

**CONTRACT FOR INSURANCE TESTING SERVICES
AND CONTINUING EDUCATION PROGRAM ADMINISTRATION
BETWEEN IOWA INSURANCE DIVISION AND**

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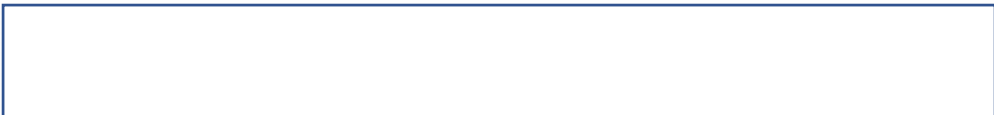
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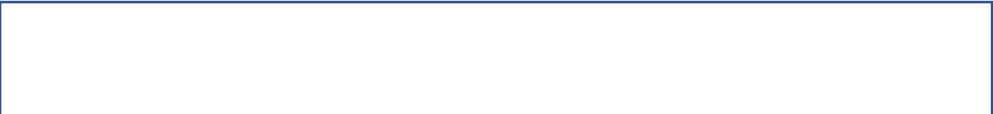
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This Contract for insurance testing services is between the Iowa Insurance Division and The parties agree as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Iowa Insurance Division (the "Division") is authorized to enter into this Contract. The Division's address is 330 Maple, Des Moines, Iowa 50319.

1.2

SECTION 2. PURPOSE.

The parties have entered into this Contract for the purpose of retaining Vendor to produce, develop, implement and provide insurance testing services and Continuing Education course approval for the Division.

SECTION 3. DURATION OF CONTRACT.

The term of this Contract shall be from October 1, 2011 through December 31, 2014, unless terminated earlier in accordance with the Termination section of this Contract. The Division shall have the option to renew this Contract for up to two additional one-year extensions by giving Vendor written notice of the extension decision at least 60 days prior to the expiration of the initial or renewal term.

SECTION 4. DEFINITIONS.

4.1 *Candidate* means a person who registers or wants to register to take an Iowa licensing examination.

4.2 *Continuing Education* or *CE* means continuing education as defined in Iowa Code Chapter 522B(2011).

4.3 *CE Provider* means any individual or entity that is approved to offer Continuing Education courses in Iowa, pursuant to 191 Iowa Administrative Code Chapter 11.

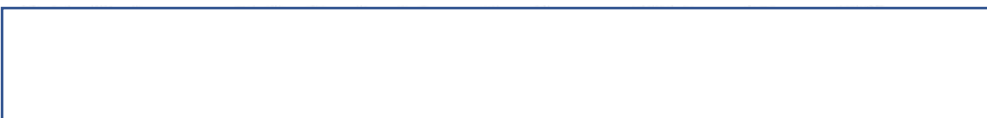
- 4.4 *Contract* means this contractual agreement entered into between the Division and Vendor and any attachments or amendments hereto, as described in subsection 15.2.
- 4.5 *Division* means the Iowa Insurance Division, a division of the Iowa Department of Commerce, an agency of the State of Iowa.
- 4.6 *Examination Review Process* means the process Vendor shall facilitate by which persons knowledgeable about various types of insurance shall evaluate for accuracy and clarity proposed examination questions created by Vendor, and from which Vendor shall take those persons' comments and make adjustments to the questions as necessary.
- 4.7 *NAIC* means the National Association of Insurance Commissioners.
- 4.8 *Producer* means a person licensed to sell insurance in Iowa as set forth in Iowa Administrative Code Chapters 10 and 11 or Iowa Code Chapter 522B (2011).
- 4.9 *Project Managers* means the persons selected by Vendor and by the Division to be the main contact person for interaction between the parties during the performance of this Contract, and who will be responsible for duties outlined in Section 11.
- 4.10 *State* means the State of Iowa.
- 4.11 *System* means the software and hardware systems developed by Vendor and the Division pursuant to this Contract.
- 4.12 *User* means Division staff users of the System as specifically identified by the Division.
- 4.13 *Vendor* principal offices and authorized to do business in the state of Iowa.
- 4.14 *Vendor's RFP Response* means the response dated August 11, 2011, provided by Vendor to the Division in response to the Division's Request for Proposal for Insurance Testing Services and Continuing Education Program Administration, RFP: IID-INSTEST-1, dated June 27, 2011.

SECTION 5. STATEMENT OF WORK.

Vendor's services will be defined as stipulated below:

5.1 Preparation of Examinations: Examination Construction.

- 5.1.1 Vendor shall – in accordance with exam outlines developed in cooperation with the Division – develop and validate examination questions for the following types of Iowa insurance lines of authority, as set forth in Iowa Code section



522B.6(2)(2011) and 191 Iowa Administrative Code rule 10.7 (sections 3.2.1.1.1 through 3.2.1.1.11) and other examinations (sections 3.2.1.1.12 and 3.2.1.1.13):

- 5.1.1.1 Life (Iowa Code §522B.6(2)(a));
 - 5.1.1.2 Accident and health (Iowa Code §522B.6(2)(b));
 - 5.1.1.3 Life, accident and health (Iowa Code §§522B.6(2)(a) and (b));
 - 5.1.1.4 Property (Iowa Code §522B.6(2)(c));
 - 5.1.1.5 Casualty (Iowa Code §522B.6(2)(d));
 - 5.1.1.6 Property and casualty (191 IAC 10.4(7));
 - 5.1.1.7 Personal lines (Iowa Code §522B.6(2)(f));
 - 5.1.1.8 Excess and surplus lines (Iowa Code §522B.6(2)(g));
 - 5.1.1.9 Credit (Iowa Code §522B.6(2)(h));
 - 5.1.1.10 Crop (191 IAC 10.7);
 - 5.1.1.11 Surety (191 IAC 10.7);
 - 5.1.1.12 Viatical settlement broker (Iowa Code §508E.3 and 191 IAC 48.3(2)); and
 - 5.1.1.13 Public adjuster (Iowa Code Ch 522C and 191 IAC 55.6).
- 5.1.2 Vendor shall construct examination outlines for the period commencing January 1, 2012, which must be approved by the Division before use.
- 5.1.3 The Vendor shall monitor changes in Iowa insurance laws and regulations and recommend or revise content outlines and create new examination questions on a schedule to which the parties shall agree.
- 5.1.4 The Vendor shall, if necessary, upon the request of the Division, in urgent situations, immediately pull any examination or question from production. A new examination or question shall be live in the field 48 hours (or two business days) after corrections have been approved by the Division and finalized.
- 5.1.5 All examination questions shall be subject to advance review and approval by the Division and/or the Examination Review Process, as set out in Section 5.2.2. Examination questions, where relevant, must be demonstrated to be Iowa-specific and the Vendor shall construct Iowa-specific examination questions.

- 5.1.6 The Vendor shall maintain a sufficient bank of examination questions for each examination to assure the Division that questions are not likely to be repeated within a given examination group. The Vendor shall recommend an appropriate number of questions for each examination.
- 5.1.7 The Vendor shall aid the Division in the establishment of an examination passing score and in the determination of the level of difficulty for the examination questions.
- 5.1.8 During the contract period, the Division may be required by law to restructure examinations or add new examinations to the above list. The Vendor shall implement new or substantially restructured examinations as needed.
- 5.1.9 The Vendor shall provide a physical copy of examination results at no charge to Candidates before they depart from the examination location. Examination results must be electronically transmitted to the Division, or as directed by the Division, within one business day of examination completion.
- 5.1.10 The Vendor shall provide fingerprinting services if the Division determines it wants to begin using such services and if the parties come to a mutual understanding about the terms and conditions of such additional services.

5.2. Administration of Examinations.

- 5.2.1 Candidate Handbook. The Vendor shall develop, at its expense and subject to approval by the Division, an informational handbook containing information on licensing processes, examination outlines, sample questions, examination procedures, application forms and other relevant information required by the Division. The proposed handbook must be submitted to the Division for review no later than October 15, 2011, and, once approved, must be ready for distribution and posting on both the Division's and the Vendor's website no later than November 1, 2011. The Vendor must make available the approved final drafts for the examination outlines to pre-licensing educators upon request and without charge no later than November 1, 2011. Subsequent proposed handbooks must be submitted to the Division each year for review no later than October 1 of each year. Vendor must make available the approved final drafts of the examination outlines to pre-licensing educators upon request and without charge.

Handbooks shall be printed by Vendor, at its expense, and provided without charge to the following: the Division, upon request; prospective candidates; examination locations; and other locations as agreed by the parties. Vendor shall post the handbook on its website or other similar electronic bulletin board service and shall work with the Division in permitting the Division to provide a link from the Division's website to the Vendor's website where the handbook can be seen and accessed.



- 5.2.2 Examination Review Process. The Vendor shall, at its expense, conduct an annual Examination Review Process under the direction of the Division. The first Examination Review Process shall be at a date, time and location to be approved by the Division. Other Examination Review Processes shall be held annually with the precise date, time and location to be determined by the Division. The Vendor shall identify, invite and obtain the presence of no less than four qualified persons per examination, approved by the Division, to review the current and proposed new examination questions for each examination listed in subsection 5.1.1. All revisions to examination questions must be ready for implementation annually on January 1.

Vendor shall include a way for Producers to obtain CE credits for participating in the Examination Review Process. The Vendor shall make application to the Division for continuing education credits for attendees at the Examination Review Process and shall assume all responsibilities of a continuing education provider under Iowa law for the Examination Review Process.

- 5.2.3 Report to Pre-License Educators. As part of the Examination Review Process, the Vendor shall prepare and present a report of examination statistics, as pre-approved by the Division, to be presented at a public forum to interested persons. Vendor shall maintain, at its expense, a listing of pre-licensing educators and other interested parties and invite all such persons to attend the public forum.

5.2.4 Reports.

5.2.4.1 Examination Statistics. The Vendor shall report to the Division electronically, quarterly and annually, examination statistics for each examination administered. The Vendor shall monitor questions with significant incorrect responses and recommend changes to the Division as necessary.

5.2.4.2 Survey. The Vendor shall conduct a survey of examination candidates, in a manner approved by the Division, to determine satisfaction with the examination process. The results of said survey shall be reported to the Division electronically, quarterly and annually.

5.2.5 Examination Locations and Scheduling.

5.2.5.1 The Vendor must maintain, at its expense, an e-mail address and a toll-free telephone number for Candidates to call and request information about the examination and licensing process.



- 5.2.5.2 The Vendor shall, at its expense, maintain examination sites in at least five locations in Iowa or adjacent states. The Vendor shall provide examination sites that will collectively serve the geographical distribution of Iowa's population. The Vendor must hire, train and supervise, at its expense, all personnel to operate examination locations. Each location must be selected and maintained in a professional manner to ensure a satisfactory environment for examination administration. The Vendor shall provide a system of examination site supervision which will ensure that site administrators are competent and consistently provide accurate information. The Vendor shall permit Iowa residents and other appropriate candidates to take Iowa examinations at its examination sites in other states. The Vendor shall change locations as requested by the Division and by mutual agreement.
- 5.2.5.3 Each location must comply with all relevant federal and state requirements related to providing access to persons with disabilities.
- 5.2.5.4 The Vendor shall manage the examination locations to be able to provide appointments for examination candidates within five business days of the request to schedule. The Vendor shall administer examinations to persons with special needs and train its personnel to accommodate special examination requests for persons who cannot take the examination in its conventional form. The examination shall be in English, but the Vendor may provide extra time for persons for whom English is not their primary language. The Vendor shall have a system in place to evaluate requests for special administration of examinations and must report all such approvals and disapprovals to the Division within ten business days.
- 5.2.5.5 Vendor agrees that all examination locations are available for inspection by the Division upon reasonable advance notice by the Division.
- 5.2.6 Examination Supervision. The Vendor shall detect and monitor examination irregularities and must take reasonable steps to maintain the integrity of the examination process. The Vendor shall promptly investigate any irregularities and report any findings to the Division. Vendor's employees shall be made available at Vendor's expense if needed to testify at administrative proceedings before the Division involving examination irregularities.

5.2.7 Examination Fees. The Vendor shall be entitled to collect a fee for each examination and other approved services. All fees must receive prior approval in writing by the Division. The Division reserves the right to reject specific requests to charge fees for services that it considers part of the regular examination process.

The Vendor shall be compensated solely through fees it charges and collects and may not exceed limits as set by the Division.

5.2.8 Security. The Vendor shall protect confidentiality of the Division's records, examination content and examination statistics. The Vendor shall not make any use of information obtained from Iowa candidates or compiled from any aspect of the examination process without the express written consent of the Division.

5.3. Continuing Education Administrative Services.

5.3.1 The Vendor shall develop and provide Continuing Education administration services to approve insurance CE Providers and insurance Continuing Education courses on behalf of the Division.

5.3.2 The Vendor shall review courses to be delivered through classroom instruction, instruction by audio media, instruction by video media, instruction from printed materials, computer-based instruction and courses to be delivered through other course delivery methods.

5.3.3 The Vendor shall develop and distribute a CE Provider and course information packet and the following forms: a CE Provider Approval Application form; a CE Course Approval Application; an Affidavit of Completion for on-line CE courses; an Affidavit of Completion for classroom CE courses, and a Handbook of Instructions which tell a Candidate the CE requirements of Iowa. These forms must be created and provided to the Division for approval by November 15, 2011. This information shall be made available for viewing and printing on the Vendor's website by December 1, 2011.

5.3.4 Vendor shall receive, review and approve CE Provider applications based on criteria to which the Division and the Vendor mutually agree in writing.

5.3.5 Vendor shall receive and timely review course applications and assign the appropriate number of credits to courses based on criteria to which the Division and the Vendor mutually agree. For purposes of this requirement, "timely" means 30 days or less.

5.3.6 Vendor shall design and conduct a renewal process for CE Providers and courses on a biennial basis.

- 5.3.7 Vendor shall serve as initial point of contact for all communications with existing and prospective CE Providers, including those seeking Iowa course approvals under the National Association of Insurance Commissioners Continuing Education Reciprocity Guidelines.
- 5.3.8 Vendor shall create and maintain a procedure for CE Providers to report scheduled classroom course offerings to the Vendor. Vendor shall maintain a list of the classes and their scheduled dates and times on its website, and shall promptly update any changes to classes listed there.
- 5.3.9 Vendor shall create a method on its website for Producers and CE Providers to search for class offerings by topics, specifically for those class offerings that are of subject matters particularly identified by Iowa insurance law.
- 5.3.10 Vendor shall establish a grievance and appeals procedure for CE Providers with the Vendor to serve as the initial point of contact. Vendor shall consider all grievances and attempt to resolve situations brought to it in grievances. If the Vendor cannot resolve the grievance, the Vendor shall report the grievance to the Division. The Division shall then determine the resolution to the grievance and the Vendor shall comply with the Division's determination.
- 5.3.11 Vendor shall be entitled to collect a fee from the CE Providers to compensate the Vendor for the Continuing Education administrative services provided by the Vendor. All fees must receive prior approval in writing by the Division. The Vendor shall charge an applicant a CE Provider application fee when the applicant applies for approval as an approved CE Provider (see subsection 5.3.12), and shall charge a course application fee for an application made by an approved CE Provider applying for approval of a continuing education course (see subsection 5.3.13).
- The Vendor will be compensated solely through fees it charges and collects and may not exceed limits as set by the Division.
- 5.3.12 Vendor shall maintain the approved status of an approved CE Provider for two years. At the end of the two years, the approved CE Provider may submit an application for renewal to the Vendor and the Vendor shall charge the approved CE Provider the provider renewal fee.
- 5.3.13 Vendor shall maintain the approved status of an approved Continuing Education course for two years or until the course content has been substantially changed. At whichever time comes first, the approved provider may submit an application for renewal or for re-approval to the Vendor and the Vendor shall charge the approved CE Provider the course review fee.
- 5.3.14 Vendor shall review and approve, disapprove or withdraw approval of applications of CE Providers and course instructors in a manner prescribed by 191 Iowa Administrative Code Chapter 11. The Vendor shall develop and

implement procedures to consider applications by CE Provider applicants. Accordingly, the Vendor shall:

- 5.3.14.1 Create all necessary forms, notices, explanatory materials, and automated or manual correspondence.
- 5.3.14.2 Review the application including the qualifications of the applicant, the instructors and other relevant factors.
- 5.3.14.3 Notify the applicant of all deficiencies in the completeness of the application and require the applicant to respond to the deficiencies within 30 calendar days of the date of the notice. If the applicant does not respond within the 30-day period, Vendor may reject the application.
- 5.3.14.4 Assign each approved CE Provider a unique approved provider number distinguishing the approved CE Provider from other organizations or individuals.
- 5.3.14.5 Provide an approved CE Provider a certificate identifying the organization or individual as an approved CE Provider and bearing the approved provider number. Vendor also shall communicate this information to the applicant electronically.
- 5.3.14.6 Provide an applicant whose application has been denied with a written explanation as to the reasons for denial and the applicant's appeal rights. Vendor also shall communicate this information to the applicant electronically.
- 5.3.14.7 Maintain, on behalf of the Division, application records, information concerning decisions rendered, and up-to-date information (e.g., address, telephone numbers, contact person, e-mail address, etc.) concerning approved CE Providers.

5.3.15 Vendor shall review, evaluate, approve, disapprove, withdraw approval of, assign credit hours to, and assign course titles to Continuing Education courses and programs of instruction in a manner prescribed by 191 Iowa Administrative Code Chapter 11. The Vendor shall develop and implement procedures to consider course approval applications by CE Provider applicants. Accordingly, the Vendor shall:

- 5.3.15.1 Create all necessary forms, notices, explanatory materials, and automated or manual correspondence.
- 5.3.15.2 Review the course application against the standards established by the Division to determine whether the course is acceptable.



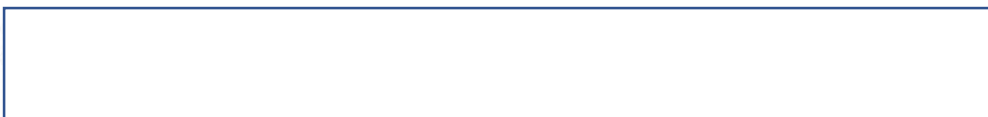
- 5.3.15.3 Determine the number of credit hours for each area of education to be assigned to the course.
- 5.3.15.4 Draft and, upon approval by the Division, promulgate procedures which approved CE Providers shall be required to implement to ensure licensees complete all the requirements of a course prior to being awarded Continuing Education credit hours.
- 5.3.15.5 Notify the approved provider of all deficiencies in the completeness of the application and require the approved provider to respond to the deficiencies within 30 calendar days of the date of the notice.
- 5.3.15.6 Provide an approved provider whose course application has been denied or whose requested credit hours have been changed with a written explanation as to the reasons for denial or change and the applicant's appeal rights. This information also should be provided to the applicant electronically.
- 5.3.15.7 Assign to each course a unique approved course number and title distinguishing the approved course from other courses.
- 5.3.15.8 Upon approval of a course, provide the approved course CE Provider the following materials:
 - 5.3.15.8.1 Correspondence indicating the course has been approved, the approved title and the assigned number of the course, the approved credit hours for the course, and a list of instructors approved to provide course instruction for the course. If a course is approved for a specific requirement of Iowa law, it should be indicated as such. This information also should be provided to the applicant electronically.
 - 5.3.15.8.2 Instructions to the approved CE Provider on the measures instructors need to implement to ensure licensees complete all the requirements of a course prior to being awarded Continuing Education credit hours.
 - 5.3.15.8.3 Instructions to the approved CE Provider on the information which needs to be entered onto a certificate of completion.



- 5.3.16 Vendor shall monitor and audit the quality of continuing education courses to determine adherence to 191 Iowa Administrative Code Chapter 11, to determine adherence to all Division standards, to investigate complaints regarding approved courses, to advise the approved CE Provider in writing of deficiencies with a copy to the Division, to conduct follow-up audits to determine whether improvements are adequate and, when appropriate, to withdraw approval from an approved CE course or an approved CE Provider.
- 5.3.17 On behalf of the Division, or other Division designee as directed by the Division, Vendor shall maintain CE Provider application records and CE Provider Continuing Education course application records, information concerning decisions rendered, up-to-date course information, grievances and all other aspects of the Vendor's administration for five years after a decision has been rendered. Vendor shall keep such records and information confidential and shall not disclose any of the records or information to any entity other than the Division without the express written consent of the Division.
- 5.3.18 Vendor shall transmit electronically to the Division, or other Division designee as directed by the Division, within 48 hours of the approval of a course, information concerning the course and course CE Provider in a format acceptable to the Division.
- 5.3.19 The Vendor's decision concerning an application either to be an approved CE Provider or to have a CE course approved shall constitute an appealable agency action as defined in 191 Iowa Administrative Code rule 11.8 for which the applicant or approved CE Provider is entitled to a hearing and judicial review in accordance with Iowa Code Chapter 17A.
- 5.3.20 The Vendor shall be required to testify to and support, in any appellant proceeding, course application and CE Provider application decisions made by the Vendor.
- 5.3.21 The Vendor shall be required to maintain an Internet website and shall be required to make readily available to licensees in printed format and in alternative formats in accommodation of individuals with disabilities, a list of courses offered for each area of education to include at a minimum:
- 5.3.21.1 The course number and title of each approved course;
 - 5.3.21.2 The approved CE Provider number, name, registration procedure, telephone number and email address;
 - 5.3.21.3 The applicable areas of education for which credit hours may be earned by completing the course; and
 - 5.3.21.4 The dates, times and locations of each course offering.



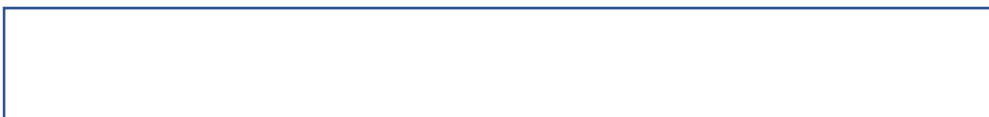
- 5.3.22 The Vendor shall provide quality, timely and readily accessible service to the Division, course providers, course instructors, licensees, and others affected by the Continuing Education requirements, including individuals with disabilities.
- 5.3.23 The Vendor shall create and maintain, in a form acceptable to the Division, an automated means of reporting to the Division such information as the Division may determine to be necessary regarding approved courses and approved CE Providers. Any such system shall be compatible with the Division's system.
- 5.3.24 The Vendor shall have a method of evaluating customer needs and evaluating its fulfillment of those needs through accurate and valid performance measurements.
- 5.3.25 The Vendor shall provide to the Division a report, in a format and of a quality approved by the Division, on a quarterly basis which illustrates the Vendor's accomplishments at fulfilling customer needs.
- 5.3.26 The Vendor shall, on a quarterly basis, provide the Division reports in a format and of a quality approved by the Division, containing:
- 5.3.26.1 The number of approved CE Providers of on-site classroom Continuing Education, the number of approved on-site classroom education courses and the sum of on-site classroom education credit hours;
 - 5.3.26.2 The number of approved CE Providers of non-on-site Continuing Education, the number of non-on-site approved courses, and the sum of non-on-site credit hours;
 - 5.3.26.3 The number and percentage of applicants who were determined to be an approved CE Provider;
 - 5.3.26.4 The number and percentage of applicants whose applications as an approved CE Provider were denied and a summary of the reasons for denial;
 - 5.3.26.5 The number and percentage of courses determined to be acceptable as approved Continuing Education courses as a result of the Vendor's review of the course;
 - 5.3.26.6 The number and percentage of courses disapproved and a summary of the reasons for disapproval;
 - 5.3.26.7 The number and percentage of applicants who grieved the decision of the Vendor concerning a CE Provider application;



- 5.3.26.8 The number and percentage of approved CE Providers who grieved the decision of the Vendor concerning the denial of a course;
- 5.3.26.9 The number and percentage of approved CE Providers who grieved the decision of the Vendor concerning the credit hours assigned to an approved course; and
- 5.3.26.10 The number and type of audits including: Vendor's determination as to whether the approved CE Provider being audited adhered to 191 Iowa Administrative Code Chapter 11; Vendor's determination as to whether the approved CE Provider adhered to all Division standards; Vendor's investigation of any complaints about the approved CE Provider regarding approved courses; whether Vendor had to advise the approved CE Provider in writing of deficiencies and what those deficiencies were; Vendor's follow-up audits to CE Providers who had been deficient to determine whether improvements were adequate; and whether Vendor had to withdraw approval from an approved CE course or an approved CE Provider and the reasons for the withdrawal of approval.

5.4 On-Site Visits.

Vendor must pay all expenses for one employee of the Division for one on-site visit during the Contract term at the Vendor's place of business to receive training on the Vendor's systems, evaluate Vendor's processes and receive information on any proposed changes in examination and Continuing Education systems. Vendor must report in person at the Division, at the Vendor's expense, annually, or more frequently upon reasonable request and notice, to update the Division on Vendor's performance under the Contract.



5.5 Training, Support and Meetings.

5.5.1 Vendor shall provide in-person training to Division Users upon implementing the Vendor's website as it relates to Iowa. Training can be by telephone if the parties mutually agree in writing. The dates and locations of the training will be determined by mutual agreement; however, a first training of Division staff shall occur no later than November 1, 2011. Vendor will provide all copies of materials, manuals, guides and other materials needed for the training. Vendor's travel and other expenses related to the training will be borne by Vendor.

5.5.2 After developing the website as it relates to Iowa, Vendor shall assist in all areas of technology involved in the website including, but not limited to, fixing problems with the website, updating the website, and enhancing the website.

5.5.3 After development of the website, Vendor shall provide Division staff with access to the account manager assigned to the Division by the Vendor to answer Division questions related to the website.

5.6 Deliverables.

The above-contracted services are to be provided by Vendor to the Division according to the timeline in the Appendix to this Contract.

5.7 Industry Standards.

Services rendered pursuant to this Contract shall be performed in a professional and workmanlike manner in accordance with the terms of the Contract and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a detailed specification for the performance of a portion of the Contract, the parties agree that the applicable specification shall be the generally accepted industry standard.

5.8 Monitoring Plan.

Vendor shall provide the information and periodic reports listed in Section 3.9 of the Vendor's RFP Response.

5.9 Performance Review Plan.

Vendor shall provide the information listed in Section 3.10 of the Vendor's RFP Response. Vendor shall provide copies of surveys or evaluations received by Vendor, or of summaries of such surveys or evaluations, at the Division's request. Vendor shall supply the Division with mailing lists of CE providers and examination candidates, at the Division's request, for purposes of conducting a survey regarding Vendor's performance. In addition, the Division shall review and evaluate the performance of Vendor at the end of the Contract term, including evaluation of the efficiency and quality of Vendor's work, specifically determining whether:



- 5.9.1 100% of the requirements of the Contract were met;
- 5.9.2 All reports required from Vendor in the Contract were submitted on a timely basis, unless an extension was granted by the Division in writing;
- 5.9.3 Vendor attended all meetings required pursuant to the Contract, unless delayed or waived by the Division in writing; and
- 5.9.4 Vendor adhered to all confidentiality requirements pursuant to the Contract.

SECTION 6. COMPENSATION.

Vendor shall be paid for the services described in Section 5, including all out-of-pocket expenses and administrative costs of Vendor, solely through fees it charges and collects from applicants and producers and in no case shall the fees exceed reasonable amounts to which the Division and Vendor agree.

Unless otherwise agreed to in writing by the parties, Vendor shall not be entitled to receive any other payment or compensation from the State for any goods or services provided by or on behalf of Vendor under this Contract. Vendor shall be solely responsible for paying all costs, expenses and charges it incurs in connection with its performance under this Contract.

SECTION 7. TERMINATION.

7.1 Immediate Termination by the Division.

The Division may terminate this Contract for any of the following reasons effective immediately without advance notice:

- 7.1.1 Vendor fails to comply with confidentiality laws or provisions;
- 7.1.2 Vendor furnished any statement, representation or certification in connection with this Contract which is materially false, deceptive, incorrect or incomplete;
- 7.1.3 In the event Vendor is required to be certified or licensed as a condition precedent to providing services, the revocation or loss of such license or certification will result in immediate termination of the Contract, effective as of the date on which the license or certification is no longer in effect; or
- 7.1.4 The Division determines that the actions, or failure to act, of Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, a person's life, health or safety to be jeopardized.

7.2 Termination for Cause.

The occurrence of any one or more of the following events shall constitute cause for the Division to declare Vendor in default of its obligations under this Contract.

- 7.2.1 Vendor fails to perform, to the Division's satisfaction, any material requirement of this Contract or is in violation of a material provision of this Contract, including, but without limitation, the express warranties made by Vendor.
- 7.2.2 The Division determines that satisfactory performance of this Contract is substantially endangered or that a default is likely to occur.
- 7.2.3 Vendor fails to make substantial and timely progress toward performance of the Contract.
- 7.2.4 Vendor becomes subject to any bankruptcy or insolvency proceeding under federal or state law to the extent allowed by applicable federal or state law including bankruptcy laws; Vendor terminates or suspends its business; or the Division reasonably believes that Vendor has become insolvent or unable to pay its obligations as they accrue consistent with applicable federal or state law.
- 7.2.5 Vendor has failed to comply with applicable federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of this Contract.
- 7.2.6 Vendor has engaged in conduct that has or may expose the Division to liability, as determined in the Division's sole discretion.
- 7.2.7 Vendor has infringed any patent, trademark, copyright, or any other intellectual property right.

7.3 Notice of Default.

If there is a default event caused by Vendor, the Division shall provide written notice to Vendor requesting that the breach or noncompliance be remedied within the period of time specified in the Division's written notice to Vendor. If the breach or noncompliance is not remedied by the date specified in the written notice, the Division may either:

- 7.3.1 Immediately terminate the Contract without additional written notice; or
- 7.3.2 Enforce the terms and conditions of the Contract and seek any legal or equitable remedies available.

7.4 Termination Upon Notice.

Following 10 days' written notice, the Division may terminate this Contract in whole or in part without the payment of any penalty or incurring any further obligation to Vendor. Following termination upon notice, Vendor shall be entitled to compensation, upon submission of invoices and proper proof of claim, for services provided under this Contract to the Division up to and including the date of termination.

7.5 Termination Due to Change in Law.

The Division shall have the right to terminate this Contract without penalty by giving 60 days' written notice to Vendor as a result of any of the following:

7.5.1 The Division's authorization to operate is withdrawn or there is a material alteration in the programs administered by the Division; or

7.5.2 The Division's duties are substantially modified.

7.6 Remedies of Vendor in Event of Termination by the Division.

In the event of termination of this Contract for any reason by the Division, the Division shall pay only those amounts, if any, due and owing to Vendor for services actually rendered up to and including the date of termination of the Contract and for which the Division is obligated to pay pursuant to this Contract. Payment will be made only upon submission of invoices and proper proof of Vendor's claim. This provision in no way limits the remedies available to the Division under this Contract in the event of termination. However, the Division shall not be liable for any of the following costs:

7.6.1 The payment of unemployment compensation to Vendor's employees;

7.6.2 The payment of workers' compensation claims occurring during the Contract or extend beyond the date on which the Contract terminates;

7.6.3 Any costs incurred by Vendor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract.

7.6.4 Any taxes that may be owed by Vendor in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

7.7 Vendor's Termination Duties.

Vendor, upon receipt of notice of termination or upon request of the Division, shall:



- 7.7.1 Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within 30 days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, conclusions resulting therefrom, and other matters the Division may require;
- 7.7.2 Immediately cease using and return to the Division any personal property or materials, whether tangible or intangible, provided by the Division to Vendor.
- 7.7.3 Comply with the Division's instructions for the timely transfer of any active files and work product produced by Vendor under this Contract, except for intellectual property owned by Vendor as set forth in Section 13; and
- 7.7.4 Cooperate in good faith with the Division, its employees, agents and vendors during the transition period between the notification of termination and the substitution of any replacement vendor.

SECTION 8. CONFIDENTIAL INFORMATION.

8.1 Access to Confidential Data.

Both parties' employees, agents and subcontractors may have access to confidential data maintained by the other party to the extent necessary to carry out its responsibilities under the Contract. Each party shall presume that all information received pursuant to this Contract is confidential unless otherwise designated. Vendor shall provide to the Division a written description of its policies and procedures to safeguard confidential information. A party's private or confidential data shall remain the property of that party at all times.

8.2 No Dissemination of Confidential Data.

No confidential data collected, maintained, or used in the course of performance of the Contract shall be disseminated except as authorized by law and with the written consent of the other party, whether during the period of the Contract or thereafter. Any confidential data supplied to Vendor shall be considered the property of the Division. Any confidential data supplied to the Division shall be considered the property of Vendor. Any confidential data created by a party remains the property of that party. Each party must return any and all data collected, maintained, created or used in the course of the performance of the Contract in whatever form it is maintained promptly at the request of the Division.

8.3 Subpoena.

In the event that a subpoena or other legal process is served upon Vendor for records containing confidential information, Vendor shall promptly notify the Division and cooperate with the Division in any lawful effort to protect the confidential information.



8.4 Reporting of Unauthorized Disclosure.

Vendor shall immediately report to the Division any unauthorized disclosure of confidential information.

8.5 Survives Termination.

Vendor's obligations under this Contract shall survive termination of this Contract.

SECTION 9. INDEMNIFICATION.

9.1 By Vendor.

Vendor agrees to indemnify and hold harmless the State of Iowa and the Division, its officers, employees and agents appointed and elected and volunteers from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments, including reasonable value of the time spent by the Attorney General's Office, and the costs and expenses and reasonable attorneys' fees of other counsel required to defend the State of Iowa or the Division, related to or arising from:

9.1.1 Any breach of this Contract;

9.1.2 Any negligent, intentional or wrongful act or omission of Vendor or any agent or subcontractor utilized or employed by Vendor;

9.1.3 Vendor's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by Vendor;

9.1.4 Any failure by Vendor to comply with a provision of this Contract;

9.1.5 Any failure by Vendor to make all reports, payments and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees or costs required by Vendor to conduct business in the state of Iowa;

9.1.6 Any infringement of any copyright trademark, patent, or other intellectual property right; or

9.1.7 Any failure by Vendor to adhere to the confidentiality provisions of this Contract.

9.2 Indemnification by the State.

The State shall, only to the extent consistent with and permitted by Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669 (2005), indemnify Vendor from and against any claim, as defined in Iowa Code Section 669.2, caused directly by the negligent or wrongful acts or omissions of any employee of the State while acting within

the scope of the employee's office or employment in connection with the performance of this Contract. Vendor agrees that any claim for which indemnification is sought pursuant to this Section 9.2 will be subject to the provisions of Iowa Code Chapter 669 and 543 Iowa Administrative Code rule 1, including, without limitation, those provisions which address the making and filing of claims.

If the State makes any indemnity payments to Vendor pursuant to this Section 9.2 and Vendor thereafter collects or recovers all or a portion of such amounts from any person or third party, including from any insurance carrier, Vendor shall promptly repay such collected or recovered amounts to the State.

9.3 Survives Termination.

Indemnification obligations of the parties shall survive termination of this Contract.

SECTION 10. INSURANCE AND BONDS.

10.1 Insurance Requirements.

Vendor, and any subcontractor, shall maintain in full force and effect, with insurance companies licensed by the State of Iowa, at Vendor's expense, insurance covering its work, including professional liability insurance if applicable, during the entire term of this Contract and extensions or renewals. Vendor's insurance shall, among other things, insure against any loss or damage resulting from or related to Vendor's performance of this Contract regardless of the expiration of the insurance policy. The Division shall be named as additional insured or loss payees, or Vendor shall obtain an endorsement to the same effect, as applicable.

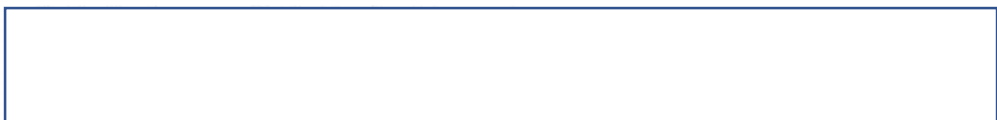
10.2 Types and Amounts of Insurance Required.

Unless otherwise requested by the Division in writing, Vendor shall cause to be issued the insurance coverages set forth below:

TYPE OF INSURANCE	LIMIT	AMOUNT

General Liability (including contractual liability), written on an occurrence basis	General Aggregate	\$2 Million
	Product/Completed Operations Aggregate	\$1 Million
	Personal Injury	\$1 Million
	Each Occurrence	\$1 Million

Excess Liability, Umbrella Form	Each Occurrence	\$1 Million
	Aggregate	\$1 Million



10.3 Certificates of Coverage.

All insurance policies required by this Contract shall remain in full force and effect during the entire term of this Contract and any extensions or renewals thereof and shall not be canceled or amended except with the advance written approval of the Division. Vendor shall submit certificates of insurance, which indicate coverage and notice provisions as required by this Contract, to the Division upon execution of this Contract. The certificates shall be subject to approval by the Division. The insurer shall state in the certificate that no cancellation of the insurance will be made without at least thirty (30) days' prior written notice to the Division. Approval of the insurance certificates by the Division shall not relieve Vendor of any obligation under this Contract.

10.4 Performance Bond.

Vendor shall post a performance bond in an amount no less than \$200,000.00 and provide a copy of the bond to the Division within ten days of executing this Contract. Vendor shall pay the cost of the bond. In the event that Vendor or any subcontractor or any parent or subsidiary corporation of Vendor or any of their subcontractors fails to fully and faithfully perform each material requirement of this Contract, including without limitation Vendor's obligation to indemnify the Division and pay damages to the Division, the fair value of the performance bond shall be forfeited to the Division.

The bond shall be in a form customarily used in the testing and Continuing Education industry and shall be written by a surety authorized to do business in the State of Iowa that is acceptable to the Division. The bond shall be in effect at all times during the term of this Contract and any extensions or renewals thereof and for one (1) year following the conclusion of this Contract. Vendor warrants that it will maintain the required performance bond coverage as described herein without any lapse in coverage. A lapse of the bond will be a material breach of this Contract and shall be considered cause for the Division to declare Vendor in default under this Contract.

SECTION 11. PROJECT MANAGEMENT.

11.1 Project Managers.

Project Managers for each party are as follows:

For the Division: Tom O'Meara, Deputy Bureau Chief, Market Regulation Bureau;

For Vendor:

The Project Managers shall serve until the expiration of this Contract or the designation of a substitute Project Manager. During the term of this Contract, each Project Manager shall be available to meet monthly unless otherwise mutually agreed, to review and plan the services being provided under this Contract.

11.2 Review Meetings.

During review meetings the Project Managers shall discuss progress made by Vendor in performing under this Contract. Each party shall provide a status report, as desired by either Project Manager, listing any problem or concern encountered since the last meeting. Records of such reports and other communications issued in writing during the course of Contract performance shall be maintained by each party.

11.3 Reports.

At the next scheduled meeting after which any party has identified in writing a problem, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

11.3.1 Any event not within the control of Vendor or the Division that accounts for the problem;

11.3.2 Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;

11.3.3 Damages incurred as a result of either party's failure to perform its obligations under this Contract; and

11.3.4 Any request or demand for services by one party that the other party believes are not included within the terms of this Contract.

11.4 Problem Reporting Omissions.

The Division's acceptance of a problem report shall not relieve Vendor of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that the Division may have. The Division's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance under this Contract. Where other provisions of this Contract require notification of an event in writing, the written report shall be considered a valid notice under this Contract provided the parties required to receive notice are notified.

SECTION 12. LIMITATION OF LIABILITY.

12.1 Vendor expressly acknowledges that the provision of insurance testing and Continuing Education services is subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the process or the data required to be maintained, Vendor shall not hold the Division liable in any

manner for the resulting changes. The Division shall use best efforts to provide 30 days' written notice to Vendor of any legislative change. During the 30-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Section shall affect or impair the Division's right to terminate the Contract pursuant to the termination provisions.

- 12.2 Vendor agrees to indemnify and hold harmless the Division from and against all liability, loss, damages, and expense whatsoever, including reasonable attorney fees, resulting from any actual or claimed infringement of the patent, trademark, or copyright laws of the United States, or any litigation pursuant thereto, with respect to all materials and deliverables provided pursuant to this Contract, including, but not limited to, software. This duty of Vendor shall continue after acceptance of the work pursuant to this Contract by the Division.

SECTION 13. INTELLECTUAL PROPERTY, PATENT AND COPYRIGHT.

- 13.1 Ownership of any materials or works of any kind created, produced or developed for the Division, such as, but not limited to, software artwork, photographs, training materials, manuals, programs, technical writing, advertising copy or promotional materials, shall be assigned and conveyed to the Division in their entirety. The Division shall have in its sole discretion the right to use, copy, reproduce, modify, prepare derivative works based on, distribute, display, and demonstrate the materials or works.

Notwithstanding anything contained in this Contract, the parties agree that Vendor shall be the exclusive owner of all test items provided from its item bank, regardless of when those items are created, and such items shall be licensed to the Division for their use during the term of this Contract only.

- 13.2 Vendor shall represent and warrant that:

13.2.1 It owns or has secured all rights in and to the work necessary to convey the work or grant various rights therein to the Division;

13.2.2 No third party's intellectual property rights have or will be infringed, no trade secrets have been misappropriated and that there is no pending or threatened litigation against Vendor concerning infringement or misappropriation;

13.2.3 The work or Vendor's development thereof will comply with all state and federal laws; and

13.2.4 The work will be a wholly original work of authorship of Vendor.

SECTION 14. WARRANTIES.

14.1 Construction of Warranties Expressed in this Contract with Warranties Implied by Law.

All warranties made by Vendor in all provisions of this Contract and the Proposal by Vendor, whether or not this Contract specifically denominates Vendor's promise as a warranty or whether the warranty is created only by Vendor's affirmation or promise, or is created by a description of the materials and services to be provided, or by provision of samples to the Division, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties which arise through course of dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the goods and services provided by Vendor. The provisions of this Section apply during the term of this Contract and any extensions or renewals thereof.

14.2 Concepts, Materials, and Works Produced.

Vendor represents and warrants that all the concepts, materials and works produced or provided to the Division pursuant to the terms of this Contract shall be wholly original with Vendor or that Vendor has secured all applicable interests, rights, licenses, permits or other intellectual property rights in such concepts, materials and works. Vendor represents and warrants that the concepts, materials and works and the Division's use of same and the exercise by the Division of the rights granted by this Contract shall not infringe upon any other work, other than material provided by the Contract to Vendor to be used as a basis for such materials, or violate the rights of publicity or privacy of, or constitute a libel or slander against, any person, firm or corporation and that the concepts, materials and works will not infringe upon the copyright, trademark, trade name, literary, dramatic, statutory, common law or any other rights of any person, firm or corporation or other entity. Vendor represents and warrants that it is the owner of or otherwise has the right to use and distribute the software, the materials owned by Vendor and any other materials, works and methodologies used in connection with providing the services contemplated by this Contract.

14.3 Professional Practices.

Vendor represents and warrants that all of the services to be performed hereunder will be rendered using sound, professional practices and in a professional and workmanlike manner by knowledgeable, trained and qualified personnel.

14.4 Conformity with Contractual Requirements.

Vendor represents and warrants that the works will appear and operate in conformance with the terms and conditions of this Contract.



14.5 Obligations Owed to Third Parties.

Vendor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by Vendor pursuant to this Contract are or will be fully satisfied by Vendor so that the Division will not have any obligations with respect thereto.

14.6 Title to Property.

Vendor represents and warrants that title to any property assigned, conveyed or licensed to the Division is good and that transfer of title or license to the Division is rightful and that all property shall be delivered free of any security interest or other lien or encumbrance.

14.7 Notification of Change.

Vendor shall promptly notify the Division in writing in the event that any of these representations and warranties is no longer true.

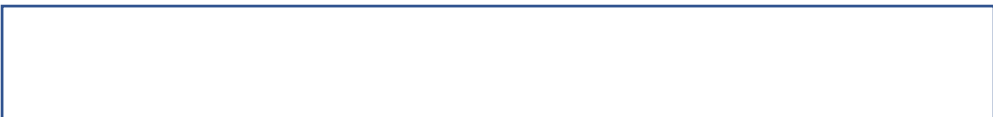
SECTION 15. CONTRACT ADMINISTRATION.

15.1 Independent Vendor.

The status of Vendor shall be that of an independent contractor. Vendor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State of Iowa or any agency, division or department of the State. Neither Vendor nor its employees shall be considered employees of the Division or the State of Iowa for federal or state tax purposes. The Division will not withhold taxes on behalf of Vendor, unless required by law.

15.2 Incorporation of Documents.

The Vendor's RFP Request, and the Division's Request for Proposal for Insurance Testing Services and Continuing Education Program Administration, RFP: IID-INSTEST-1, dated June 27, 2011, the Division's written responses to bidders' questions, the Vendor's RFP Request, and this document and attachments to this document, form the Contract between the Vendor and the Division and are incorporated herein by reference. The parties are obligated to perform all services described in the RFP and Proposal unless the Contract specifically directs otherwise. In the event of a conflict between this document, the RFP and the Vendor's RFP Request, the conflict shall be resolved according to the following priority, ranked in descending order: (1) this document; (2) the RFP; and (3) the Vendor's RFP Response.



15.3 Amendments.

This Contract may be amended in writing from time to time by mutual consent of the parties. All amendments to this Contract must be in writing and fully executed by the parties. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

15.4 Third-Party Beneficiaries.

There are no third-party beneficiaries to this Contract. This Contract is intended only to benefit the State, the Division and Vendor.

15.5 Non-Exclusive Rights.

This Contract is not exclusive. The Division reserves the right to select other vendors to provide services similar or identical to the Scope of Services described in this Contract during the term of this Contract.

15.6 Choice of Law and Forum.

The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the choice of law provisions of Iowa law. In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, the exclusive jurisdiction for the proceeding shall be brought in Polk County District Court for the State of Iowa, Des Moines, Iowa. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Division or the State of Iowa.

15.7 Assignment and Delegation.

This Contract may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For the purpose of construing this clause, a transfer of a controlling interest in Vendor shall be considered an assignment.

15.8 Use of Third Parties.

The Division acknowledges that Vendor may contract with third parties for the performance of any of Vendor's obligations under this Contract. Vendor may enter into these contracts to complete the project provided that Vendor remains responsible for all services performed under this Contract by subcontractors. All restrictions, obligations and responsibilities of Vendor under this Contract shall also apply to the subcontractors. The Division shall have the right to request the removal of a subcontractor from the Contract for good cause.



15.9 Integration.

This Contract, including documents incorporated pursuant to Section 15.2, represents the entire Contract between the parties. The parties shall not rely on any representation that may have been made which is not included in this Contract. Where the language of this Contract conflicts with language of an Exhibit, the Contract language will take precedence.

15.10 Headings or Captions.

The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

15.11 Not a Joint Venture.

Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, joint venture (or other association of any kind or agent and principal relationship) between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

15.12 Joint and Several Liability.

Vendor shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.

15.13 Supersedes Former Contracts or Agreements.

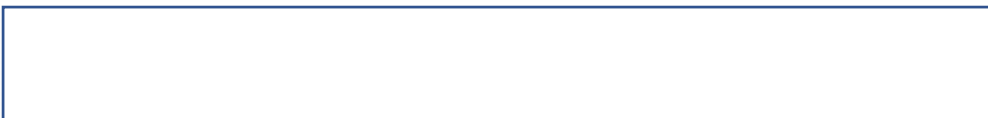
This Contract supersedes all prior contracts or agreements, written or oral, between the Division and Vendor for the services provided in connection with this Contract.

15.14 Waiver.

Except as specifically provided for in a waiver signed by a duly authorized representative of the Division and Vendor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

15.15 Notice.

15.15.1 Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand



delivery, by courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

15.15.1.1 If to the Division, to Tom O'Meara, Deputy Bureau Chief, Iowa Insurance Division, 330 Maple, Des Moines, IA 50319;

15.15.1.2

15.15.2 Each such notice shall be deemed to have been provided:

15.15.2.1 At the time it is actually received; or

15.15.2.2 Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day delivery; or

15.15.2.3 Within five days after it is deposited in the U.S. Mail in the case of registered U.S. Mail.

15.15.3 From time to time, the parties may change the name and address of a person designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

15.16 Cumulative Rights.

The various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed wither party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

15.17 Severability.

If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

15.18 Time is of the Essence.

Time is of the essence with respect to the performance of the terms of this Contract.

15.19 Authorization.

Each party to this Contract represents and warrants to the other party that:

15.19.1 It has the right, power and authority to enter into and perform its obligations under this Contract.

15.19.2 It has taken all requisite actions (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract and this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

15.20 Successors in Interest.

All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

15.21 Record Retention and Access.

Vendor shall maintain books, records and documents which sufficiently and properly document and calculate all charges billed to the Division throughout the term of this Contract for the period of at least three years following the date of final payment or completion of any required audit, whichever is later. Records to be maintained include both financial records and service records. Vendor shall permit the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of Vendor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract, wherever such records may be located. Vendor shall not impose a charge for audit or examination of Vendor's books and records.

15.22 Solicitation.

The Vendor represents and warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

15.23 Obligations Beyond Contract Term.

This Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Contract. All obligations of the Division and Vendor incurred or existing under this Contract as of the Date of expiration, termination or cancellation will survive the termination, expiration or conclusion of this Contract.

15.24 Counterparts.

The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.



15.25 Additional Provisions.

The parties agree that, if an attachment, addendum, rider or exhibit is attached hereto by the parties and referred to herein, then the same shall be deemed incorporated herein by reference.

15.26 Further Assurances and Corrective Instruments.

The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

15.27 Delay or Impossibility of Performance.

Neither party shall be in default under this Contract if performance is prevented, delayed or made impossible to the extent that such prevention, delay, or impossibility is caused by a "force majeure." The term "force majeure" as used in this Contract includes an event that no human foresight could anticipate or which, if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care, such as acts of God, war, civil disturbance and other similar causes. The delay or impossibility of performance must be beyond the control and without the fault of negligence of the parties. "Force majeure" does not include: financial difficulties of the Vendor or any parent subsidiary, affiliated or associated company of Vendor; claims or court orders that restrict Vendor's ability to deliver the Deliverables contemplated by this Contract; strikes; labor unrest; or supply chain disruptions. If delay results from a subcontractor's conduct, negligence or failure to perform, the Vendor shall not be excused from compliance with the terms and obligations of this Contract, unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this contract. If a "force majeure" delays or prevents the Vendor's performance, the Vendor shall immediately use its best efforts to directly provide alternate and, to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined solely by the Division. The party seeking to exercise this provision and not perform or delay performance pursuant to a "force majeure" shall immediately notify the other party of the occurrence and reason for the delay. The parties shall make every effort to minimize the time of nonperformance and the scope of work not being performed due to the unforeseen events. Dates by which performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.



15.28 Use of Electronic Mail (Email).

Vendor and the Division may correspond or convey Documentation via Internet e-mail, except as otherwise provided in this Contract, or unless the Division or Vendor requests otherwise. Vendor acknowledges that the Division has no control over the performance, reliability, availability, or security of Internet e-mail, and further agrees that the Division shall not be liable for any loss, damage, expense, harm, or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason.

15.29 Electronic or Facsimile Signatures.

An electronically produced signature or mechanically reproduced facsimile signature shall be treated the same and have the same effect as a handwritten signature.

15.30 Compliance with the Law.

The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing the services under this Contract, including without limitation, all laws applicable to the prevention of discrimination in employment and in the provision of services. For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors or suppliers. The Vendor may be required to provide a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to clients. Failure to comply with this provision may cause this contract to be cancelled, terminated or suspended in whole or in part and the Vendor may be declared ineligible for future state contracts or be subject to other sanctions as provided by law or rule. The Vendor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. The Vendor may be required to submit its affirmative action plan to the Department of Management to comply with the requirements of 541 Iowa Administrative Code Chapter 4. If all or a portion of the funding used to pay for the Deliverables is being provided through a Grant from the Federal Government, Vendor acknowledges and agrees that pursuant to applicable federal laws regulations, circulars and bulletins, the awarding agency of the Federal Government reserves certain rights including, without limitation, a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the Deliverable developed under this Contract and the copyright in and to such Deliverables.

15.31 Certification Regarding Sales and Use Tax.

By executing this Contract Vendor certifies it is either (a) registered with the Iowa Department of Revenue, and collects and remits Iowa sales and use taxes as required



by Iowa Code Chapter 432(2011); or (b) not a "retailer" or a "retailer maintaining a place of business in this state" as those terms are defined in Iowa Code subsections 423.1(42) and (43)(2011). Vendor also acknowledges that the Division may declare the Contract void if the above certification is false. Vendor also understands that fraudulent certification may result in the Division or its representative filing for damages for breach of contract.

15.32 Qualifications of Staff.

The Vendor shall be responsible for assuring that all persons, whether they are employees, agents, subcontractors or anyone acting for or on behalf of the Vendor, are properly licensed, certified or accredited as required under applicable state law and the Iowa Administrative Code. The Vendor shall provide standards for service providers who are not otherwise licensed, certified or accredited under state law or the Iowa Administrative Code.

15.33 Procurement.

Vendor shall use procurement procedures that comply with all applicable federal, state, and local laws and regulations.

15.34 Non-Supplanting Requirement.

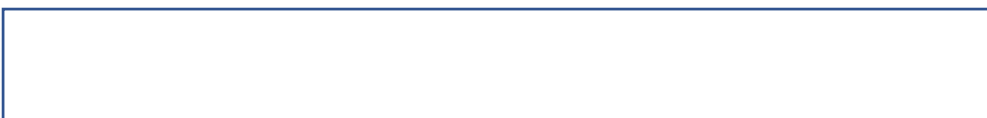
To the extent required by state or federal law, federal and state funds made available under this Contract shall be used to supplement and increase the level of state, local and other non-federal funds that would in the absence of such federal and state funds be made available for the programs and activities for which funds are provided and will in no event take the place of state, local and other non-federal funds.

15.35 Compliance with Iowa Code Chapter 8F.

If the Contract is subject to the provisions of Iowa Code Chapter 8F, the Vendor shall comply with Iowa Code Chapter 8F with respect to any subcontracts it enters into pursuant to this Contract. Any compliance Documentation, including but not limited to certifications, received from subcontractors by the Vendor shall be forwarded to the Division.

15.36 Suspensions and Debarment.

The Vendor certifies pursuant to 48 CFR Part 9 that neither it nor its principles are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Contract by any federal agency or other agency. The Vendor certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any contracts with the State of Iowa.



15.37 Conflict of Interest.

Vendor represents, warrants, and covenants that no relationship exists or will exist during the Contract period between the Vendor and the Division that is a conflict of interest. No employee, officer or agent of the Vendor or subcontractor shall participate in the selection or in the award or administration of a subcontract if a conflict of interest, real or apparent, exists. The provisions of Iowa Code chapter 68B shall apply to this Contract. If a conflict of interest is proven to the Division. The Division may terminate this Contract, and the Vendor shall be liable for any excess costs to the Division as a result of the conflict of interest. The Vendor shall establish safeguards to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with whom they have family, business, or other ties. The Vendor shall report any potential, real, or apparent conflict of interest to the Division.

15.38 Right to Address the Board of Directors or Other Managing Entity.

The Division reserves the right to address the Vendor's partners or other managing entity of the Vendor regarding performance, expenditures and any other issue as appropriate. The Division determines appropriateness.

15.39 Further Assurances and Corrective Instruments.

The parties agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered, such amendments hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

15.40 Reporting Requirements.

If this Contract permits other State agencies and political subdivisions to make purchases off of the Contract, the Vendor shall keep a record of the purchases made pursuant to the Contract and shall submit a report to the Division on a quarterly basis. The report shall identify all of the State agencies and political subdivisions making purchases off of this Contract and the quantities purchased pursuant to the Contract during the reporting period.

15.41 Immunity from Liability.

Every person who is a party to the Contract is hereby notified and agrees that the State, the Division, and all of their employees, agents, successors, and assigns are immune from liability and suit for or from Vendor's and/or subcontractors' activities involving third parties and arising from the Contract.



15.42 Public Records.

The laws of the State require procurement records to be made public unless otherwise provided by law.

15.43 Use of Name or Intellectual Property.

Vendor agrees it will not use the Division, or the State's name or any of their intellectual property, including but not limited to, any State, state agency, board or commission trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the Division and/or the State.

15.44 Taxes.

The State is exempt from Federal excise taxes, and no payment will be made for any taxes levied on Vendor's employee's wages. The State is exempt from State and local sales and use taxes on the Deliverables.

15.45 No Minimums Guaranteed.

The contract does not guarantee any minimum level of purchases or any minimum amount of compensation.

SECTION 16. EXECUTION

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Contract and have caused their duly authorized representatives to execute this Contract.

IOWA INSURANCE DIVISION



By Rosanne Mead, Deputy Insurance Commissioner

Date 12-29-11



