to the Exchange, or its business, or its Confidential Information. Contractor shall take such steps as may be reasonably necessary to prevent disclosure of Confidential Information to others and shall not disclose Confidential Information to others without the prior written consent of the Exchange. Contractor agrees that Confidential Information disclosed to it under the terms of this Agreement may be disclosed only to its employees or agents who have a need to know such Confidential Information.

This Agreement not to disclose Confidential Information will continue to apply after termination of this Agreement, and until such time as the Confidential Information becomes public knowledge through no fault of its own. Contractor will report to the Exchange any and all unauthorized disclosures of Confidential Information. Contractor acknowledges that any publication or disclosure of Confidential Information to others may cause immediate and irreparable harm to the Exchange, and if Contractor should publish or disclose Confidential Information to others, the Exchange shall be entitled to injunctive relief or any other remedies to which it is entitled under law or equity, without posting a bond.

Q. Waiver of Breach

The waiver by the Exchange of any breach by Contractor of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by Contractor.

R. Resolution:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

S. Corporate Qualifications To Do Business In California:

1. Contractor acknowledges that, when agreements are to be performed in the state by corporations, the Exchange will verify that the Contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
2. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Contractor performing within the state not be subject to the franchise tax.

Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. The Exchange will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

T. Evaluation of Contractor

1. Contractor is hereby notified that the State will evaluate the Contractor's performance for compliance with the terms of this Agreement within 60 days of the termination of the Agreement. The evaluation shall be prepared on a "Contract/Contractor Evaluation," STD Form 4. Contractor shall be notified and sent a copy of the unsatisfactory evaluation within 15 days after its completion.

U. Federal Terms and Conditions

1. OMB Circular A-133 Audit

If the Contractor is a state or local agency, or non-profit organization including a non-profit institution of higher education (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$500,000 or more in federal funds, the Contractor agrees to obtain an annual single organization wide, independent audit in accordance with the Federal Office of Management and Budget (OMB) Circular A-133. All OMB Circular A-133 audit reports shall meet the reporting requirements established in OMB § 1101.320 "Report Submission" and a copy shall be forwarded to funding program of DHCS.

2. Equal Employment Opportunity

By signing this Agreement, the Contractor agrees to comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

EXHIBIT C
GENERAL TERMS AND CONDITIONS

3. Clean Air and Water Pollution Control Act

(Applicable only to federally funded agreements in excess of \$100,000)

By signing this Agreement, the Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 *et seq.*) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 *et seq.*). Violations shall be reported by the State to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

4. Debarment and Suspension Certification

For federally funded agreements, Contractor certifies that to the best of his/her knowledge and belief he/she and their principals or affiliates or any sub-contractor utilized under this agreement, are not debarred or suspended from federal financial assistance programs and activities nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. The Contractor also certifies that it or any of its sub-contractors are not listed on the Excluded Parties Listing System (<http://www.sam.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17).

5. Certification Regarding Lobbying

Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds.

1. For Agreements with Contractors who are State entities not under the authority of the Governor, or cities, private firms or agencies which are receiving in excess of \$100,000 in federal funds from the California Health Benefit Exchange to perform services. By signing this Agreement the Contractor certifies that to the best of his or her knowledge and belief, that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal Grant or agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
 - c. The Contractor shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.
2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U. S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than \$10,000 and not more than \$100,000 for each such failure.

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

Business Associate Agreement

~~This Business Associate Agreement (this "Agreement") between the California Health Benefit Exchange ("Covered Entity") and Certified Insurance Agent ("Business Associate") is entered into in accordance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as codified at 42 USCA §1320d d8, and its implementing regulations at 45 C.F.R. Parts 160, 162 and 164 (the "HIPAA Regulations"); and the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and its attendant regulations and guidance (the "HITECH Act").~~

Purpose of the Agreement

~~Business Associate provides certain services on behalf of Covered Entity that require the Covered Entity to disclose certain identifiable health information to Business Associate. The parties desire to enter into this Agreement to permit Business Associate to have access to such information and comply with the business associate requirements of HIPAA, the HIPAA Regulations, and the HITECH Act, as each may be amended from time to time in accordance with the terms and conditions set forth in this Agreement. The Parties (Business Associate and Covered Entity) hereby agree as follows:~~

~~**Definitions:** Unless otherwise specified, in this Agreement, all capitalized terms used in this Agreement not otherwise defined have the meaning established for the purposes of Title 45 parts 160 and 164 of the United States Code of Federal Regulations, as amended from time to time, and the HITECH Act.~~

Business Associate Obligations.

~~**Applicable Law.** The terms and conditions set forth in this Agreement shall become effective on the later of the effective date of this Agreement, April 14, 2003, or any new mandatory compliance date established for HIPAA, the HIPAA Regulations and/or the HITECH Act. The parties acknowledge and agree that the HIPAA Regulations and HITECH Act may be amended and additional guidance and/or regulations may be issued after the date of the execution of this Agreement and may affect the parties' obligations under this Agreement ("Future Directives"). The parties agree to abide by such Future Directives as these Future Directives may affect the obligations of the parties. If Future Directives affect the obligations of the parties, then Covered Entity shall notify Business Associate of Future Directives in writing within thirty (30) days before Future Directives are effective. The notification of Business Associate by Covered Entity of Future Directives that affect the obligations of the parties related to the Business Associate relationship shall be considered amendments to this Agreement binding on both parties.~~

~~**Permitted Uses and Disclosures.** Business Associate shall not, and shall ensure that its directors, officers, employees, contractors and agents do not, further use or disclose patient individually identifiable health information ("Protected Health~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~Information” or “PHI”) received from or created for the Covered Entity in any manner that would violate the HIPAA Regulations, HITECH Act or Future Directives. Business Associate agrees to abide by the HIPAA Regulations with respect to the use or disclosure of Protected Health Information it creates, receives from, maintains, or electronically transmits for the Covered Entity as if the Business Associate were considered a health care provider under the HIPAA Regulations. Business Associate further agrees that it will not use or disclose Protected Health Information beyond the purposes set forth in the Agreement. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, the Covered Entity as specified in that certain Agreement between the parties, provided that such use or disclosure would not violate HIPAA, the HIPAA Regulations or the HITECH Act if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.~~

~~**Compliance with Business Associate Agreement and HITECH Act.** Effective February 17, 2010, Business Associate may use and disclose PHI that is created or received by Business Associate from or on behalf of Covered Entity if such use or disclosure, respectively, complies with each applicable requirement of 45 C.F.R. § 164.504(e) and the HITECH Act. The additional requirements of Subtitle D of the HITECH Act that relate to privacy and that apply to covered entities also will apply to Business Associate and are incorporated into this Agreement by reference.~~

~~**Use of PHI for Administrative Activities.** Notwithstanding Section I.2 above, Business Associate may use or disclose PHI for management and administrative activities of Business Associate or to comply with the legal responsibilities of Business Associate; provided, however, the disclosure or use must be required by law or Business Associate must obtain reasonable assurances from the third party that receives the Protected Health Information that they will (i) treat the Protected Health Information confidentially and will only use or further disclose the Protected Health Information in a manner consistent with the purposes that the Protected Health Information was provided by Business Associate; and (ii) promptly report any breach of the confidentiality of the Protected Health Information to Business Associate. Provided further that, Business Associate will notify Covered Entity immediately upon receipt of a request for any disclosure of PHI required by law.~~

~~**Accounting.** Business Associate agrees to document disclosures of PHI and collect information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and, if required by and upon the effective date of, Section 13405(c) of the HITECH Act and related regulatory guidance.~~

~~a) Business Associate agrees to provide to Covered Entity or an Individual upon Covered Entity's request, information collected in accordance with this Section, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and, if required by and~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

upon the effective date of, Section 13405(c) of the HITECH Act and related regulatory guidance.

Restriction. ~~Effective February 17, 2010, and notwithstanding 45 C.F.R. § 164.522(a)(1)(ii), Business Associate must comply with an Individual's request under 45 C.F.R. § 164.522(a)(1)(i)(A) that Business Associate restrict the disclosure of PHI of the Individual if (1) except as otherwise required by law, the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment); and (2) the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.~~

Fundraising. ~~Any written fundraising communication occurring on or after February 17, 2010 that is a health care operation shall, in a clear and conspicuous manner and consistent with guidance to be provided by the Secretary, provide an opportunity for the recipient of the communications to elect not to receive any further such communication. An election not to receive any further such communication shall be treated as a revocation of authorization under Section 45 C.F.R. § 164.508. However, no communication pursuant to this Section may be made by Business Associate without prior written authorization by Covered Entity.~~

Sale of PHI. ~~Upon the effective date of Section 13405(d) of the HITECH Act, Business Associate shall not directly or indirectly receive remuneration in exchange for PHI that is created or received by Business Associate from or on behalf of Covered Entity unless: (1) pursuant to an authorization by the Individual in accordance with 45 C.F.R. §164.508 that includes a specification for whether the PHI can be further exchanged for remuneration by the entity receiving PHI of that Individual; or (2) as provided in Section 13405(d)(2) of the HITECH Act and regulations to be issued by the Secretary, upon the effective date of such regulations. However, in no instance may Business Associate receive remuneration pursuant to this Section without Covered Entity's written authorization.~~

Marketing. ~~A communication occurring on or after February 17, 2010 by Business Associate that is described in the definition of marketing in 45 C.F.R. §164.501(1) for which Covered Entity receives or has received direct or indirect payment (excluding payment for treatment) in exchange for making such communication, shall not be considered a health care operation unless: (1) such communication describes only a drug or biologic that is currently being prescribed for the recipient of the communication and any payment received in exchange for making such a communication is reasonable in amount; or (2) the communication is made by Business Associate on behalf of the Covered Entity and the communication is otherwise consistent with this Agreement. However, no communication pursuant to this Section may be made by Business Associate without prior written authorization by Covered Entity.~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~**Safeguarding the Privacy of PHI.** Business Associate agrees that it shall utilize physical, administrative and technical safeguards to ensure that PHI is not used or disclosed in any manner inconsistent with this Agreement or the purposes for which Business Associate received PHI from or created PHI for the Covered Entity. Business Associate further agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of any PHI that Business Associate creates, receives, maintains or transmits electronically on behalf of Covered Entity under the Agreement. Upon request, Business Associate shall provide the Covered Entity with a written description of the physical, administrative and technical safeguards adopted by Business Associate to meet its obligations under this Section.~~

~~**Security Safeguards.** Business Associate acknowledges that, effective February 17, 2010, 45 C.F.R. §§ 164.308, 164.310, 164.312 and 164.316 will apply to Business Associate in the same manner that such sections apply to covered entities and are incorporated into this Agreement by reference. The additional requirements of the HITECH Act that relate to security and that apply to covered entities also will apply to Business Associate and are incorporated into this Agreement by reference. Business Associate agrees to implement the technical safeguards provided in guidance issued annually by the Secretary for carrying out the obligations under the Code of Federal Regulation sections cited in this Section and the security standards in Subpart C of Part 164 of Title 45 of the Code of Federal Regulations.~~

~~**Breach Notification.** Business Associate agrees to implement response programs and record-keeping systems to enable Business Associate to comply with the requirements of this Section and 13402 of the HITECH Act and the regulations implementing such provisions, currently Subpart D of Part 164 of Title 45 of the Code of Federal Regulations, when Business Associate detects or becomes aware of unauthorized access to information systems or documents that contain PHI. Business Associate agrees to mitigate any effects of the inappropriate use or disclosure of PHI by Business Associate.~~

~~a) Business Associate agrees to notify Covered Entity, by facsimile or telephone, of any breach or suspected breach of its security related to areas, locations, systems, documents or electronic systems which contain unsecured PHI, including, without limitation, any Security Incident, instance of theft, fraud, deception, malfeasance, or use, access or disclosure of PHI which is inconsistent with the terms of this Agreement (an "Incident") immediately upon having reason to suspect that an Incident may have occurred, and typically prior to beginning the process of verifying that an Incident has occurred or determining the scope of any such Incident, and regardless of the potential risk of harm posed by the Incident. Notice shall be provided to the Covered Entity's representative designated in this Agreement. Upon discovery of a breach or suspected Incident, Business Associate shall take:~~

~~Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.~~

~~b) In the event of any such Incident, Business Associate shall further provide to Covered Entity, in writing, such details concerning the Incident as Covered Entity may request, and shall cooperate with Covered Entity, its regulators and law enforcement to assist in regaining possession of such unsecured PHI and prevent its further unauthorized use, and take any necessary remedial actions as may be required by Covered Entity to prevent other or further Incidents.~~

~~c) If Covered Entity determines that it may need to notify any Individual(s) as a result of such Incident that is attributable to Business Associate's breach of its obligations under this Agreement, Business Associate shall bear all reasonable direct and indirect costs associated with such determination including, without limitation, the costs associated with providing notification to the affected Individuals, providing fraud monitoring or other services to affected Individuals and any forensic analysis required to determine the scope of the Incident.~~

~~d) In addition, Business Associate agrees to update the notice provided to Covered Entity under Section 12(a) of this Agreement of such Incident to include, to the extent possible and as soon as possible working in cooperation with Covered Entity, the identification of each Individual whose unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired, used or disclosed during the Incident and any of the following information Covered Entity is required to include in its notice to the Individual pursuant to 45 C.F.R. §164.404(c):~~

~~i. A brief description of what happened, including the date of the Incident and the date of discovery of the Incident, if known;~~

~~ii. A description of the types of unsecured PHI that were involved in the Incident (e.g. Social Security number, full name, date of birth, address, diagnosis);~~

~~iii. Any steps the Individual should take to protect themselves from potential harm resulting from the Incident;~~

~~iv. A brief description of what is being done to investigate the Incident, mitigate the harm and protect against future Incidents; and~~

~~v. Contact procedures for Individuals to ask questions or learn additional information which shall include a toll free number, an e-mail address, Web site, or postal address (provided, Subsection v is only applicable if Covered Entity specifically requests Business Associate to establish contact procedures).~~

~~e) Such additional information must be submitted to Covered Entity immediately at the time the information becomes available to Business Associate.~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~f) If the cause of a breach of PHI is attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including, without limitation, notification to media outlets and to the Secretary of the Department of Health & Human Services. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to Covered Entity in addition to Business Associate, Business Associate shall notify Covered Entity, and Covered Entity and Business Associate may take appropriate action to prevent duplicate reporting.~~

~~**Subcontractors and Agents of Business Associate.** Business Associate agrees to enter into written contracts with any of its agents or independent contractors (collectively, "subcontractors") who receive PHI from Business Associate or create, maintain, or transmit electronically, PHI on behalf of the Covered Entity, as a subcontractor to Business Associate, and such contracts shall obligate Business Associate's subcontractors to abide by the same conditions and terms as are required of Business Associate under this Agreement. Upon request, Business Associate shall provide the Covered Entity with a copy of any written agreement or contract entered into by Business Associate and its subcontractors to meet the obligations of Business Associate under this Section.~~

~~a) Business Associate shall, upon knowledge of a material breach by a subcontractor of the subcontractor's obligations under its contract with Business Associate, either notify such subcontractor of such breach and provide an opportunity for subcontractor to cure the breach; or, in the event subcontractor fails to cure such breach or cure is not possible, Business Associate shall immediately terminate the contract with subcontractor.~~

~~b) To the extent that any of Business Associate's subcontractors will have access to any PHI that is created, maintained or transmitted electronically, Business Associate shall require such agents and subcontractors to agree to implement reasonable and appropriate safeguards to protect such electronic PHI.~~

~~**Availability of Information to Covered Entity and Individuals.** Business Associate agrees to provide access and information:~~

~~Business Associate shall provide access as may be required, and in the time and manner designated by Covered Entity (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to Covered Entity (or, as directed by Covered Entity), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for Covered Entity that includes medical, dental and billing records about individuals;~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~enrollment, payment, claims adjudication, and case or medical management systems maintained for Covered Entity health plans; or those records used to make decisions about individuals on behalf of Covered Entity. Business Associate shall respond to requests for access to records transmitted by Covered Entity within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.~~

~~If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).~~

~~If Business Associate receives data from Covered Entity that was provided to Covered Entity by the Social Security Administration, upon request by Covered Entity, Business Associate shall provide Covered Entity with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.~~

~~**Access by Covered Entity and Secretary of Health & Human Services.** Business Associate agrees to allow Covered Entity and the Secretary of the Department of Health & Human Services access to its books, records and internal practices with respect to the disclosure of PHI for the purposes of determining the Business Associate's compliance with the HIPAA Privacy Regulations. If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Agreement, Business Associate shall notify Covered Entity and provide Covered Entity with a copy of any PHI that Business Associate provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).~~

Other Obligations of Business Associate

~~**Exchange Privacy and Security Rules.** Business Associate agrees to comply with the privacy and security requirements applicable to Personally Identifiable Information under the Exchange Privacy and Security Rules at 45 C.F.R. Part 155.260 ("the Exchange Requirements"), promulgated pursuant to the federal Patient Protection and Affordable Care Act, (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), known collectively as the Affordable Care Act. Business Associate shall implement reasonable and appropriate fair information practices that are consistent with the Exchange Privacy and Security Rules, as set out below. To the extent a conflict arises between the Exchange Privacy and Security Rules and any other requirements, Business~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

Associate agrees to comply with the applicable requirements imposing the more stringent privacy and security standards.

Definitions. For purposes of this section, the following definitions shall apply:

Federal Tax Information (or "FTI"): Federal tax returns and return information, including any tax or information return, declaration of estimated tax, claim for refund, a taxpayer's identity, the nature, source or amount of income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over-assessments, or tax payments and other information related to a tax return, including information in certain written determinations and agreements. (26 U.S.C. § 6103(b).)

Personally Identifiable Information (or "PII"): Any information, including electronic, paper or any other media, that identifies or describes an individual, or can be used to distinguish or trace an individual's identity, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, medical or employment history, biometric records, and statements made by, or attributed to, the individual, that alone or when combined with other personal or identifying information can be linked or is linkable to a specific individual. It also includes any identifiable information collected from or about an individual for purposes of determining eligibility for enrollment in a Qualified Health Plan, determining eligibility for other insurance affordability programs, determining eligibility for exemptions from the individual responsibility provisions, or any other use of such individual's identifiable information in connection with the Exchange. PII includes Protected Health Information (PHI) and Federal Tax Information.

Individual Access. Contractor shall provide access to, and permit inspection and copying of Personally Identifiable Information maintained by Contractor upon request in either an electronic or hard copy format as specified by the individual and as required by law, within thirty (30) calendar days of such request from the individual. If the Contractor is unable to provide access within the time required by this subsection, Contractor may have no more than thirty (30) additional calendar days to provide the requested access. If Contractor denies access, in whole or in part, Contractor must provide a written denial within the time limits for providing access, which includes the basis for the denial and a statement of the individual's review rights, if applicable. In the event any individual requests access to Protected Health Information, Personally Identifiable Information or Federal Tax Information maintained by the Exchange directly from Contractor, Contractor shall within five (5) calendar days forward such request to the Exchange.

Correction. Contractor shall provide an individual with the right to request an amendment of inaccurate Personally Identifiable Information maintained by Contractor. Contractor shall respond to such individual within sixty (60) calendar days of such a request either by making the correction and informing the individual of such correction or notifying the individual in writing that the request was denied,

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

which notice shall provide an explanation for the denial and explain that the individual may submit a statement of disagreement with the denial. Any request to amend Federal Tax Information shall be forwarded to the Exchange within five (5) calendar days.

Openness and Transparency. Contractor shall make available to individuals its applicable policies, procedures, and technologies that directly affect such individuals and/or their Personally Identifiable Information.

Choice. Contractor shall provide individuals with a reasonable opportunity and capability to make informed decisions about the collection, use, and disclosure of their Personally Identifiable Information. Contractor shall allow individuals to request a restriction on the uses and disclosures of their Personally Identifiable Information, and such requests shall be granted if it is reasonably possible to do so.

Limitations. Contractor represents and warrants that all Personally Identifiable Information shall be collected, used, and/or disclosed under this Agreement only to the extent necessary to accomplish a specified purpose under the terms of this Agreement or as permitted by the Exchange Requirements and never to discriminate inappropriately.

Data Integrity. Contractor shall implement policies and procedures reasonably intended to ensure that Personally Identifiable Information in its possession is complete, accurate, and current, to the extent necessary for the Contractor's intended purposes, and has not been altered or destroyed in an unauthorized manner.

Safeguards. Contractor shall have in place administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Personally Identifiable Information that it creates, receives, maintains or transmits pursuant to the Agreement and to prevent the use or disclosure of Personally Identifiable Information other than as provided for in this Agreement, or as required by law. In furtherance of compliance with such requirements, specific safeguards and procedures that Contractor shall comply with are:

Contractor shall encrypt all Personally Identifiable Information that is in motion or at rest, including but not limited to data on portable media devices, using commercially reasonable means, consistent with applicable Federal and State laws, regulations and agency guidance, including but not limited to the U.S. Department of Health and Human Services Guidance Specifying the Technologies and Methodologies That Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements or issued by the National Institute for Standards and Technology ("NIST") concerning the protection of identifiable data such as Protected Health Information and/or Personally Identifiable Information. Data centers shall be encrypted or shall

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~otherwise comply with industry data security best practices.~~

~~Contractor shall implement a contingency plan for responding to emergencies and/or disruptions to business that in any way affect the use, access, disclosure or other handling of Personally Identifiable Information.~~

~~Contractor shall maintain and exercise a plan to respond to internal and external security threats and violations, which shall include an incident response plan. Contractor shall respond to privacy and security incidents, including breaches, as set out in section I.12, above.~~

~~Contractor shall maintain technology policies and procedures that provide reasonable safeguards for the protection of Personally Identifiable Information stored, maintained or accessed on hardware and software utilized by Contractor and its subcontractors and agents.~~

~~Contractor shall mitigate to the extent practicable, any harmful effect that is known to Contractor of any Security Incident related to Personally Identifiable Information or of any use or disclosure of Personally Identifiable Information by Contractor or its subcontractors or agents in violation of the requirements of this Exhibit or applicable privacy and security laws and regulations and agency guidance.~~

~~Contractor shall destroy Personally Identifiable Information in a manner consistent with applicable State and Federal laws, regulations, and agency guidance on the destruction of Personally Identifiable Information.~~

~~If Contractor receives data from the Exchange that was provided by the Social Security Administration (SSA), Contractor shall comply with the substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between the SSA and the California Department of Health Care Services, known as the Information Exchange Agreement (IEA), which are attached as Attachment B and incorporated into this Exhibit. The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. Upon request, Contractor shall provide the Exchange with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.~~

~~**Accountability.** Contractor shall monitor compliance with the fair information practices set out in this section and shall take appropriate actions to ensure adherence with them.~~

~~**Termination of Agreement.**~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~**Termination Upon Material Breach.** The Covered Entity may, in its sole discretion, terminate the Agreement, including this Agreement, upon determining that Business Associate violated a material term of this Agreement. If the Covered Entity makes such a determination, it shall inform Business Associate in writing that the Covered Entity is exercising its right to terminate this Agreement under this Section II.1 and such termination shall take effect immediately upon Business Associate receiving such notification of termination.~~

~~**Reasonable Steps to Cure Material Breach.** At the Covered Entity's sole option, the Covered Entity may, upon written notice to Business Associate, allow Business Associate an opportunity to take prompt and reasonable steps to cure any violation of any material term of this Agreement to the complete satisfaction of the Covered Entity within ten (10) days of the date of written notice to Business Associate. Business Associate shall submit written documentation acceptable to the Covered Entity of the steps taken by Business Associate to cure any material violation. If Business Associate fails to cure a material breach within the specified time period, then the Covered Entity shall be entitled to terminate this Agreement under Section II.1 above, if feasible, or, if it is not feasible to terminate this Agreement, to report Business Associate's material breach to the Secretary of the Department of Health and Human Services.~~

~~**Amendment.** Covered Entity may terminate this Agreement upon thirty (30) days written notice in the event (i) Business Associate does not promptly enter into negotiations to amend this Agreement when requested by Covered Entity pursuant to Section VI of this Agreement, or (ii) Business Associate does not enter into an amendment to this Agreement providing assurances regarding the safeguarding of PHI that Covered Entity, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA, the HIPAA Regulations and/or the HITECH Act.~~

~~**Return of PHI to Covered Entity Upon Termination.** Upon termination of the Agreement for any reason, Business Associate shall return all PHI to the Covered Entity. The Covered Entity may request in writing that Business Associate destroy all PHI upon termination of this Agreement rather than returning PHI to the Covered Entity. If the return or destruction of PHI is not feasible upon termination of the Agreement, then Business Associate shall explain in writing, directed to the Covered Entity's Chief Privacy Officer, why such return or destruction is not feasible. If such return or destruction is not feasible, then Business Associate agrees that it shall extend its obligations under this Agreement to protect the PHI and limit the use or disclosure of PHI to the purposes, which make return or destruction of PHI infeasible.~~

~~**IV. Conflicts.** The terms and conditions of this Agreement will override and control over any conflicting term or condition of other agreements between the parties. All non-conflicting terms and conditions of such agreements shall remain in full force and effect.~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~**No Third-Party Beneficiary Rights.** Nothing express or implied in this Agreement is intended or shall be interpreted to create or confer any rights, remedies, obligations or liabilities whatsoever in any third party.~~

~~**Notice.** Except as otherwise provided in Section I.12(a), any notice permitted or required by this Agreement will be considered made on the date personally delivered in writing or mailed by certified mail, postage prepaid, to the other party at the address set forth in the execution portion of this Agreement.~~

~~**Amendment.** The Parties agree to take such action as is necessary to implement the standards, requirements, and regulations of HIPAA, the HIPAA Regulations, the HITECH Act, and other applicable laws relating to the security or confidentiality of health information. Upon Covered Entity's request, Business Associate agrees to promptly enter into negotiations with Covered Entity concerning the terms of any amendment to the Agreement consistent with the standards, requirements and regulations of HIPAA, the HIPAA Regulations, the HITECH Act or other applicable laws.~~

~~**Relationship of the Parties.** The Parties hereto acknowledge that Business Associate shall be and have the status of independent contractor in the performance of its obligations under the terms of this Agreement as to Covered Entity. Nothing in this Agreement shall be deemed or construed to create a joint venture or partnership between Covered Entity and Business Associate.~~

~~**Indemnification.**~~

~~**Indemnification by Business Associate.** Business Associate shall protect, indemnify and hold harmless the Covered Entity, its officers and employees from all claims, suits, actions, attorney's fees, costs, expenses, damages, judgments or decrees arising out of the failure by Business Associate to comply with the requirements of this Agreement, the Privacy Regulations and all Future Directives; provided however that such indemnification shall be conditioned upon the Covered Entity giving prompt notice of any claims to Business Associate after discovery thereof and cooperating fully with Business Associate concerning the defense and settlement of claims.~~

~~**Miscellaneous.**~~

~~**Exception to Limitations and Exclusions.** Business Associate's obligations under this Agreement and any breach by Business Associate of the obligations in this Agreement shall not be subject to any limitations on damages suffered by Covered Entity that may be specified in any agreement, invoice, statement of work or similar document setting forth the services Business Associate is providing to Covered Entity ("Contract"). No limitation or exclusion in any Contract shall limit Covered Entity's rights to recover from Business Associate damages, losses or sanctions suffered by Covered Entity to the extent of amounts recovered by, or sanctions awarded to, a third party which are caused by Business Associate's breach of the obligations in this Agreement,~~

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

~~regardless of how such amounts or sanctions awarded to such third party are characterized.~~

~~**Assistance in Litigation or Administrative Proceedings.** Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to Covered Entity at no cost to Covered Entity to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.~~

~~**Modification.** This Agreement contains the entire understanding of the parties regarding the privacy and security obligations of Business Associate under HIPAA and will be modified only by a written document signed by each party.~~

~~**Waiver.** The waiver by Business Associate or Covered Entity of a breach of this Agreement will not operate as a waiver of any subsequent breach. No delay in acting with regard to any breach of this Agreement will be construed to be a waiver of the breach.~~

~~**Assignment.** This Agreement will not be assigned by Business Associate without prior written consent of the Covered Entity. This Agreement will be for the benefit of, and binding upon, the parties hereto and their respective successors and permitted assigns.~~

~~**Interpretation.** The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.~~

~~**Governing Law.** The interpretation and enforcement of this Agreement will be governed by the laws of the State of California. Exclusive venue shall be in Sacramento County, California.~~

~~**Headings.** The section headings contained in this Agreement are for reference purposes only and will not affect the meaning of this Agreement.~~

A. Purpose of Exhibit

1. This Exhibit sets forth the privacy and security requirements that apply to all Personally Identifiable Information (PII) that Contractor obtains, maintains,

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

transmits, uses or discloses from the California Health Benefit Exchange (“Exchange” aka Covered California) pursuant to this Agreement.

2. The parties agree to all terms and conditions of this Exhibit in order to ensure the integrity, security, and confidentiality of the information exchanged pursuant to this Agreement, and to allow disclosure and use of such information only as permitted by law and only to the extent necessary to perform functions and activities pursuant to this Agreement.
3. This Exhibit establishes requirements in accordance with applicable federal and state privacy and security laws including, but not limited to, the Information Practices Act (California Civil Code section 1798 et seq.), the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) (herein, the “Affordable Care Act”), and its implementing regulations at 45 C.F.R. Sections 155.260 and 155.270 (the “Exchange Privacy and Security Rules”) and, where applicable, the Health Insurance Portability and Accountability Act (42 U.S.C. section 1320d-d8) and the Health Information Technology for Economic and Clinical Health Act and their implementing regulations at 45 C.F.R. Parts 160 and 164 (collectively, “HIPAA”).

B. Definitions

1. The following definitions shall apply to this Exhibit:
 - a. Breach: Shall mean either:
 - i. The loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to PII, whether physical, or electronic; or
 - ii. A reasonable belief that unauthorized acquisition of PII that compromises the security, confidentiality or integrity of the PII has occurred .

(OMB M-07-16; California Civil Code section 1798.29.)
 - b. Disclosure: The release, transfer, provision of access to, or divulging in any other manner of PII outside the entity holding the information.
 - c. Federal Tax Information: Any return or return information as defined under the Internal Revenue Service Code, 26 U.S.C. section 6103(b)(1) and (2), received from the IRS or secondary source, such as SSA, Federal Office of Child Support Enforcement or Bureau of Fiscal Service. FTI includes any

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

information created by the recipient that is derived from return or return information. (IRS Pub. 1075, § 1.4.1)

- d. Personal Information: Information that identifies or describes an individual, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by, or attributed to, the individual. (California Civil Code section 1798.3)
- e. Personally Identifiable Information or "PII": Information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc. (OMB M-07-16.) PII includes Federal Tax Information (FTI), Personal Information (PI) and Protected Health Information (PHI).
- f. Privacy Incident: the attempted or successful unauthorized access, acquisition, use, disclosure, modification, or destruction of PII or interference with system operations in an information system that processes, maintains, or stores PII.
- g. Protected Health Information: Individually Identifiable Health Information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as defined in 45 C.F.R. section 160.103.
- h. Security Incident: The act of violating an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification, or destruction. Adverse events such as floods, fires, electrical outages, and excessive heat are not considered incidents. (Computer Matching Agreement, Agreement No. 2013-11, p.5.)

C. Applicable Laws

1. Contractor shall comply with any and all federal and state privacy and security laws, as well as applicable rules and regulations pertaining to the Exchange including, but not limited to, those arising under the federal Patient Protection

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

and Affordable Care Act and its implementing regulations. To the extent a conflict arises between any laws or other requirements, Contractor agrees to comply with the applicable requirements imposing the more stringent privacy and security standards.

2. Exchange Privacy and Security Rules (45 C.F.R. section 155.260).

- a. In accessing, collecting, using or disclosing PII in performing functions for the Exchange as authorized by this Agreement, Contractor shall only use or disclose PII to the minimum extent such information is necessary to perform such functions.
- b. Contractor shall establish and implement privacy and security standards that are consistent with the principles of 45 C.F.R. section 155.260(a)(3) as set forth below in subsections (i) through (viii):
 - i. Individual access. Individuals shall be provided with a simple and timely means to access and obtain their PII in a readable form and format;
 - ii. Correction. Individuals shall be provided with a timely means to dispute the accuracy or integrity of their PII and to have erroneous information corrected or to have a dispute documented if their requests are denied;
 - iii. Openness and transparency. Contractor shall be open and transparent regarding its policies, procedures, and technologies that directly affect individuals and/or their PII;
 - iv. Individual choice. Individuals shall be provided a reasonable opportunity and capability to make informed decisions about the collection, use, and disclosure of their PII;
 - v. Collection, use and disclosure limitations. PII shall be created, collected, used, and/or disclosed only to the extent necessary to accomplish a specified purpose(s) and never to discriminate inappropriately;
 - vi. Data quality and integrity. Contractor will take reasonable steps to ensure that PII is complete, accurate, and up-to-date to the extent necessary for Contractor's intended purposes and has not been altered or destroyed in an unauthorized manner;
 - vii. Safeguards. PII will be protected with reasonable operational, administrative, technical, and physical safeguards to ensure its

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

confidentiality, integrity, and availability and to prevent unauthorized or inappropriate access, use, or disclosure; and,

viii. Accountability. Contractor will use appropriate monitoring and other means and methods to assure accountability with these principles and to report and mitigate non-adherence and breaches.

1. California Information Practices Act. (Civil Code section 1798 et seq.)

a. Contractor shall comply with the applicable privacy and security provisions of the Information Practices Act of 1977, California Civil Code section 1798 et seq. and shall provide assistance to the Exchange as may be reasonably necessary for the Exchange to comply with these provisions.

2. Health Insurance Portability and Accountability Act ("HIPAA").

a. Contractor expressly acknowledges and agrees that the Exchange is not a health care provider, a health care plan, or a health care clearinghouse. Accordingly, the parties mutually acknowledge and agree that, for purposes of this Agreement, the Exchange is not a Covered Entity as such term is specifically defined in HIPAA.

b. Contractor expressly acknowledges and agrees that where the Exchange performs a function required under applicable law pursuant to 45 C.F.R. section 155.200, it is not acting as a Business Associate of any other Covered Entity and Contractor is not acting as the Exchange's Business Associate, as such terms are specifically defined in HIPAA.

c. For certain programs related to the administration of the Medi-Cal Program, the Exchange has agreed to be the Business Associate of the Department of Health Care Services (DHCS). Therefore, to the extent that Contractor performs services related to the administration of the Medi-Cal program, contractor is the Exchange's subcontractor, and therefore, also a Business Associate as that term is specifically defined in HIPAA. Accordingly, if in performing functions pursuant to this Agreement Contractor accesses or uses PII that was provided to the Exchange by DHCS or for the purposes of the Medi-Cal program, Contractor shall comply with the applicable terms and conditions of HIPAA.

3. IRS Code section 6103 and Publication 1075

a. Per the Exchange Privacy and Security Rules (45 CFR 155.260 (a)(4)(iii), return information shall be kept confidential under 26 U.S. Code section 6103. As described by IRS publication 1075, conforming to the guidelines set forth in that publication meets the safeguard requirements of 26 U.S. Code section 6103(p)(4) for FTI.

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

4. Fingerprinting and Background Checks. (Government Code Section 1043)

- a. All individuals including, but not limited to, employees, contractors, or subcontractors who perform services under this agreement shall agree to criminal background checks in compliance with Government Code section 1043, and its implementing regulations set forth in California Code of Regulations, Title 10, Section § 6456.
- b. For any insurance agent licensed by the California Department of Insurance (CDI) the Exchange may obtain a criminal history check in accordance with Government Code section 1043 from CDI.

D. Consumer Rights

1. Accounting of Disclosures

- a. Contractor shall assist the Exchange in responding to accounting requests by individuals that are made to the Exchange under the Information Practices Act (Civil Code section 1798.25-29) and if Protected Health Information is involved, pursuant to HIPAA, 45 C.F.R. section 164.528.
- b. The obligation of Contractor to provide an accounting of disclosures as set forth herein survives the expiration or termination of this Agreement with respect to accounting requests made after such expiration or termination.

2. Copies of Records Requests

- a. Regardless of whether a request is made to the Exchange or to Contractor, Contractor shall respond to the request with respect to the record Contractor and its subcontractors maintain, if any, in a manner and time frame consistent with requirements specified in the Information Practices Act (Civil Code sections 1798.30-1798.34) and if Protected Health Information is involved, with HIPAA (45 C.F.R section 164.524).

3. Requests to Amend Records

- a. Contractor shall make any amendments to Personally Identifiable information in a record that the Exchange directs or agrees to, whether at the request of the Exchange or an Individual.
- b. Regardless of whether a request to amend records is made to the Exchange or to Contractor, Contractor shall respond to the request with respect to the record Contractor and its subcontractors maintain in a manner and time frame consistent with requirements specified in the

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

Information Practices Act (Civil Code section 1798.35) and if Protected Health Information is involved, with HIPAA (45 C.F.R. section 164.526).

4. Requests to Restrict Use and Disclosure of Personally Identifiable Information

- a. Contractor shall reasonably comply with any requests to restrict the use and disclosure of Personally Identifiable Information.
- b. If Protected Health Information is involved, Contractor shall respond to the request in a manner and time frame consistent with requirements specified in HIPAA (45 C.F.R. section 164.522).

5. Confidential Communications Request

- a. Upon receipt of written notice, Contractor shall reasonably comply with any requests to utilize an alternate address, email, or telephone number when communicating with the individual.
- b. If the request is denied, a written response shall be sent to the individual stating the reasons for denying the request.
- c. If Protected Health Information is involved, Regardless of whether a request is made to the Exchange or to Contractor, Contractor shall respond to the request in a manner and time frame consistent with requirements specified in HIPAA (45 C.F.R. section 164. 522 (b)(1)).

6. In responding to any requests from individuals, Contractor shall verify the identity of the person making the request to ensure that the person is the individual who is the subject of the PII or has authority to make requests concerning the PII before responding to the request.

7. In the event any individual submits any of these requests directly from Contractor, Contractor shall within five (5) calendar days forward such request to the Exchange.

E. Security Controls and Safeguards

1. Safeguards:

- a. At a minimum, contractor shall establish and implement operational, technical, administrative and physical safeguards that are consistent with any applicable laws to ensure

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

- i. The confidentiality, integrity, and availability of personally identifiable information created, collected, used, and/or disclosed by the Exchange;
 - ii. Personally identifiable information is only used by or disclosed to those authorized to receive or view it;
 - iii. Return information, as such term is defined by section 6103(b)(2) of the Code, is kept confidential under section 6103 of the Code;
 - iv. Personally identifiable information is protected against any reasonably anticipated threats or hazards to the confidentiality, integrity, and availability of such information;
 - v. Personally identifiable information is protected against any reasonably anticipated uses or disclosures of such information that are not permitted or required by law; and
 - vi. Personally identifiable information is securely destroyed or disposed of in an appropriate and reasonable manner and in accordance with retention schedules.
- b. Encryption: Contractor shall encrypt all PII that is in motion or at rest, including but not limited to data on portable media devices, using commercially reasonable means, consistent with applicable Federal and State laws, regulations and agency guidance, including but not limited to the U.S. Department of Health and Human Services guidance specifying the technologies and methodologies that render PII unusable, unreadable, or indecipherable to unauthorized individuals for purposes of the breach notification requirements or issued by the National Institute for Standards and Technology ("NIST") concerning the protection of identifiable data such as PII. Data centers shall be encrypted or shall otherwise comply with industry data security best practices.
- c. Contractor shall update these safeguards as appropriate and as requested by the Exchange.

F. Policies and Procedures:

1. Contractor shall implement and maintain written policies and procedures to ensure the privacy and security of PII stored, maintained, or accessed in compliance with this agreement and any applicable laws. Such policies shall address

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

- a. Implementation of consumer rights as required by this Exhibit;
 - b. Reasonable safeguards as required by this Exhibit;
 - c. Monitoring, periodically assessing, and updating security controls and related system risks to ensure the continued effectiveness of those controls;
 - d. Training employees, contractors, and subcontractors;
2. Upon request, Contractor shall provide the Exchange with a written policies and procedures adopted by Contractor to meet its obligations under this Section.

G. Subcontractors

1. Contractor shall be bound by and be responsible for the acts and omissions of its subcontractors, agents or vendors in the exchange of data with the Exchange. Contractor shall take reasonable steps to ensure compliance with the terms of this Agreement by its subcontractors, agents and vendors.
2. Contractor agrees to enter into written contracts with its agents and contractors (collectively, "subcontractors") that obligate Contractor's subcontractors to abide by the same privacy and security standards and obligations that Contractor has agreed to in this agreement.
3. Contractor represents and agrees that it shall only request that the Exchange transmit data to subcontractors with whom it has such agreements and only to the extent such information is necessary to carry out the purposes authorized by this Agreement.
4. Upon request, Contractor shall provide the Exchange with a copy of any written agreement or contract entered into by Contractor and its subcontractors to meet the obligations of Contractor under this Exhibit.

H. Privacy and Security Incidents

1. Contractor shall immediately report to the Exchange Privacy Officer at PrivacyOfficer@covered.ca.gov any actual or suspected Privacy Incident or Security Incident involving PII created or received under this Agreement. Contractor's report shall contain the following information to the extent applicable and known at that time:
 - a. A brief description of what happened including the date of the incident and the date of the discovery of the incident;

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

- b. The names or identification numbers of the individuals whose PII has been, or is reasonably believed to have been accessed, acquired, used or disclosed
 - c. A description of the types of PII that were involved in the incident, as applicable;
 - d. Information regarding any information system intrusion and any systems potentially compromised;
 - e. A brief description of Contractor's investigation and mitigation plan; and
 - f. Any other information necessary for the Exchange to conduct an investigation and include in notifications to the individual(s) or relevant regulatory authorities under applicable privacy and security requirements.
2. Upon completion of the initial report, contractor shall immediately commence an investigation in accordance with applicable law to:
 - a. Determine the scope of the incident;
 - b. Mitigate harm that may result from the incident; and
 - c. Restore the security of the system to prevent any further harm or incidents.
3. Contractor shall cooperate with the Exchange in investigating the actual or suspected incident and in meeting the Exchange's obligations, if any, under applicable laws.
4. Contractor shall mitigate to the extent practicable any harmful effect of any Incident that is known or reasonably discoverable to Contractor.
5. After conducting its investigation, and within fifteen (15) calendar days, unless an extension is granted by the Exchange, Contractor shall file a complete report with the information listed above in subsection (1), if available. Contractor shall make all reasonable efforts to obtain all relevant information and shall provide an explanation if any information cannot be obtained. The complete report shall include a corrective action plan that describes the steps to be taken to prevent any future reoccurrence of the incident.
6. Contractor shall cooperate with the Exchange in developing content for any public statements and shall not give any public statements without the express written permission of the Exchange.

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

7. If a Breach requires notifications and reporting under applicable laws, and the cause of the Breach is attributable to Contractor, its agents or subcontractors, Contractor shall:
- a. Be fully responsible for providing breach notifications and reporting as required under applicable laws;
 - b. Pay any costs of such Breach notifications as well as any costs or damages associated with the incident; and
 - c. Should the Exchange in its sole discretion determine that credit monitoring is an appropriate remedy, arrange for and bear the reasonable, out-of-pocket cost of providing to each such affected individual one (1) year of credit monitoring services from a nationally recognized supplier of such services.
8. If Contractor determines that an impermissible acquisition, use, or disclosure of PII does not require breach notifications or reporting, it shall document its assessment and provide such documentation to the Exchange within one week of its completion. Notwithstanding the foregoing, the Exchange reserves the right to reject Contractor's assessment and direct Contractor to treat the incident as a Breach.

I. Right to Inspect

1. The Exchange may inspect the facilities, systems, books, and records of Contractor to monitor compliance with this Exhibit at any time. Contractor shall promptly remedy any violation reported to it by the Exchange and shall certify the same to the Exchange Privacy Officer in writing. The fact that the Exchange inspects, fails to inspect, fails to detect violations of this Exhibit or detects but fails to notify Contractor of the violation or require remediation is not a waiver of the Exchange's rights under this Agreement and this Exhibit.

J. Indemnification

1. Contractor shall indemnify, hold harmless, and defend the Exchange from and against any and all costs (including mailing, labor, administrative costs, vendor charges, and any other costs the Exchange determines to be reasonable), losses, penalties, fines, and liabilities arising from or due to Contractor's failure to comply with the requirements of this Exhibit, including a breach or other non-permitted use or disclosure of PII by Contractor or its subcontractors or agents, including without limitation. Such indemnification shall be conditioned upon the Exchange giving notice of any claims to Contractor after discovery thereof. If Contractor should publish or disclose PII to others, the Exchange shall be entitled to injunctive relief or any other remedies to which it is entitled under law or equity, without posting a bond.

EXHIBIT D
PRIVACY AND SECURITY REQUIREMENTS

K. Termination of Agreement

1. If Contractor breaches its obligations under this Exhibit as determined by the Exchange, the Exchange may, at its option:
 - a. Require Contractor to submit to a plan of monitoring and reporting, as the Exchange may deem necessary to maintain compliance with this Agreement;
 - b. Provide Contractor with an opportunity to cure the breach; or
 - c. After giving Contractor an opportunity to cure the breach, or upon breach of a material term of this Exhibit, terminate this Agreement for Cause pursuant to Exhibit C.

A failure of the Exchange to exercise any of these options shall not constitute a waiver of its rights under this section.

2. Upon completion of this Agreement, or upon termination of this Agreement, at the Exchange's direction Contractor shall either return all PII to the Exchange, or shall destroy all PII in a manner consistent with applicable State and Federal laws, regulations, and agency guidance on the destruction of PII. If return or destruction of PII is not feasible, Contractor shall explain in writing to the Exchange's Chief Privacy Officer why return or destruction is not feasible. The obligations of Contractor under this Agreement to protect PII and to limit its use or disclosure shall continue and shall survive until all PII is either returned to the Exchange or destroyed.

Counterparts. ~~This Agreement may be executed in counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same.~~

EXHIBIT E
MARKETING & BRANDING GUIDELINES

MARKETING & BRANDING GUIDELINES

All references to the Exchange, Covered California, or Covered CA refer to the California Health Benefit Exchange.

A. Trademark and Brand Usage Guidelines for Communications and Web Sites

1. Covered California's brand and trademarks, as described below ("Covered California Marks") are valuable intellectual property and important assets of the organization. The Covered California Logo, and any other logo used to identify any product or service offered by Covered California, may not be used in any manner inconsistent with this Exhibit E and the Brand Style Guide (Rev. August 2013May 2014) for Certified Insurance Agents available at www.CoveredCA.com and herein incorporated by reference without express written permission from Covered California.
2. The improper or unauthorized use of Covered California Marks or other intellectual property is a violation of Covered California's rights and is strictly prohibited. Unauthorized use or misrepresentation of Covered California, the California Health Benefit Exchange is also a violation of state law Section 100510 to the Government Code, Section 1360.5 of the Health and Safety Code, and Section 790.03 of the Insurance Code.
3. Section 100510 to the Government Code, Section 1360.5 of the Health and Safety Code, and Section 790.03 of the Insurance Code prohibits the holding oneself out as representing, constituting, or otherwise providing services on behalf of the California Health Benefit Exchange established pursuant to Section 100500 et. seq of the Government Code without a valid agreement with the California Health Benefit Exchange to engage in those activities. Any unauthorized use of the Covered California brand is outside of the scope of this agreement.
4. The Exchange reserves the right to revise the Brand Style Guide for Certified Insurance Agents, and Agent will be bound to comply with the material contained in the updated guide immediately upon receipt or other notification of the new guide.

B. Non-Exclusive License

1. Subject to the terms of this Exhibit and Brand Style Guide, Covered CA conveys and Contractor accepts a non-exclusive, royalty-free license in the following Covered California Marks for the purposes specified within the Scope of Work (Exhibit A) of this Agreement.

EXHIBIT E
MARKETING & BRANDING GUIDELINES

<u>COVERED CALIFORNIA™</u>	™ —
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2. Contractor shall be entitled to use the Covered California Marks in conjunction with the marketing materials referenced herein subject to the terms and conditions set forth within this Exhibit and Brand Style Guide for the sole purpose of promoting the services performed by Contractor under Exhibit A.
3. Contractor accepts the above-referenced license “As-Is” without any representations or warranties, including but not limited to warranties of ownership or fitness for a particular purpose.
4. Contractor expressly acknowledges and agrees that nothing in this Exhibit is intended to nor shall result in the transfer of any ownership interests and that the Exchange shall at all times remain the sole and exclusive owner of the Covered California Marks.
5. In addition to the terms and conditions set forth herein, Contractor understands and agrees that the Exchange shall at all times be entitled to impose additional restrictions upon the use of the Covered California Marks for the sole purpose of protecting the goodwill and overall reputation of the Exchange and Covered California Marks.
6. Contractor shall be entitled to sub-license the use of the Covered California Marks; provided, however, that Contractor shall ensure that any and all sub-contractors shall execute and strictly abide by the terms of conditions specified within this Exhibit.

C. Non-Affiliation & Non-Endorsement

1. Neither the above-referenced license nor Contractor’s use of the Covered California Marks shall at any time be interpreted or construed as creating a partnership, co-ventureship or other agency relationship between Contractor and Covered CA. Other than the use of the Covered California Marks in accordance with the license conveyed in this Exhibit, Contractor shall strictly refrain from any representations reasonably calculated to suggest or imply the existence of any such relationship.

EXHIBIT E
MARKETING & BRANDING GUIDELINES

2. The above-referenced license shall likewise at no time be interpreted or construed as an express or implied endorsement of any product, service or activity provided by or engaged in by Contractor involving the Covered California Marks.
3. Contractor shall at all times defend, indemnify and hold the Exchange harmless from and against any and all liability or claims arising directly or indirectly from any misrepresentation by Contractor of:
 - a. An agency relationship between the Exchange and Contractor; and
 - b. An endorsement by the Exchange of any product, service or activity provided or engaged in by Contractor for which the Covered California Marks are at any time used.

D. Term & Termination

1. Unless otherwise terminated earlier, the term of the license conveyed within this Exhibit shall commence on the effective date of the original CEE Agreement and shall terminate automatically on the date the original CEE Agreement terminates. Contractor shall immediately discontinue the use of the Covered California Marks upon the termination of the CEE Agreement for any reason.

— To protect the goodwill and reputation of the Covered California Marks, the Exchange shall at all times be entitled to terminate the above-referenced license for “good cause”, which shall include: i) a material violation of the CEE Agreement; or ii) any act by CEE which exposes the Exchange to potential infringement or other liability.

C. Disclaimer
of Intellectual Property Ownership on Web Sites

1. Use of the Covered California Marks in All marketing materials, external communications, or websites which use Covered California Marks or refer to Covered California in any way external communications or a web site must be accompanied by the following disclaimer in a conspicuous font of ownership, which should be placed on each page that displays Covered California Marks in the materials or on the home page of each web site:
 - a. “Covered California,” “California Health Benefit Exchange”, and the Covered California Logo are registered trademarks or service marks of Covered California, in the United States.

b. Disclaimer of Web Site Identity

Each web site that uses Covered California Marks must also include the following disclosure statement:

EXHIBIT E
MARKETING & BRANDING GUIDELINES

~~e.a.~~ _____ This web site is owned and maintained by [Agent Name], which is solely responsible for its content. This site is not maintained by or affiliated with Covered California, and Covered California bears no responsibility for its content. –The e-mail addresses and telephone numbers that appear throughout this site belong to [Agent Name], and cannot be used to contact Covered California.

~~d.~~ This statement should must also appear on:

~~Agent's home pages; or~~

~~Any "Who We Are" or "About Us" pages or other pages of similar purpose or content.~~

~~e.b.~~ For purposes of this section, "conspicuous" means displayed apart from other print on the external communications or web site, in not less than 12-point boldface font type in capital letters that is at least 2-point boldface font type sizes larger than the next largest print used, and in contrasting type, layout, font, or color in a manner that clearly calls attention to the language..

B.D. Improper Uses of Covered California's Marks

1. Covered California's Marks may not be presented or used:

- a. In a manner that suggests that editorial content has been authored by, or represents the views or opinions of, Covered California or its representatives, personnel or affiliates;
- b. In a manner that is misleading, defamatory, obscene, infringing or otherwise objectionable;
- c. In connection with any material that infringes the trademark, copyright or any other rights of any third party;
- d. As part of a name of a product or service of a company or organization other than Covered California; or
- ~~e.~~ In a manner that infringes, derogates, dilutes, or impairs the rights of Covered California in such marks.

~~f.~~—

~~g.e.~~

C.E. Improper Uses of California Health Benefit Exchange or Covered California in Agent's Internet Domain Name

EXHIBIT E
MARKETING & BRANDING GUIDELINES

1. Agent may not use the names California Health Benefit Exchange, Exchange, Covered California, ~~or Covered CA~~, the use of SHOP or Small Business Health Options Program as a noun, or any derivations thereof in the Agent's Internet domain name:
 - a. In a manner that creates a likelihood of confusion that the Agent's web site is sponsored by or affiliated with Covered California; and
 - b. Without the express written permission of Covered California.

F. A. Clearly Identifying Exchange Products

1. -For any medium of communications used with Consumers including, but not limited to, in-person, over the phone, or online, Agent must clearly identify which products are available through the Exchange as well as which products are sold outside the Exchange.

D.G. Marketing Materials – Definition

1. The term "marketing materials" extends beyond the public's general concept of advertising materials and includes any materials developed or distributed by a Certified Insurance Agent, which are aimed at prospective or existing clients and consumers of the Individual and SHOP Exchanges. Marketing materials include, but are not limited to, anything with Covered California Marks, printed collateral material, print advertising, social and digital media material and television and radio ads.

E.H. Marketing Materials Subject to the Agent Marketing Guidelines

1. All marketing materials that mention, promote participation in, or reference Covered California are subject to this Exhibit E and the Brand Style Guide for Certified Insurance Agents. However, these Agent Marketing Guidelines do not apply to those marketing materials that do not promote, discuss or reference Covered California in any way.

F.I. General Marketing Material and Direct Mail Communications.

1. Upon request, Certified Insurance Agent shall provide Covered California with at least one (1) copy, unless otherwise specified by Covered California, of any marketing material Certified Insurance Agent intends to use, mail, or has mailed, to its clients or prospective clients, including, but not limited to, brochures, leaflets, postcards, presentations, advertisements in phone books, newsletters, health education materials, and special announcements. Covered California shall have the right to request changes to or prohibit the distribution or use of any marketing material, as determined by Covered California in its sole discretion.

EXHIBIT E
MARKETING & BRANDING GUIDELINES

G-J. Submission Requirements & Process for Advertising Material

1. Any question regarding the compliance of Contractor's Marketing materials inconsistent with this Exhibit E and the Brand Style Guide for Certified Insurance Agents must be submitted for review and approval to Covered California at agents@covered.ca.gov Agents shall allow at least 10 (ten) business days from the date of the request for Covered California to review any materials submitted.
 - a. When submitting required materials for approval, indicate the following in the subject line: Advertising Approval Request - Agent name and material type.
 - b. When submitting revised material, please indicate so in the body of the email and include the original submission date of the material.
2. Do not bundle multiple materials in the same submission email. Send a separate email for each material. The only exception is translations. Translations may be sent in one email along with the corresponding English version if available.

H.K. Confidential Treatment of Certified Insurance Agent

1. To the extent that material sent from Certified Insurance Agent is not already in the public domain, Covered California shall treat such marketing materials as confidential information and exempt from public disclosure if such material is deemed to be or qualifies for treatment as confidential information under the Public Records Act, Government Code Sections 6250, et seq. and other applicable Federal and State laws, rules and regulations.

H.L. Distribution of Marketing Materials Developed by Covered California.

1. Certified Insurance Agent may distribute and reproduce marketing materials developed and made available by Covered California. Certified Insurance Agent shall be responsible for any printing costs for such material and for all costs related to the distribution of those materials, including, but not limited to, mailing and postage costs.

EXHIBIT F

SCHEDULE OF COMMISSIONS

SCHEDULE OF COMMISSIONS

The following is the Schedule of Commissions for new SHOP business effective January 1, 2014 and later.*

1 st Year	6.5%
2 nd Year	6.2%
3 rd Year	5.9%
4 th Year	5.6%
5 th Year	5.3%
6+ Years	5.0%

*Note: For groups smaller than 50, when annualized premium for a particular case (group) reaches \$500,001 or more in a contract year, the commission rate is dropped to 1.0% for amounts over \$500,001 for that case (group) only. If and when SHOP accepts groups with more than 50 employees, the Exchange and Agent shall negotiate a percentage rate for each group that has more than 50 Employees.

Unless all parties agree to sooner effective date, the Exchange may modify or replace its commission schedule upon thirty (30) days prior notice to Agent. Such modified or replacement schedule shall apply to all other QHPs sold by Agent effective on or after the effective date of such modification or replacement. The Exchange will provide Agent with an updated "Schedule of Commissions" whenever changes occur by posting such changes to www.coveredca.com. No formal amendment is required for changes or modifications to the "Schedules of Commissions" except that such changes shall be adopted in regulations pursuant to the Exchange's rulemaking authority and the Administrative Procedure Act.



BRAND STYLE GUIDE

WELCOME TO COVERED CALIFORNIA

MAY 2014

WELCOME

The purpose of this guide is to provide clear guidance on use of the Covered California™ logo, on its own and in conjunction with partner logos. Following these guidelines at all times will help ensure consistency in visual communications. Please review this guide before developing consumer-facing, employer-facing, media and stakeholder materials. A separate Communicators' Guide has been developed to maximize consistency in tone, voice and writing style. To obtain a copy of the Communicators' Guide, it is available on Sharepoint at Communications and Public Relations/Communications/CC Communicators Guide.

CONTENTS

COVERED CALIFORNIA LOGOTYPE 4

Covered California Logo	5
Logo Sizing	6
Trademark Scale & Legal Line	7
Vertical Logo Color Usage	8
Horizontal Logo Color Usage	9
Clear Space	10
Tag Logo: Arc	11
Tag Logo: Rectangular	12
Tag Logo: Rounded Corner	13
Incorrect Usage	14

CERTIFIED PARTNER LOGOS 16

Certified Educator Logo	17
• Clear Space	18
• Minimum Size	19
• Incorrect Usage	20
Certified Enrollment Counselor Logo	21
• Clear Space	22
• Minimum Size	23
• Incorrect Usage	24

Certified Insurance Agent Logo	25
• Clear Space	26
• Minimum Size	27
• Incorrect Usage	28

GRAPHIC ELEMENTS 29

Typography	30
Color Palette	31
ADA Compliance	33

CO-BRANDING GUIDELINES 35

Partner Logo Lock-up Guidelines	36
Incorrect Usage	38

EMAIL SIGNATURE & IDENTITY SYSTEM 39

Email Signature	40
Identity System	41
• Letterhead	42
• Envelope	43
• Business Card	44

QUESTIONS? 45

COVERED CALIFORNIA LOGO

The Covered California™ logo visually represents the diverse population that will access health care coverage through the marketplace. Nested C's rotated 90 degrees clockwise embody the concept of coverage in a protective umbrella shape, while subtly referencing the brand name.

The name is set in a contemporary sans-serif typeface that communicates clearly and effectively while supporting the clean, friendly style of the iconography.

The preferred version of the Covered California logo is the vertical configuration in full color. **The full-color logo should only appear against a solid white background.**

Secondary versions of the logo, including grayscale, one-color (black) and reverse (white), should be used only in instances when color artwork and layouts are not possible, such as black-and-white newspaper print ads.

LOGO CONFIGURATIONS



VERTICAL LOGO PREFERRED VERSION

This is the preferred logo version. Use it wherever possible to ensure that the identity is communicated consistently and effectively.



HORIZONTAL LOGO SECONDARY VERSION

The horizontal logo has been designed for short, elongated formats — instances where the available space is insufficient for the vertical logo.

NOTE: In addition to the primary EPS versions of the logo, JPG and PNG versions are also available for digital use. Always select the electronic artwork appropriate for your application.

LOGO SIZING

Follow these specifications for minimum size when scaling the logo. Do not reduce any smaller than indicated by the numbers beneath the examples.

VERTICAL (SMALL) Use at widths from 0.6" to 1"



FILENAMES

CC_Vert_Sml_CMYK_Logo
CC_Vert_Sml_RGB_Logo
CC_Vert_Sml_Grayscale_Logo
CC_Vert_Sml_Black_Logo
CC_Vert_Sml_Reverse_Logo

VERTICAL (STANDARD) Use at widths greater than 1"



FILENAMES

CC_Vert_CMYK_Logo
CC_Vert_RGB_Logo
CC_Vert_Grayscale_Logo
CC_Vert_Black_Logo
CC_Vert_Reverse_Logo

HORIZONTAL (SMALL) Use at widths from 1" to 1.5"



FILENAMES

CC_Horz_Sml_CMYK_Logo
CC_Horz_Sml_RGB_Logo
CC_Horz_Sml_Grayscale
CC_Horz_Sml_Black_Logo
CC_Horz_Sml_Reverse_Logo

HORIZONTAL (STANDARD) Use at widths greater than 1.5"



FILENAMES

CC_Horz_CMYK_Logo
CC_Horz_RGB_Logo
CC_Horz_Grayscale
CC_Horz_Black_Logo
CC_Horz_Reverse_Logo

TRADEMARK SCALE & LEGAL LINE

The trademark symbol should always accompany the logo and be no smaller than 4pt, Helvetica Bold. To ensure this across all uses of the logo while maintaining a visual balance between the mark and the TM, there are two sizes available for use (a small and regular version) for each configuration of the logo. These may be scaled within the sizes specified.

Use of trademark legal line is required:

Covered California is a registered trademark of the state of California.

Publications and print materials must include the legal line. The footer is a recommended location for the legal line.

VERTICAL (SMALL) Use at widths from 0.6" to 1"



FILENAMES

CC_Vert_Sml_CMYK_Logo
CC_Vert_Sml_RGB_Logo
CC_Vert_Sml_Grayscale_Logo
CC_Vert_Sml_Black_Logo
CC_Vert_Sml_Reverse_Logo

HORIZONTAL (SMALL) Use at widths from 1" to 1.5"



FILENAMES

CC_Horz_Sml_CMYK_Logo
CC_Horz_Sml_RGB_Logo
CC_Horz_Sml_Grayscale
CC_Horz_Sml_Black_Logo
CC_Horz_Sml_Reverse_Logo

VERTICAL (STANDARD) Use at widths greater than 1"



FILENAMES

CC_Vert_CMYK_Logo
CC_Vert_RGB_Logo
CC_Vert_Grayscale_Logo
CC_Vert_Black_Logo
CC_Vert_Reverse_Logo

HORIZONTAL (STANDARD) Use at widths greater than 1.5"



FILENAMES

CC_Horz_CMYK_Logo
CC_Horz_RGB_Logo
CC_Horz_Grayscale
CC_Horz_Black_Logo
CC_Horz_Reverse_Logo

VERTICAL LOGO COLOR USAGE

Each version of the Covered California logo is available in five different color formats: CMYK, RGB, grayscale, one-color (black) and reverse (white). Always use the electronic artwork appropriate for your application:

PRINT

Use EPS files for print applications.

WEB

Use JPG files for online applications.

MICROSOFT WORD

Use JPG files in Word and other word-processing applications.

POWERPOINT

Use PNG files in PowerPoint applications.



CMYK

Use this logo for all full-color print applications.

FILENAMES

CC_Vert_CMYK_Logo.eps
CC_Vert_Sml_CMYK_Logo.eps

(The CMYK version of the logo is provided in EPS format only.)



RGB

Use this logo for all digital communications.

FILENAMES

CC_Vert_RGB_Logo.eps
CC_Vert_RGB_Logo.jpg
CC_Vert_RGB_Logo.png
CC_Vert_Sml_RGB_Logo.eps
CC_Vert_Sml_RGB_Logo.jpg
CC_Vert_Sml_RGB_Logo.png



GRAYSCALE

Use this logo for all one-color print applications.

FILENAMES

CC_Vert_Grayscale_Logo.eps
CC_Vert_Grayscale_Logo.jpg
CC_Vert_Grayscale_Logo.png
CC_Vert_Sml_Grayscale_Logo.eps
CC_Vert_Sml_Grayscale_Logo.jpg
CC_Vert_Sml_Grayscale_Logo.png



ONE-COLOR (BLACK)

Use this logo for one-color print applications where the grayscale logo cannot be reproduced.

FILENAMES

CC_Vert_Black_Logo.eps
CC_Vert_Black_Logo.jpg
CC_Vert_Black_Logo.png
CC_Vert_Sml_Black_Logo.eps
CC_Vert_Sml_Black_Logo.jpg
CC_Vert_Sml_Black_Logo.png



REVERSE (WHITE)

Use this logo anytime it appears on a dark background.

FILENAMES

CC_Vert_Reverse_Logo.eps
CC_Vert_Sml_Reverse_Logo.eps

(The reverse version of the logo is provided in EPS format only.)

HORIZONTAL LOGO COLOR USAGE

Each version of the Covered California logo is available in five different color formats: CMYK, RGB, grayscale, one-color (black) and reverse (white). Always use the electronic artwork appropriate for your application:

PRINT

Use EPS files for print applications.

WEB

Use JPG files for online applications.

MICROSOFT WORD

Use JPG files in Microsoft Word and other word-processing applications.

POWERPOINT

Use PNG files in PowerPoint applications.



CMYK

Use this logo for all full-color print applications.

FILENAMES

CC_Horz_CMYK_Logo.eps
CC_Horz_Sml_CMYK_Logo.eps

(The CMYK version of the logo is provided only in EPS format.)



RGB

Use this logo for all digital communications.

FILENAMES

CC_Horz_RGB_Logo.eps
CC_Horz_RGB_Logo.jpg
CC_Horz_RGB_Logo.png
CC_Horz_Sml_RGB_Logo.eps
CC_Horz_Sml_RGB_Logo.jpg
CC_Horz_Sml_RGB_Logo.png



GRAYSCALE

Use this logo for all one-color print applications.

FILENAMES

CC_Horz_Grayscale.eps
CC_Horz_Grayscale.jpg
CC_Horz_Grayscale.png
CC_Horz_Sml_Grayscale.eps
CC_Horz_Sml_Grayscale.jpg
CC_Horz_Sml_Grayscale.png



ONE-COLOR (BLACK)

Use this logo for one-color print applications where the grayscale logo cannot be reproduced.

FILENAMES

CC_Horz_Black_Logo.eps
CC_Horz_Black_Logo.jpg
CC_Horz_Black_Logo.png
CC_Horz_Sml_Black_Logo.eps
CC_Horz_Sml_Black_Logo.jpg
CC_Horz_Sml_Black_Logo.png



REVERSE (WHITE)

Use this logo anytime it appears on a dark background.

FILENAMES

CC_Horz_Reverse_Logo.eps
CC_Horz_Sml_Reverse_Logo.eps

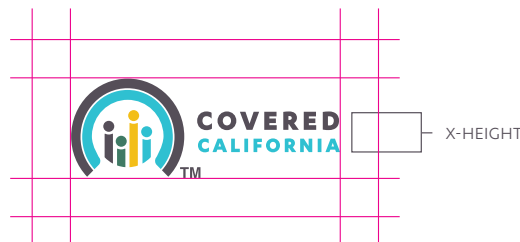
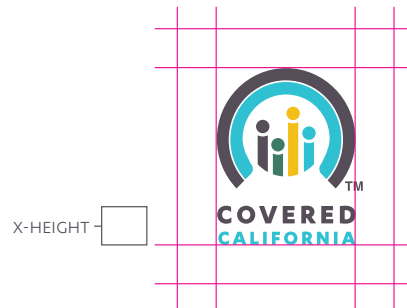
(The reverse version of the logo is provided only in EPS format.)

CLEAR SPACE

Please follow these logo specifications to ensure maximum visibility and legibility in all communications.

VERTICAL & HORIZONTAL (SMALL)

The minimum clear space for both the vertical and horizontal logos (small) is "X," where "X" is equal to the height of both lines "Covered California" in the Covered California logotype. See examples below.



VERTICAL & HORIZONTAL (STANDARD)

The minimum clear space for both the vertical and horizontal logos (standard) is "X," where "X" is equal to the height of the word "Covered" in the Covered California logotype. See examples below.

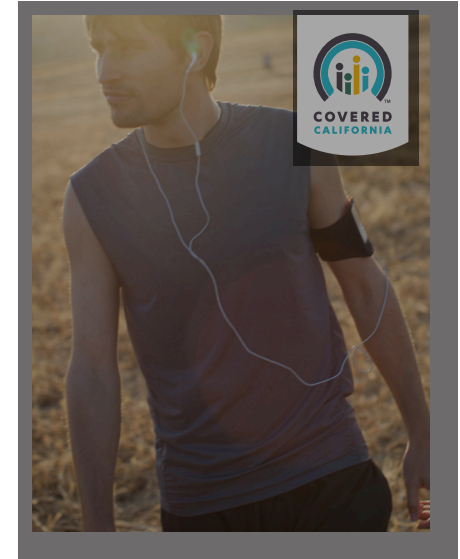


TAG LOGO: ARC

When overlaying the Covered California logo onto an image, color or busy background, using the logo with holding device lock-up is best.

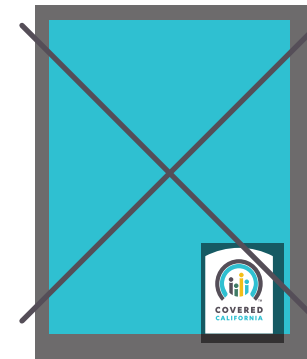
When used at the top of the page, the top of the tag should be flush with the top edge of the artboard. When used at the bottom of the page, the bottom of the tag should be flush with the bottom edge of the artboard (see pages 12-13 for bottom-edge treatments).

ARC HOLDING DEVICE Use at top of artwork or on colored background.



INCORRECT USAGE

Do not change the color of the holding device.

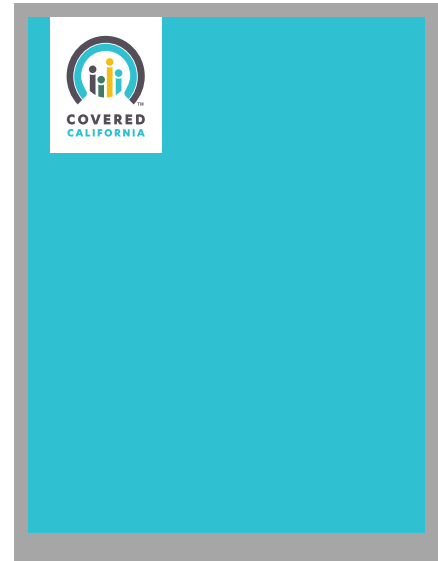


TAG LOGO: RECTANGULAR

When overlaying the Covered California logo onto an image, color or busy background, using the logo with holding device lock-up is best.

When used at the top of the page, the top of the tag should be flush with the top edge of the artboard. When used at the bottom of the page, the bottom of the tag should be flush with the bottom edge of the artboard.

RECTANGULAR HOLDING DEVICE Use at top or bottom of artwork or on colored background.



INCORRECT USAGE

Do not change the color of the Holding Device.

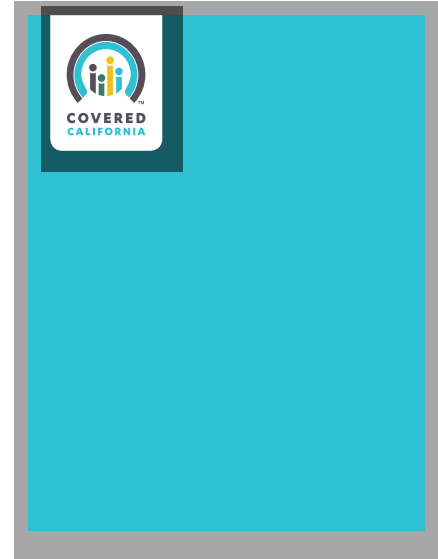


TAG LOGO: ROUNDED CORNER

When overlaying the Covered California logo onto an image, color or busy background, using the logo with holding device lock-up is best.

When used at the top of the page, the top of the tag should be flush with the top edge of the artboard. When used at the bottom of the page, the bottom of the tag should be flush with the bottom edge of the artboard.

ROUNDED CORNER DEVICE Use at top or bottom of artwork or on colored background.



INCORRECT USAGE

Do not change the color of the Holding Device.



INCORRECT USAGE

The logo should be used according to the specifications in this brand guide. Always use the approved artwork provided and do not alter the logo in any way. Here are some examples of incorrect usage.

SIZE RELATIONSHIP

Do not alter the size relationship of the logo components.



COLOR

Do not change the colors of the symbol or logotype.



ARRANGEMENT

Do not rearrange the position of the logo components.



WORDMARK

Do not use the wordmark by itself.



LOGOMARK

Do not use the logomark by itself.



ADDED WORDS

Do not add words to the logo.



INCORRECT USAGE

The logo should be used according to the specifications in this brand guide. Always use the approved artwork provided and do not alter the logo in any way. Here are some examples of incorrect usage.

ADDED EFFECTS

Do not add a drop shadow or other effects to the logo.



TYPEFACES

Do not change the typeface of the wordmark.



DISTORTION

Do not distort or stretch any part of the logo.



NOTE: Covered California designers and its contractors should follow the guidelines outlined in this manual but are allowed discretion in particular cases. Any discretionary design that falls outside of the brand guidelines must be approved by the Creative Director in the Office of Communications and Public Affairs.

INDIVIDUAL ELEMENTS

Do not deconstruct the logo elements to form new graphic lock-ups or identities.



BACKGROUND

Do not place the logo on a background that does not provide sufficient contrast.



CERTIFIED PARTNER LOGOS

Certified Educator Logo	17
• Clear Space	18
• Minimum Size	19
• Incorrect Usage	20
Certified Enrollment Counselor Logo	21
• Clear Space	22
• Minimum Size	23
• Incorrect Usage	24
Certified Insurance Agent Logo	25
• Clear Space	26
• Minimum Size	27
• Incorrect Usage	28

CERTIFIED EDUCATOR LOGO

The Certified Educator logo was developed to designate staff of Outreach and Education Program grantees who have met the requirements established for Covered California™ Certified Educators. This logo is available to Certified Educators to use on their websites, business cards, letterhead and other communications materials.

The logo is available in three different formats: EPS, JPG and PNG. Always use the electronic artwork appropriate for your application:

PRINT

Use EPS files for print applications.

WEB

Use JPG files for online applications.

MICROSOFT WORD

Use JPG files in Microsoft Word and other word-processing applications.

POWERPOINT

Use PNG files in PowerPoint applications.



Cer I

CLEAR SPACE

Please follow these logo specifications to ensure maximum visibility and legibility in all communications.

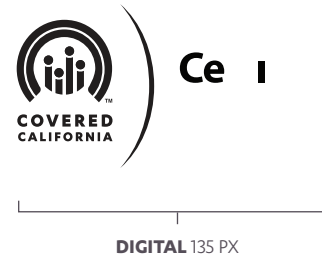
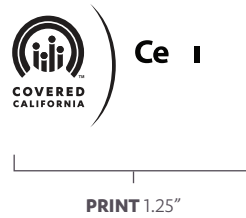
CLEAR SPACE

The minimum clear space for the logo is "X," where "X" is equal to the height of the words "Certified Educator" in the logo.



MINIMUM SIZE

Follow these specifications for minimum size when scaling the logo. Do not reduce any smaller than indicated by the numbers beneath the examples.

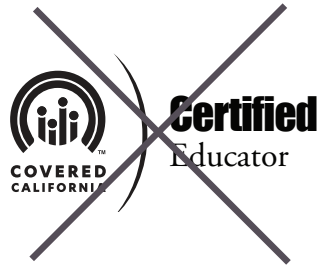


INCORRECT USAGE

The logo should be used according to the specifications in this brand guide. Always use the approved artwork provided and do not alter the logo in any way. Here are some examples of incorrect usage.

TYPEFACES

Do not change the typeface of the wordmark.



COLOR

Do not change the colors of the logo.



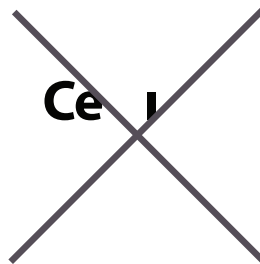
ARRANGEMENT

Do not rearrange the position of the logo components.



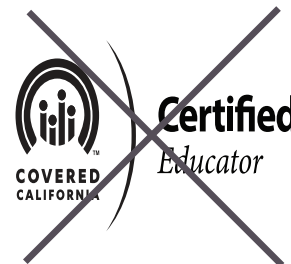
WORDMARK

Do not use the wordmark by itself.



DISTORTION

Do not distort or stretch any part of the logo.



CHANGED LANGUAGE

Do not make any changes to the wordmark.



CERTIFIED ENROLLMENT COUNSELOR LOGO

The Certified Enrollment Counselor logo was developed to designate staff of Certified Enrollment Entities who have met the requirements established by Covered California™. This logo is available to Certified Enrollment Counselors to use on their websites, business cards, letterhead and other communications materials.

The logo is available in three different formats: EPS, JPG and PNG. Always use the electronic artwork appropriate for your application:

PRINT

Use EPS files for print applications.

WEB

Use JPG files for online applications.

MICROSOFT WORD

Use JPG files in Microsoft Word and other word-processing applications.

POWERPOINT

Use PNG files in PowerPoint applications.

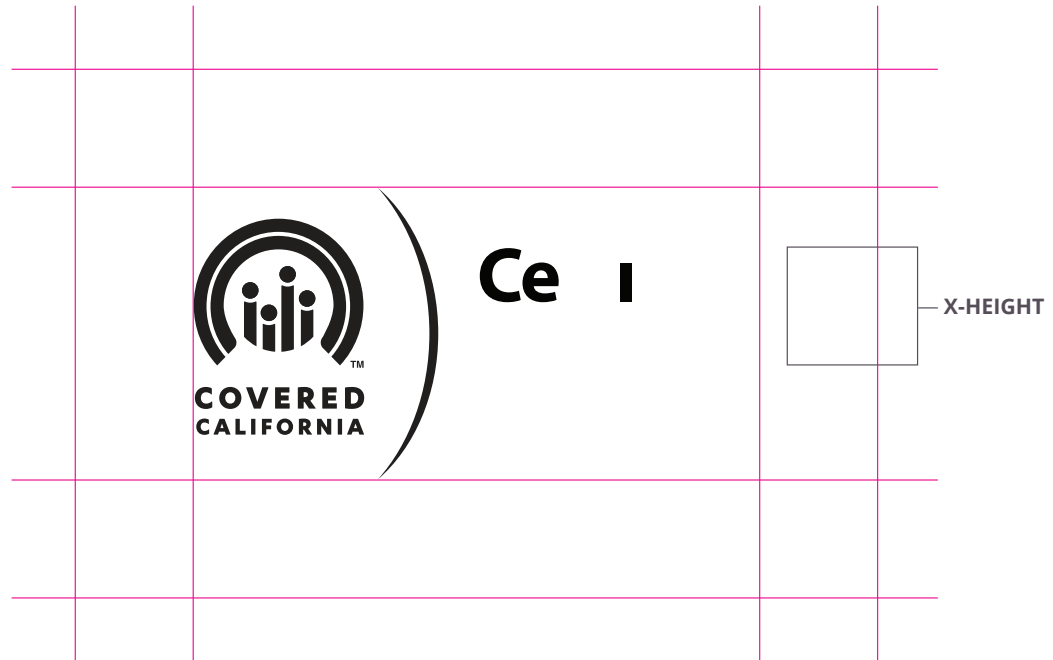


CLEAR SPACE

Please follow these logo specifications to ensure maximum visibility and legibility in all communications.

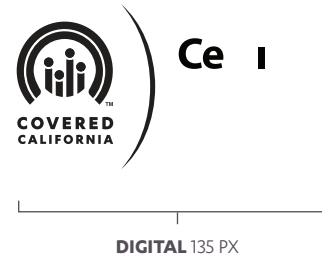
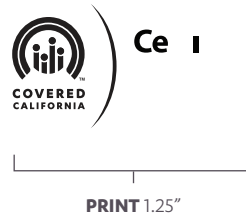
CLEAR SPACE

The minimum clear space for the logo is "X," where "X" is equal to the height of the words "Certified Enrollment" in the logo.



MINIMUM SIZE

Follow these specifications for minimum size when scaling the logo. Do not reduce any smaller than indicated by the numbers beneath the examples.



INCORRECT USAGE

The logo should be used according to the specifications in this brand guide. Always use the approved artwork provided and do not alter the logo in any way. Here are some examples of incorrect usage.

TYPEFACES

Do not change the typeface of the wordmark.



COLOR

Do not change the colors of the logo.



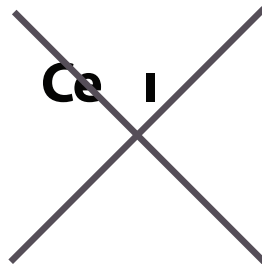
ARRANGEMENT

Do not rearrange the position of the logo components.



WORDMARK

Do not use the wordmark by itself.



DISTORTION

Do not distort or stretch any part of the logo.



CHANGED LANGUAGE

Do not make any changes to the wordmark.



CERTIFIED INSURANCE AGENT LOGO

The Certified Insurance Agent logo was developed to designate insurance agents who have met the requirements established by Covered California™. This logo is available to Certified Insurance Agents to use on their websites, business cards, letterhead and other communications materials.

The full-color logo should only be used in environments where there is no co-branding (the certified agent logo is the only logo used). **The full-color logo should only appear against a solid white background.**

The single color logo is for use in co-branded environments, or when there is heavy use of other colors that may clash with the Covered California logo. It can be assigned any dark color or be reversed out of another color.

The logos are available in three different formats: EPS, JPG and PNG. Always use the electronic artwork appropriate for your application:

PRINT

Use EPS files for print applications.

WEB

Use JPG files for online applications.

MICROSOFT WORD

Use JPG files in Microsoft Word and other word-processing applications.

POWERPOINT

Use PNG files in PowerPoint applications.



Ce I



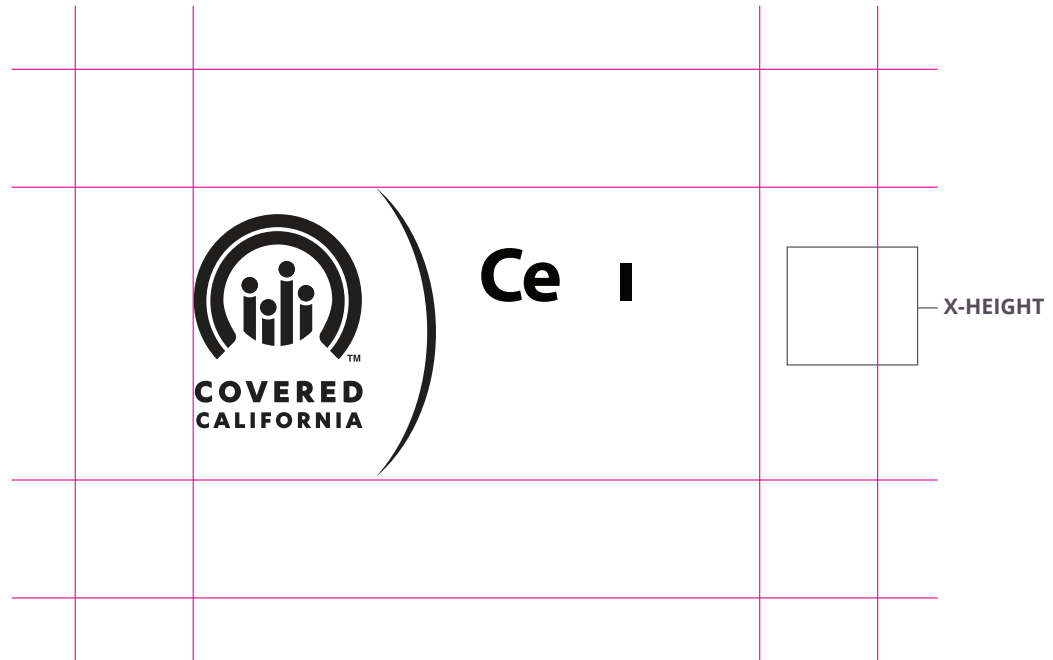
Ce I

CLEAR SPACE

Please follow these logo specifications to ensure maximum visibility and legibility in all communications.

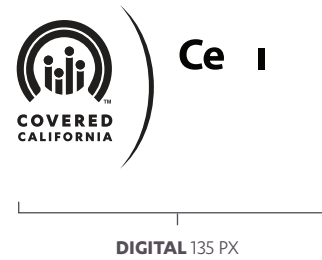
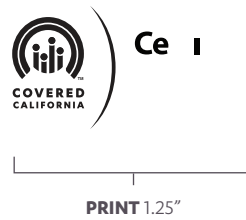
CLEAR SPACE

The minimum clear space for the logo is "X," where "X" is equal to the height of the words "Certified Insurance" in the logo.



MINIMUM SIZE

Follow these specifications for minimum size when scaling the logo. Do not reduce any smaller than indicated by the numbers beneath the examples.



INCORRECT USAGE

The logo should be used according to the specifications in this brand guide. Always use the approved artwork provided and do not alter the logo in any way. Here are some examples of incorrect usage.

TYPEFACES

Do not change the typeface of the wordmark.



COLOR

Do not change the colors of the logo.



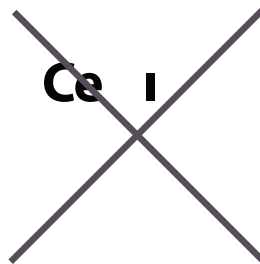
ARRANGEMENT

Do not rearrange the position of the logo components.



WORDMARK

Do not use the wordmark by itself.



DISTORTION

Do not distort or stretch any part of the logo.



CHANGED LANGUAGE

Do not make any changes to the wordmark.



TYPOGRAPHY

All printed materials created by the internal team at Covered California™ should follow these specifications.

With a few exceptions*, **Open Sans** is the preferred typeface for public-facing Covered California materials and should be used to set all headlines and body copy. This typeface can be set in all caps or sentence case according to context.

Open Sans is an open-license typeface and may be downloaded for free at:

<http://opensans.com/>

* For Microsoft Office applications — including Word, PowerPoint and Excel — and HTML-based digital documents — such as emails and Web pages — **Arial** is the preferred typeface and should be used to set all headlines and body copy. This typeface can be set in all caps or sentence case according to context.

OPEN SANS BOLD Use for headlines, subheads and callouts

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890~!@#\$%^&* ()_+

OPEN SANS REGULAR Use for body copy and notations

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890~!@#\$%^&* ()_+

ARIAL BOLD Use for headlines and callouts

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890~!@#\$%^&* ()_+

ARIAL REGULAR Use for body copy and notations

ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890~!@#\$%^&* ()_+

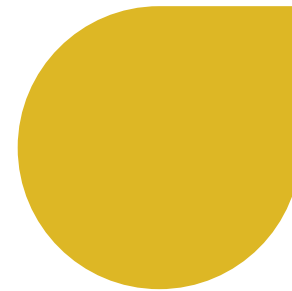
COLOR PALETTE

These are the primary colors of the Covered California brand. They should be used as the main points of emphasis in any layout.

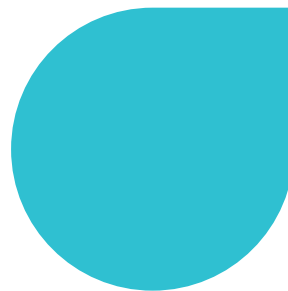
PRIMARY COLORS



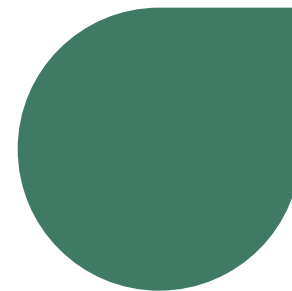
PMS 438 C
CMYK 12.20.4.75
RGB 85.77.86
HEX #554D56



PMS 110 C
CMYK 5.25.100.0
RGB 220.182.38
HEX #DCB626



PMS 3115 C
CMYK 67.0.19.0
RGB 25.185.202
HEX #19B9CA

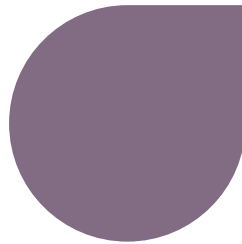


PMS 555 C
CMYK 76.33.65.15
RGB 65.122.101
HEX #417A65

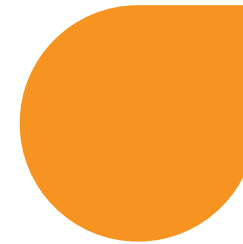
COLOR PALETTE

These secondary colors should be used only to support the primary colors.

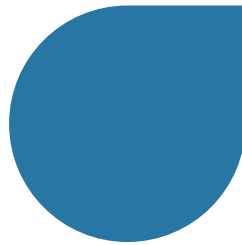
SECONDARY COLORS



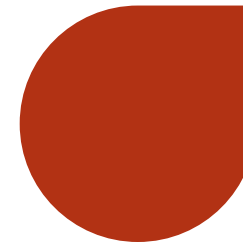
CMYK 53.59.33.7
RGB 127.107.130
HEX #7F6B82



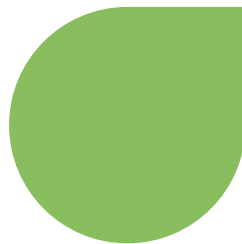
CMYK 0.50.99.0
RGB 248.148.29
HEX #F8941D



CMYK 70.25.0.30
RGB 45.119.164
HEX #2D76A3



CMYK 0.88.100.30
RGB 178.51.22
HEX #B23215



CMYK 50.6.82.0
RGB 140.189.96
HEX #8CBD60

ADA COMPLIANCE

In order for documents to be compliant with the Americans with Disabilities Act (ADA), it is important to apply high-contrast color treatments to text to aid in readability.

Here are some examples of acceptable color treatments.

PMS 438 C
CMYK 12.20.4.75
RGB 85.77.86
HEX #554D56

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

PMS 555 C
CMYK 76.33.65.15
RGB 65.122.101
HEX #417A65

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

ACCEPTABLE COLOR TREATMENTS

CMYK 70.25.0.30
RGB 45.119.164
HEX #2D76A3

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

CMYK 0.88.100.30
RGB 178.51.22
HEX #B23215

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

CMYK 53.59.33.7
RGB 127.107.134
HEX #7F6B82

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

Set dark type on backgrounds that are light enough to offer sufficient contrast. Below are some examples of acceptable color treatments.

PMS 110 C
CMYK 5.25.100.0
RGB 220.182.38
HEX #DCB626

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

PMS 3115 C
CMYK 67.0.19.0
RGB 25.185.202
HEX #19B9CA

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

CMYK 50.6.82.0
RGB 140.189.96
HEX #8CBD60

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras rutrum velit lacus, vitae tincidunt justo ullamcorper eget.

ADA COMPLIANCE

In order for documents to be compliant with the Americans with Disabilities Act (ADA), it is important to apply high-contrast color treatments to text to aid in readability.

Here are some examples of unacceptable color treatments. These examples do not have enough contrast to provide good readability.

UNACCEPTABLE COLOR TREATMENTS

Do not reverse type out of these colors or use these colors to set type on a light background.

PMS 3115 C
CMYK 67.0.19.0
RGB 25.185.202
HEX #19B9CA

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

CMYK 0.50.99.0
RGB 248.148.29
HEX #F8941D

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

PMS 110 C
CMYK 5.25.100.0
RGB 220.182.38
HEX #DCB626

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

CMYK 50.6.82.0
RGB 140.189.96
HEX #8CBD60

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

Do not place dark type on a dark background. Always maintain high contrast between type and background.

~~Lorem ipsum dolor sit amet,
consectetur adipiscing elit. Cras
rutrum velit lacus, vitae tincidunt
justo ullamcorper eget.~~

PARTNER LOGO LOCK-UP GUIDELINES

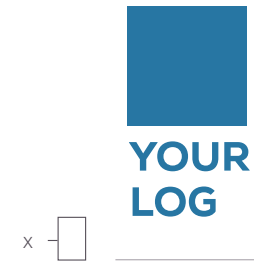
There will be times when you may want to place the Covered California™ logo next to your logo — a logo lock-up. In such instances, always separate the logos with a dividing line. When creating a lock-up using the vertical logo, space each logo so that they are one X-height apart, where “X” is equal to the height from the bottom of the logotype to the bottom of the logomark.

In instances where the horizontal logo is used, space each logo so that they are one X-height apart, where “X” is equal to the height of the logotype.

When sizing the logos, make sure that they all have equal prominence. Because partner logos may vary in shape, the logos should appear optically equal even if they are not the exact same size.

Please note that this is not the only manner in which both the Covered California logo and a partner logo may appear within the same space. But if it is desired to place the two logos in close proximity, follow the guidelines above.

LOGO LOCK-UP VERTICAL



PARTNER LOGO LOCK-UP GUIDELINES

There will be times when you may want to place the Covered California™ logo next to your logo — a logo lock-up. In such instances, always separate the logos with a dividing line. When creating a lock-up using the vertical logo, space each logo so that they are one X-height apart, where “X” is equal to the height from the bottom of the logotype to the bottom of the logomark.

In instances where the horizontal logo is used, space each logo so that they are one X-height apart, where “X” is equal to the height of the logotype.

When sizing the logos, make sure that they all have equal prominence. Because partner logos may vary in shape, the logos should appear optically equal even if they are not the exact same size.

Please note that this is not the only manner in which both the Covered California logo and a partner logo may appear within the same space. But if it is desired to place the two logos in close proximity, follow the guidelines above.

LOGO LOCK-UP HORIZONTAL



INCORRECT USAGE

The logo and logo co-branded lock-up should be used according to the specifications in this brand guide. Always use the approved artwork provided and do not alter the logo in any way. Here are some examples of incorrect usage.

SIZE RELATIONSHIP

Do not create imbalanced logo-to-logo scale.



COLOR

Do not change the colors of the symbol or logotype.



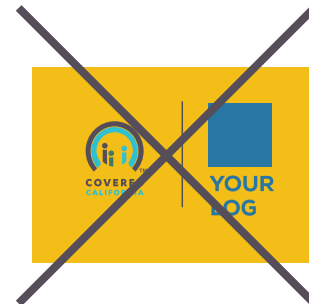
ARRANGEMENT

Do not overlap the logos; follow white space rules.



BACKGROUND

Do not set the logos on anything but a white field.



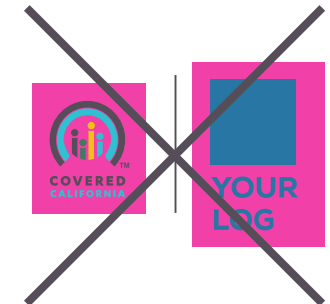
DISTORTION

Do not distort the logo or logotype.



EFFECTS

Do not add effects to the logo or logotype.



EMAIL SIGNATURE & IDENTITY SYSTEM

Email Signature	40
Identity System	41
• Letterhead	42
• Envelope	43
• Business Card	44

EMAIL SIGNATURE

All employee signatures should follow this format. Employee name and information should be set in Arial, 8pt with 50pt letter space. All of the type should be the Covered California™ gray (#554D56). The **name** of the employee, **“P”** (for phone), **“C”** (for cell phone), **“F”** (for fax), **“E”** (for email), **company name** and **website** should be set in the bold weight, with all of the other information set in the regular weight.

Please be sure to include the environmental and legal cautions at right in your email signature.

SIGNATURE

Arial Bold, 8pt, 50pt
letter space and Covered
California™ gray (#554D56).

Arial Regular, 8pt, 50pt
letter space and Covered
California™ gray (#554D56).

Employee Name Employee Title

Arial Bold, 8pt, 50pt
letter space and Covered
California™ gray (#554D56).

P 555.444.3333 **C** 555.444.3333 **F** 555.444.3331 **E** employee@company.com

Covered California™ 1601 Exposition Boulevard, Sacramento, CA 95815 **coveredca.com**



PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING THIS EMAIL

Arial Regular, 6pt, 50pt
letter space and Covered
California™ gray (#554D56).

This message, together with any attachments, is intended only for the use of the individual(s) or entity to whom it is addressed. It may contain information that is confidential and prohibited from disclosure. If you are not the intended recipient, you are hereby notified that any dissemination or copying of this message and/or any attachment is strictly prohibited. If you have received this message in error, please notify the original sender immediately by telephone or by return email and delete this message, along with any attachments, from your computer. Thank you.

IDENTITY SYSTEM

LETTERHEAD

ENVELOPE



1601 EXPOSITION BLVD.
SACRAMENTO, CA 95815



The mission of Covered California™
is to increase the number of insured Californians,
improve health care quality, lower costs, and reduce
health disparities through an innovative, competitive
marketplace that empowers consumers to choose the
health plan and providers that give them the best value.

CoveredCA.com

BUSINESS CARD



March 25, 2013

Assemblymember, Thirty-First District
District Office
Government Center Building
1233 Main Street
Los Angeles CA 90000

Dear Mrs Smith,

...

...

Sincerely,

Tom Hanes
Executive Director

COVERED CALIFORNIA™ 1601 EXPOSITION BOULEVARD, SACRAMENTO, CA 95815 WWW.COVEREDCA.COM
BOARD MEMBERS Diana S. Dooley, Chair Kimberly Belshé Paul Fearer Susan Kennedy Robert Ross, MD EXEC DIRECTOR Peter V. Lee


LETTERHEAD

Please use these margins and type specs when setting up any official communications on the letterhead. Body copy should be set in Arial Regular, with 12pt type size, with “multiple” line spacing @ 1.15, with 14pt spacing after each paragraph.

Top, left and right margins are 1 inch. Please note that the top margin extends to the top of the word “COVERED” in the wordmark, not the top of the logomark. The bottom margin is 1.5” and includes the Covered California Board members’ and executive director’s names, along with pertinent address information.

A Microsoft Word template of the letterhead is available on Sharepoint, or you may contact Sarah Sol at Sarah.Sol@covered.ca.gov.

Arial Regular, 12pt
type size, “Multiple”
line spacing @ 1.15,
with 14pt spacing after
each paragraph.



1" 2.5"

1"

March 25, 2013

James Smith
Assemblymember, Thirty-First District
District Office
Government State Building
123 Main Street
Los Angeles, CA 90000

Dear Mr. Smith,

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper esset. Ut aliquip ex ea commodo consequat. Duis aute vel eum iriure dolor in reprehenderit in voluptate velit esse molorse consequat, vel illum dolore eu feugiat nulla facilisis at vero eos et accusan et iusto odio dignisn qui blandit praesent luptatum zzril delenit augue duis dolore feugait nulla facilisi. Nam liber tempor cum soluta nobis eleifend.

Investigationes demonstraverunt lectores legere enim illud quod ii legunt saepe. Claritas est etiam processus dynamidus qui sequitur mutationem consue tudium lecturum. Mirum est.

Sincerely

Tom Hanes
Executive Director

1.5"

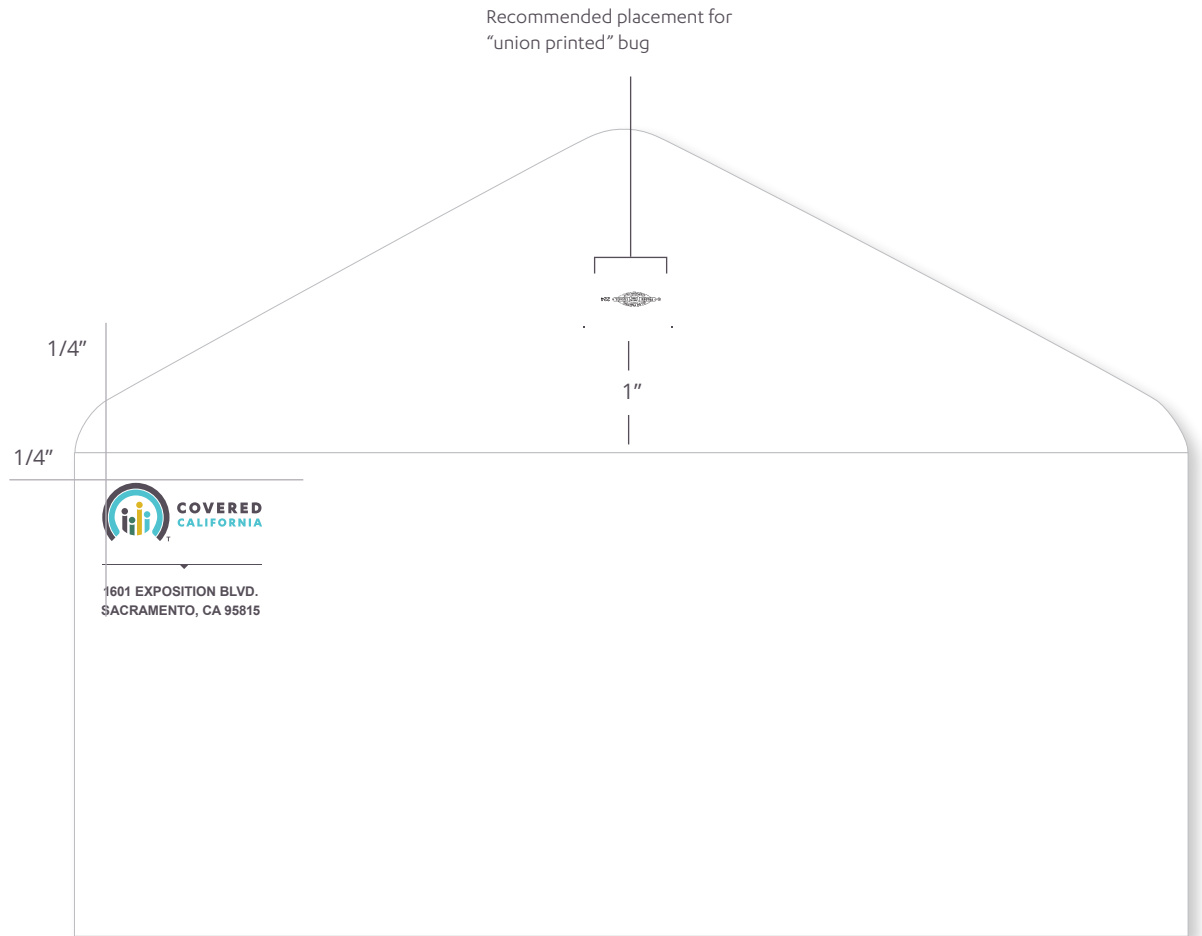
COVERED CALIFORNIA™ 1601 EXPOSITION BOULEVARD, SACRAMENTO, CA 95815 WWW.COVEREDCA.COM

BOARD MEMBERS Diana S. Dooley, Chair Kimberly Belshé Paul Fearer Susan Kennedy Robert Ross, MD EXEC DIRECTOR Peter V. Lee

ENVELOPE

The logo and address information should always appear as shown, in the upper left-hand corner of the envelope. Make sure that the margins for this information are .25" on the top and left.

All type on the envelope should be set in Arial Bold, 9pt type size.



QUESTIONS?

QUESTIONS?

For any questions regarding Covered California™
or these brand guidelines, please contact
Camille.Travis@covered.ca.gov.

© 2014 Covered California. All rights reserved.
Covered California is a trademark of Covered
California. Trademarks of Covered California
are used with permission. Other products and
brand names may be trademarks or registered
trademarks of their respective owners.

BUSINESS CARD

Please follow the design at right when setting up the Covered California™ business cards.

All of the type should be set in the Arial typeface. The sizes and weight for each are specified to the right.

FRONT



Person's Name

Arial Bold
10pt type size,
12pt line space
Person's Title
Arial Bold
9pt type size,
10.8pt line space

Street Address/Phone Numbers/Email Address

Arial Bold
6.5pt type size,
7pt line space

Recommended placement for "union printed" bug

BACK



Arial Bold,
11pt type size
13.2pt line space

Arial Regular,
9pt type size,
12pt line space

Arial Bold,
13pt type size

PAYEE DATA RECORD

STD. 204 (Rev. 6-2003) (REVERSE)

1	<p><u>Requirement to Complete Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>								
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>								
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>								
4	<p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <table border="0"> <tr> <td>Withholding Services and Compliance Section:</td> <td>1-888-792-4900</td> <td>E-mail address:</td> <td>wscs.gen@ftb.ca.gov</td> </tr> <tr> <td>For hearing impaired with TDD, call:</td> <td>1-800-822-6268</td> <td>Website:</td> <td>www.ftb.ca.gov</td> </tr> </table>	Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov	For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov
Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov						
For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov						
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>								
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>								
	<p><u>Privacy Statement</u></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>								