



Mailing Address:  
Des Moines, IA 50392-0470

Principal Life  
Insurance Company

Group Compensation  
Agreement

**Definitions**

Throughout this agreement, the terms “We,” “Our,” “Us” and “Company” mean Principal Life Insurance Company®, and the terms “You” and “Your” mean the Agent of Record designated in and signing this agreement.

Agent of Record ..... means the person named soliciting agent in the Group Policy Application.

Premium..... means amounts paid to Us and received by Us as Premium and identified by Us to this agreement.

Group Policy ..... means a group insurance policy issued by Us.

Compensation Year ..... means a twelve-month period beginning on the effective date of the policy anniversary.

Participation Percentage..... means at policy anniversary of each year, the percentage calculated when the number of employees enrolled under this Group Policy for Voluntary Term Life is divided by the total number of employees eligible for Voluntary Term Life.

**Commissions**

While this agreement is in force and subject to its provisions, We will pay commissions to You each year in accordance with the commission scale selected by you, if a new coverage, or the commission scale in effect at the time you were named Agent of Record on Premium paid to Us each year for each Group Policy covered under this agreement. We will pay compensation to You while You are recognized by the Group Policyholder and Us as Agent of Record and You provide service to the Policyholder in a manner satisfactory to Us. Changes to this agreement must be by written notice and authorized by an officer of the Company. If the Policyholder tells Us in writing that You are no longer to act as Agent of Record, compensation will terminate. We may, by written notice to You, change any or all of the rates paid under the commission schedules or provisions in this agreement.

We will pay commissions on Premium received. If a Group Policy is no longer in force, commissions may be paid on Premium received after the termination date, but will not be paid top of scale. Commissions will be reversed if any Premium is refunded.

If a Group Policy application names more than one Agent of Record, commissions will be split in the proportion agreed to by the Agents of Record and accepted by Us. Assignment of compensation will not be effective unless made in writing and received and accepted by Us at Our home office in Des Moines, Iowa. In no event does the Company assume any responsibility for the validity or effect of any assignment.

We will take action necessary to collect any Indebtedness You owe Us. Indebtedness means any debt, liability or debit balance resulting from Our reversal of commissions incurred under any contract or agreement You have or have had with Us. It also means any amount paid by Us to settle a complaint or satisfy any judgment entered by any court, administrative agency or arbitrator related to any products sold by You, or to a breach of Your duties and responsibilities contained in this agreement, whether or not the liability for settlement or satisfaction of judgment arose after the termination of this agreement. We may offset any amounts You owe Us, or any of Our subsidiaries or affiliates, against any amounts We owe You.

All advertising or solicitation materials must be approved by Us prior to use.

**Duties and responsibilities**

The Company is committed to excellence in its work on behalf of customers. We define excellence in the customers’ terms, not Our own. We believe Our customers expect that We work professionally and ethically on their behalf, abiding by legal requirements and industry standards. They also expect Us to act in a socially and morally acceptable manner, efficiently, effectively, and as economically as possible.

As You represent the Company’s products and services to prospects and clients, We want You to adhere to Our ethics and practices without compromise.

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We expect You to:

- Know and abide by all industry, company, and regulatory laws and guidelines.
- Never falsify documents.
- Advise Your clients to make all premium payments, deposits, and payment of any funds owed the Company directly to the Company. Never accept or authorize yourself to accept monies for the Company. You may not use Your own bank account(s) for holding customer funds.
- Accept only signatures that You know to be authentic and of the person named on the document of the Company. Never allow substitute signatures for any reason, with or without permission.
- Advise Us immediately of any prior or future felony convictions in accordance with The Violent Crime Control and Law Enforcement Act of 1994.
- Acquire and maintain professional errors and omissions insurance to cover Your proposed activities pursuant to this agreement. You may be asked to provide evidence of such coverage upon request by the Company.
- Accept any communications sent by Us to You, regardless of medium.
- Provide assistance in resolving customer complaints, as requested.
- Provide services to assist with enrollment, as needed.
- Help keep Our Group Policies in force.

### Limitations

Your relationship with Us is that of an independent contractor, not an employee.

Your authority will extend no further than is stated in this agreement. Under no circumstances may You:

- Incur any debt or liability against Us.
- Accept risks of any kind, determine insurability, or bind Us in any way.
- Make, change, or discharge any contract.
- Initiate legal proceedings or actions in insurance departments and other administrative agencies in Our name.
- Waive any provision of any Group Policy, or waive any of our rights to Group Policies, including, but not limited to, the right to correct and complete information on applications.
- Make any promises on behalf of the company regarding coverage, effective dates, claim payments, premium rates, or other matters without the expressed written permission from an officer of the Company.
- Use any sales material, software, sales concepts, supplies or advertising other than supplied or approved by Us, except with Our written approval.
- Pay, allow, or offer any rebate.
- Use the Company's name in connection with any bank account or account with any other financial institution.

### Confidentiality agreement

**Confidentiality.** You acknowledge that, in the course of performing Your duties under this Agreement or otherwise, You may receive or learn information about individuals who have applied for or purchased financial products or financial services from Us, including, but not limited to, personal, financial and/or health information ("Confidential Information"). You agree to keep all Confidential Information strictly confidential; and, that You will not use or disclose to any affiliate or third party, either orally or in writing, any Confidential Information for any purpose other than the purpose for which the Confidential Information was provided to You. Without limiting any of the foregoing, You agree to take all precautions that are reasonably necessary to protect the security of the Confidential Information. You agree to restrict access to the Confidential Information to those employees who need to know that information to perform Your duties under this Agreement. You further agree that, upon Our request, You will return to Us all tangible items containing any Confidential Information You received or learned from Us, including all copies, abstractions and compilations thereof, without retaining any copies of the items required to be returned. This provision does not apply to Confidential Information provided to You by the customer. The obligations of this paragraph extend to all of Your employees, agents, affiliates and contractors and You shall inform such persons of their obligations hereunder.

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**You acknowledge that in the sale of medical, dental, or vision product, the following applies:**

**Privacy obligations of business associate**

**A. Definitions**

For purposes of this Agreement:

- (1) "Business Associate" means the Agent of Record designated in and signing this Agreement and "Covered Entity" shall mean Principal.
- (2) "ARRA" means the American Recovery and Reinvestment Act of 2009.
- (3) "Breach" has the meaning given to that term by 45 CFR 164.402.
- (4) "Business Relationship" means the business relationship between Business Associate and Covered Entity, as set forth in this Agreement.
- (5) "Designated Record Set" means any item, collection, or grouping of information that includes PHI (as defined below) and is maintained, collected, used or disseminated by or for Covered Entity.
- (6) "Individual" means the person who is the subject of PHI and will include a person who qualifies as a personal representative in accordance with the Privacy Rule.
- (7) "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- (8) "PHI" means all Protected Health Information, as that term is defined in 45 CFR 160.103, regardless of form, that is created or received by Business Associate from or on behalf of Covered Entity.
- (9) "Required By Law" means a mandate contained in law that compels the use or disclosure of PHI and that is enforceable in a court of law.
- (10) "Security Rule" means the Standards for Protection of Electronic Protected Health Information at 45 CFR part 160 and part 164, subpart C.
- (11) "Security Incident" has the meaning given to that term by 45 CFR Section 164.304.
- (12) "Unsecured Protected Health Information" has the meaning given to that term by 45 CFR 164.402.
- (13) "HIPAA Rules" means the Privacy Rule, Security Rule, Breach Notification Rules and Enforcement Rules at 45 CFR Part 160 and Part 164.

Capitalized terms used but not otherwise defined in this Agreement will have the same meaning as in the HIPAA Rules.

**B. Obligations and activities of business associate**

- (1) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Agreement, or as Required By Law. If Business Associate believes it is Required By Law or by a subpoena or court order to disclose any PHI, then Business Associate, prior to any disclosure, will promptly notify Covered Entity in writing attaching a copy of the subpoena, court order, or other demand and will make all reasonable efforts to allow Covered Entity an opportunity to seek a protective order or other judicial relief.
- (2) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.
- (3) Business Associate agrees to implement administrative, physical, and technical safeguards (including written policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity as required by the Security Rule. Business Associate will comply with the requirements of 45 CFR Sections 164.308, 164.310, 164.312 and 164.316 in the same manner as if it were a covered entity under those regulations.
- (4) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- (5) Business Associate agrees to promptly report to Covered Entity any use or disclosure of PHI not provided for by this Agreement, including and Breaches of Unsecured Protected Health Information, in accordance with 45 CFR 164 110, or any Security Incident of which the Business Associate becomes aware.

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- (6) Business Associate agrees to ensure that any agent, including a subcontractor, that creates, maintains, receives or transmits protected health information agrees to the same restrictions, requirements and conditions that apply through this Agreement to Business Associate with respect to such information, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable.
- (7) Business Associate agrees to ensure that any agent, including a subcontractor, to whom Business Associate provides electronic PHI agrees to the same restrictions, requirements and conditions that apply through this Agreement to Business Associate with respect to such information, in accordance with 164.308(b)(2), if applicable.
- (8) With respect to PHI contained in a Designated Record Set, Business Associate agrees to provide, within seven (7) days after a request by Covered Entity, access to such PHI to Covered Entity or, as directed by Covered Entity, to an Individual in order to allow the Covered Entity to meet its obligations pursuant to 45 CFR 524.
- (9) With respect to PHI contained in a Designated Record Set, Business Associate agrees to promptly make any amendment(s) to such PHI that Covered Entity directs in accordance with 45 CFR 164.526.
- (10) Business Associate agrees to make all PHI, and all internal practices, books, and records, relating to its policies and procedures regarding the use and disclosure of PHI, available to Covered Entity or to the Secretary of the Department of Health and Human Services ("Secretary"), upon the request or at the direction of Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (11) Business Associate agrees to document such disclosures of PHI and 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 for purposes other than treatment, payment, or health care operations, as per 45 CFR 164.528 (as applied in accordance with Section 13405(c) of ARRA) and to provide the information contained in such documentation to Covered Entity or the Individual requesting the accounting within seven (7) days after a request for such information.
- (12) Business Associate agrees to report to the Covered Entity any Breach of Unsecured Protected Health Information without unreasonable delay and in no event more than sixty (60) calendar days after it discovers the Breach. The notification shall include, to the extent possible, the identification of each individual whose Unsecured Protected Health Information has been or is reasonably believed by the Business Associate to have been included in the Breach and such other information available to the Business Associate that the Covered Entity may by law be required to include in any notification to an Individual pursuant to 45 CFR 164.404(c). To the extent that Covered Entity is obliged to provide notice pursuant to Section 13402 ARRA as result of a Breach of Unsecured Protected Health Information by Business Associate or the agent of subcontractor of Business Associate, Business Associate shall, upon the written request of the Covered Entity, provide such notice on behalf of Covered Entity. Such request must be made within ten (10) days after receipt of notice from Business Associate as provided above and Covered Entity shall promptly provide information needed by Business Associate to give such notice.
- (13) With respect to any use, disclosure or request for PHI described 45 CFR 502(b)(1), Business Associate shall limit the PHI to the extent practicable to the limited data set as defined in 45 CFR 164.514(e)(2) or, if needed, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request.

### **C. Permitted uses and disclosures by business associate**

- (1) Except as otherwise limited in this Agreement, Business Associate may disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Agreement, provided that such use or disclosure would not violate (i) the Privacy Rule if done by Covered Entity or (ii) the minimum necessary policies and procedures of Covered Entity.
- (2) Except as otherwise limited in this Agreement, Business Associate may use PHI for its proper management and administration or to carry out its legal responsibilities, provided that in the case of any disclosures for such purposes that are not Required By Law, Business Associate will obtain reasonable assurances from the person to whom the disclosure is made that the disclosed PHI will remain confidential and used and disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person agrees to notify Business Associate of any instances of which it becomes aware in which the confidentiality of PHI has been breached.
- (3) Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by the Privacy Rule.

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#### **D. Obligations of covered entity**

- (1) Covered Entity will notify Business Associate of any limitations in Covered Entity's notice of privacy practices to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- (2) Covered Entity will notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- (3) Covered Entity will notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to for an Individual to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

#### **E. Termination**

- (1) Upon either party's knowledge of a material violation of the terms of this Business Associate Agreement, the non-breaching party shall either:
  - a. Provide an opportunity for the breaching party to cure the breach or end the violation, and terminate this Agreement if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party; or
  - b. Immediately terminate this Agreement if cure is not possible;
- (2) Business Associate will, upon request of Covered Entity or upon termination for any reason of the Business Relationship, return to Covered Entity or destroy all PHI, including all copies, abstractions, and compilations thereof. This provision will apply to PHI that is in the possession of subcontractors or agents of Business Associate, as well as to PHI that is in the possession of Business Associate.
- (3) In the event Business Associate determines that returning or destroying some or all of the PHI is infeasible, Business Associate will provide to Covered Entity written notification of the conditions that make return or destruction infeasible. If Covered Entity agrees that return or destruction of PHI is infeasible, Business Associate will extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such PHI.

#### **F. Miscellaneous**

- (1) Regulatory references. A reference in this Agreement to the Privacy Rule or Security Rule or a section in the Privacy Rule or Security Rule means that rule or section as amended from time to time.
- (2) Compliance with law. In connection with its performance under this Agreement, the parties shall comply with all applicable laws, including but not limited to the Privacy Rule, the Security Rule, ARRA and other applicable laws protecting the privacy of personal information about individuals.
- (3) Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for each party to comply with the requirements of the Privacy Rule and Security Rule and the Health Insurance Portability and Accountability Act of 1996 and ARRA.
- (4) Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of this Agreement will survive the termination of the Business Relationship.
- (5) Interpretation. Any ambiguity in the provisions of this Business Associate Agreement shall be resolved to permit the parties to comply with the Privacy Rule and Security Rule and ARRA.

**Notification obligation.** Upon learning of any unauthorized disclosure or use of any Confidential Information, You shall notify Us promptly and cooperate fully with Us to protect such Confidential Information.

**Disclosure required by law.** If You believe it is required by law or by a subpoena or court order to disclose any Confidential Information, then You, prior to any disclosure, shall promptly notify Us in writing attaching a copy of the subpoena, court order or other demand and shall make all reasonable efforts to allow Us an opportunity to seek a protective order or other judicial relief. This provision does not apply to audits and inquiries from State or Federal regulatory agencies if You are legally required to provide them with access to Your records.

**Compliance with law.** In connection with Your performance under this Agreement, You agree to comply with all applicable laws, including but not limited to laws protecting the privacy of non-public personal information about individuals.

**Survival.** The provisions of this Agreement relating to confidentiality shall survive termination or expiration of this Agreement.

**Governing law**

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This is an Iowa contract and will be construed in accordance with the laws of the State of Iowa.

**Termination**

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1. We or You can terminate this agreement at any time for any reason. Notice of termination must be in writing and specify the date of termination. Notice will be effective on the earlier of mailing to the addressee's last known address or delivery to the addressee.
2. We may terminate Your agreement without giving prior written notice if We reasonably believe that You have committed any fraudulent, dishonest or illegal act arising out of or related to this agreement or Our business or violated any provision of this agreement or Company policy, and the date of such termination will coincide with the date at the violation or act giving rise to termination.
3. The agreement will terminate immediately in the event of cancellation or revocation of Your appointment with us, or cancellation, revocation or expiration of Your license to sell insurance, or Your death.

**Signatures**


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Your signature certifies You have read and understand all provisions within this agreement and agree to abide by the guidelines set forth. Your signature also certifies You are properly licensed to solicit all forms of insurance covered in this agreement. This agreement takes effect when signed by You, and We receive and accept it at Our home office in Des Moines, Iowa.

Principal Life Insurance Company

\_\_\_\_\_  
Agent's Name (please print)

By \_\_\_\_\_  
Agent's Signature

By   
Sales Support Officer

\_\_\_\_\_  
Agency (Please Print)

\_\_\_\_\_  
Social Security or Federal Identification Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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