

ADDENDUM B

PRIVACY (HIPAA) BUSINESS ASSOCIATE ADDENDUM

This addendum ("Addendum") effective as of _____, 200__ is between _____ (for purposes of this Addendum, hereinafter referred to as "Producer") and AIG Life Insurance Company and each Affiliated Insurer made a party to the agreement to which this Addendum is attached. AIG Life Insurance Company and such Affiliated Insurers shall be hereinafter collectively referred to as "Company".

WHEREAS, Company is an insurance company licensed to sell insurance or financial services products (the "Products") in a variety of jurisdictions;

WHEREAS, Producer entered or is entering into an agreement (the "Agreement"), such as an agent's or a solicitor's contract, whereby Producer will solicit applications for Company's Products;

WHEREAS, through performing services pursuant to the Agreement, Producer may receive or have access to individually identifiable health information ("Protected Health Information" or "PHI") or other information about a customer, such as financial or health information, that is not publicly available ("Nonpublic Personal Information" or "NPI"). PHI and NPI shall be collectively called the "Information"; and

WHEREAS, the parties wish to amend the Agreement: (i) to include additional terms and requirements concerning Information privacy, (ii) to satisfy the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and, any applicable rules and regulations, as may be amended from time to time, and, (iii) to include additional terms.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

I. Privacy.

1. The terms "Protected Health Information" and "PHI" shall have the meaning set forth in 45 C.F.R. Sec. 164.501 as may be amended. Other terms shall have the same meanings as set forth in the applicable definition of the HIPAA Privacy Rule or other regulations.
2. Producer shall maintain the confidentiality, and use and disclose Information solely for the purposes specified in the Agreement and any addendum thereto and to fulfill the purposes of the Agreement and any addendum thereto, consistent with Company's notices of privacy practices, policies and procedures, provided that such use or disclosure would not violate any applicable, laws, rules or regulations if done by Company.
3. Producer shall:
 - a. Not use or further disclose PHI other than as permitted or required by the Agreement or any addendum thereto or as required by law.
 - b. Use commercially reasonable efforts and appropriate safeguards to maintain the integrity, confidentiality, and security of PHI and to prevent the unauthorized use or disclosure of PHI and to comply with the security standards or the HIPAA security regulations. Upon Company request Producer will provide to Company access to and documentation regarding any safeguards.
 - c. Report promptly within forty-eight (48) hours to Company's Privacy Officer in writing any use or disclosure of PHI that is not permitted by the Agreement or any

addendum, of which Producer becomes aware. Producer's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the PHI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Producer has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) what corrective action Producer has taken or shall take to prevent future similar unauthorized use or disclosure, and (vi) any other information as reasonably requested by Company's Privacy Officer.

- d. Require all of its employees, representatives, subcontractors, agents or Producers that receive or have access to PHI to agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply herein, including the obligation to return or destroy the PHI as provided for below.
 - e. Make Producer's internal practices, books, and records relating to the use and disclosure of PHI available to the Department of Health and Human Services for purposes of determining Producer's and Company's compliance with the HIPAA requirements; provided that, Producer shall immediately notify Company upon receipt by Producer of any such request.
 - f. Within ten (10) days of receiving a written request from Company, provide to Company such information as is requested by Company, if any, to permit Company to respond to a request by an individual for access to, an amendment of, or an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. Secs. 164.524, 164.526, and 164.528. If an individual contacts the Producer directly about access to, amendment of, or an accounting of disclosures of his/her PHI, the Producer will forward such request immediately to Company and not provide such access, amendment, or disclosure. Notwithstanding anything herein to the contrary, Producer shall make reasonable efforts to cooperate with Company in responding to any such requests and enabling Company to comply with federal laws and regulations regarding the timing of response to such requests.
 - g. Upon termination of the Agreement and subject to applicable law and the Company's file and record maintenance requirements in the Compliance Manual, return or destroy (with Company's written permission) all PHI that Producer maintains in any form pursuant to the Agreement, and retain no copies of such information. However, if Company determines that such return or destruction is not feasible, Producer will continue to extend the protections of this Addendum to such PHI and limit further use of the information to the purposes that make the return or destruction not feasible. The respective rights and obligations of each party pursuant to this subsection shall survive the termination of the Agreement.
4. In the event Producer breaches a material obligation under this Addendum, Company may at its option: (i) require Producer to cure the breach within forty-eight (48) hours of Company notice to Producer, and/or (ii) immediately terminate the Agreement.
 5. Producer agrees to abide by the limitations of any notices of privacy practices published by the Company.
 6. Restrictions On Use. Company shall notify Producer of any restriction to the use or disclosure of PHI Company has agreed to in accordance with 45 CFR Sec. 164.522, to the extent that such restriction may affect Producer's use or disclosure of PHI.

- II.** To the extent that state law is more stringent than the HIPAA regulations, any use or disclosure of PHI by Producer shall be made in accordance with the law. Any provision or ambiguity of this Addendum which conflicts with an applicable state or federal law shall be interpreted so as to permit compliance with HIPAA or the minimum requirements of any such statute or regulation.

- III. The terms and conditions of this Addendum and Producer's obligations hereunder shall survive any termination or expiration of this Addendum or the Agreement for any reason whatsoever.
- IV. Nothing express or implied in this Addendum is intended to confer, nor anything herein shall confer, upon any person other than the parties hereto any rights, remedies, obligations, or liabilities whatsoever.
- V. If there is any conflict between the Agreement and this Addendum, this Addendum shall control. If any other Agreement or Company policy or procedure concerning the use or disclosure of PHI is more restrictive than the provisions of this Addendum, then the more restrictive provisions shall control.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed as of the date below.

PRODUCER

AIG LIFE INSURANCE COMPANY

By: _____
Signature

By: _____
Signature

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____