

Contract Addendum Template – Electronic Data Exchange

National Position Paper

<p>Purpose & Scope of Agreement</p>	<p>This addendum sets out the terms for the exchange of business data, documents and transactions via electronic means, between the Company and the Broker, for the purpose of transfer, storage, maintenance and access to information relating to parties insured by or applying for insurance from the Company and who are clients of the Broker.</p>
<p>Electronic versions accepted as originals</p>	<p>The Broker and the Company agree that a document or data sent electronically will be considered to be 'in writing' and to have been signed by the sender. Any printout of such a document or data will be considered to be an original and will be acceptable to both parties to the same extent and under the same conditions as other business records maintained in documentary form.</p>
<p>Parties responsible for own systems</p>	<p>The Broker and the Company agree that they are each responsible for obtaining, licencing, and maintaining their own hardware, software and services, such as are necessary to effectively and reliably implement and continue the electronic exchange of data, documents and transactions, in a reasonably secure manner.</p>
<p>USE AND OWNERSHIP OF DATA:</p>	
<p>All Client Data owned by Broker</p>	<p>a) Subject only to exceptions as outlined within the Company-Broker contract which refer to the Broker's failure to remit premiums and/or Broker indebtedness to the Company, the use and control of all data and/or documents relating to specific parties insured by or applying for insurance from the Company and who are clients of the Broker, the records thereof, and the Broker's work product, are owned by the</p>

	<p>Broker. Records of business shall include all information, collected by any party at any point in time during the course of the Broker's relationship with the client, whether in electronic, written or other form and pertaining to clients of the Broker, and whether or not such clients at any point do purchase the insurance products of the Company.</p>
<p>Company to make no other use of client information</p>	<p>b) The Company will not, before or after the termination of this Contract, use or permit to be used by any other party, its records of such data or documents for the purpose of soliciting or transacting any insurance business or any other product, except with the Broker, without prior authorization from the Broker.</p>
<p>HOLD HARMLESS AGREEMENT:</p>	
<p>Broker is not liable to Company for loss from transmission</p>	<p>a) The Company agrees that the Broker shall not be liable to the Company for any direct or indirect or consequential damages for the loss of data nor for any other commercial loss as a result of transmitting transactions, documents or data electronically to the Company.</p>
<p>Company is not liable to Broker for loss from transmission</p>	<p>b) The Broker agrees that the Company shall not be liable to the Broker for any direct or indirect or consequential damages for the loss of data nor for any other commercial loss as a result of transmitting transactions, documents or data electronically to the Broker.</p>
<p>No Special Damages</p>	<p>c) Neither party shall be liable to the other for any special, incidental, exemplary, punitive or consequential damages arising out of or in relation to or from the failure of any electronic transmission of documents or data.</p>

<p>Parties responsible for own security and back-up</p>	<p>d) Both Broker and Company are each responsible for establishing and using proper security procedures and backups of their own data records prior to the acceptance of electronic data transmissions.</p>
<p>No liability for viruses or malware; acknowledgement that email is not secure</p>	<p>e) Neither party will be liable to the other for any damages caused to the other's computer systems, software or electronic files by computer viruses, malware or other electronic files or programs of an intrusive, disruptive or destructive nature. Further, each party agrees that unencrypted email communications over the Internet are not secure and neither shall be liable for any damages suffered or incurred by the other resulting from transmitting confidential information over the Internet using unencrypted email, should such information inadvertently subsequently become public.</p>
<p>AUTHORITY AND ERRORS & OMISSIONS:</p>	
<p>Broker to act within written binding authority.</p>	<p>a) Where the Broker shall, with the express authorization of the Company, perform functions on behalf of the Company, using electronic tools connected to or within the Company electronic data system, for the purpose of quoting, binding, issuing policy documents, or changing or confirming coverage, the Broker will exercise binding authority and perform functions delegated by the Company in accordance with policies and procedures provided in writing by the Company to the Broker. With respect to binding authority, in case of discrepancy between this Broker-Company contract and the written procedures otherwise provided by the Company, binding authority as detailed in the entire Broker-Company contract shall prevail. Operations contemplated by this provision include, but are not limited to, data entry including coverage amendments, electronic data or document transfer and policy issuance.</p>

<p>Company to hold broker harmless for errors or omissions.</p>	<p>b) Notwithstanding (a), the Company shall indemnify and hold the Brokerage harmless from and against all costs, expenses, claims, suits, demands or actions, including legal fees and expenses of investigation and defence incidental thereto, arising as a direct result of the acts or omissions of Brokerage staff performing such functions.</p>
<p>Company to honour claims otherwise deniable due to errors or omissions.</p>	<p>c) The Company shall not deny claims submitted by Insureds solely on the basis of acts or omissions of Brokerage staff performing functions as listed above on behalf of the Company. The Company shall not seek reimbursement for such claims from the Broker nor shall the settlement thereof be deemed to be ex gratia settlements.</p>
<p>Brokerage records to be definitive.</p>	<p>d) The Company will accept and honour the information or coverage as evidenced in the Broker's documentation if there is an inconsistency between the information contained in such documentation, information stored within Company systems, and the information transmitted electronically. The Broker will provide reasonable proof as to the date and security of the original creation of such documentation, in accordance with the Broker's customary business practices.</p>
<p>Broker to retain records.</p>	<p>e) The Broker shall retain as private and confidential, all signed applications for insurance, signed releases, signed endorsements, payment plan authorization forms, and such other documents as are required to be retained in accordance with the Company policies and procedures as communicated in writing to the Broker. All such documents and data are to be retained by the Broker for a period of 7 years.</p>

Company's right to audit	f) The Company shall have the right upon providing ten (10) business days' prior notice, to periodically audit the files of the Broker that have been set up electronically.
CONFIDENTIALITY & PRIVACY:	
Company to permit access to systems.	a) Where authorized by the Company, the Broker will be provided with access to Company systems by the Company.
Confidentiality agreement	b) Both the Company and the Broker agree to maintain as confidential all passwords, confidential information or trade secrets of the other received via electronic interface, which obligation shall survive the termination of this agreement.
Broker to respect and follow security procedures created by Company.	c) The Company will take all reasonable measures to establish proper security procedures for the use of the assigned broker usernames and passwords. The Broker is responsible for obtaining and maintaining username and passwords from the Company, for the use of the Broker's personnel. The Broker will take all reasonable precautions including Username and password maintenance and file protection measures to prevent unauthorized access.
Broker and Company to obtain consent.	d) Broker and Company acknowledge that each will be required to transfer to each other, process and otherwise deal with, the personal information of parties who may obtain insurance through the Broker. Both parties shall obtain consent, implied or explicit, for collection, use and disclosure of personal information from the authorized party.

TERMINATION OF AGREEMENT

Only right to transmit will terminate.

- a) In the case of termination of the Broker Agreement, the said right to transmit data electronically shall also be terminated; however all other rights and provisions as listed above shall survive the termination of this agreement.

Broker may require limited access to records.

- b) If requested by the Broker, the Company shall continue to provide to the Broker limited electronic access to information with respect to specific parties insured by the Company and who were clients of the Broker, as required by law, for the purpose of viewing data, documents and/or transactions and for producing hard copies of such information, for a period of seven years, following the termination of this agreement.