

**I-insureme™**  
**STATEMENT OF POLICIES**  
**Effective June 1<sup>st</sup>, 2016**

**SECTION 1 – CORPORATE MISSION STATEMENT**

I-insureme™ is a professional organization dedicated to providing unique and effective ways for developing true, long-term financial success. We are committed to teaching and living principles of service, integrity and leadership by example. We place the satisfaction of our clients and the success of our agents at the top of our priority list.

I-insureme™ provides a one-of-a-kind opportunity to build generational wealth by “becoming your own agent” and referring others to do the same. It is with great anticipation of your success that we present you with this Statement of Policies and Procedures and urge you to follow it completely.

**SECTION 2 - INTRODUCTION**

**2.1 Policies and Compensation Plan Incorporated into Agent Agreement**

This Statement of Policies, in its present form and as amended at the sole discretion of I-insureme™ (hereafter, “I-insureme™” or the “Company”), is incorporated into, and forms an integral part of, the I-insureme™ Independent Agent Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the I-insureme’s Agent Application and Agreement, Statement of Policies, I-insureme’s Marketing and Compensation Plan, and the I-insureme™ Business Entity Registration form (if applicable). These documents are incorporated by reference into the I-insureme™ Independent Agent Agreement (all in their current form and as amended by I-insureme™). It is the responsibility of each I-insureme™ Independent Agent (hereafter “Agent”) to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of this Statement of Policies. When sponsoring or enrolling a new Agent, it is the responsibility of the Sponsoring Agent to ensure that the applicant is provided with, or has online access to, the most current version of this Statement of Policies and the I-insureme™ Marketing and Compensation Plan prior to his or her execution of the Independent Agent Agreement.

**2.2 Purpose of Policies**

I-insureme™ is a direct sales company that markets its products through Independent Agents. Your success and the success of your fellow Agents depend on the integrity of the men and women who market I-insureme™ products. To clearly define the relationship that exists between the Agent and I-insureme™, and to set a standard for acceptable business conduct, I-insureme™ has established this Agreement. I-insureme™ Agents are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their I-insureme™ business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is important that you read and abide by the Agreement. Please carefully review the information in this Statement of Policies. It sets forth the respective duties, responsibilities, and obligations governing the relationship between you, as the Independent Agent, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from I-insureme™. Your best interests are always served

by seeking the advice of your attorney when you have questions regarding your particular situation.

### **2.3 Modifications to the Agreement**

To maintain a viable business and to comply with governing federal, state, and local laws, and economic conditions, I-insureme™ reserves the right to amend the Agreement and its prices at its sole and absolute discretion. Such modifications shall be immediately binding upon notice of any such modifications. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in product orders or bonus checks; and/or (5) special mailings. By signing the Agent Agreement, an Agent agrees to abide by all amendments or modifications that I-insureme™ elects to make. The continuation of an Agent's I-insureme™ business or an Agent's acceptance of bonuses or commissions also constitutes acceptance of any and all amendments.

### **2.4 Delays**

I-insureme™ shall not be responsible for processing or shipping delays or for failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

### **2.5 Policies and Provisions Severable**

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed, and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

### **2.6 Waiver**

The Company never gives up its right to insist on compliance with the Agreement and all applicable laws governing the conduct of a business. Failure by I-insureme™ to exercise any right or power under the Agreement or to insist upon strict compliance by an Agent with any obligation or provision of the Agreement shall not constitute a waiver of I-insureme's right to demand exact compliance with the Agreement. Nor shall any custom or practice of the parties that is at variance with the terms of the Agreement constitute a waiver. Waiver by I-insureme™ of any violation of any provision of the Agreement can be effectuated only in writing by an authorized officer of the Company. I-insureme's waiver of any particular breach by an Agent shall not affect or impair I-insureme's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Agent. Nor shall any delay or omission by I-insureme™ to exercise any right arising from a breach affect or impair I-insureme's rights as to that or any subsequent breach. The existence of any claim or cause of action of an Agent against I-insureme™ shall not constitute a defense to I-insureme's enforcement of any term or provision of the Agreement.

### **2.7 Agent Waiver**

Through my acceptance of the Statement of Policies and by participating in the I-insureme™ income opportunity, I understand and grant permission to I-insureme™ to use my own image,

voice, and likeness in any television broadcast, photograph, video, internet site, audio-recording, and in any and all of its publications, including website entries and social media (collectively, “promotional materials”) without payment or any other consideration. I understand and agree that these promotional materials will become the property of I-insureme™ and all other associated legal entities and will not be returned. I hereby irrevocably authorize I-insureme™ to edit, alter, copy, exhibit, publish, or distribute my own image, voice, or likeness for purposes of publicizing or promoting the I-insureme™ products, programs, income opportunity, or for any other lawful purpose. In addition, I waive the right to inspect or approve the finished product, including written or electronic copy, wherein my own likeness or voice appears. Additionally, I waive any right to royalties or other compensation arising or related to the use of the promotional materials. I hereby hold harmless and release and forever discharge I-insureme™ from all claims, demands, and causes of action which I, my heirs, representatives, executors, administrators, or any other persons acting on my behalf, my child’s behalf, or on behalf of my estate have or may have by reason of this authorization.

### **SECTION 3 - BECOMING AN INDEPENDENT AGENT**

Agents are independent contractors of the Company granted a non-exclusive authorization to sell I-insureme™ products in accordance with the terms and conditions set forth by the Company. Acceptance by the Company of an Agent Application does not constitute the sale of a franchise or distributorship. A fee will provide applicants with a Starter Kit, including a website, debit card, and back office, which includes essential information for conducting business in an efficient and ethical manner.

#### **3.1 Independent Contractor Status**

Agents are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between I-insureme™ and its Agents does not create an employer/employee relationship, partnership, or joint venture between the Company and the Agent. The Agent shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Agents are responsible for paying local, state, and federal taxes due from all compensation earned as an Agent of the Company. The Agent has no authority (expressed or implied), to bind the Company to any obligation. Each Agent shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Agent Agreement, this Statement of Policy, and applicable laws.

#### **3.2 Application Requirements**

To become an I-insureme™ Agent, each applicant must:

- a) Be of contractual age (usually 18) in the jurisdiction in which they reside;
- b) Reside in the United States or U.S. Territories or country that I-insureme™ has officially announced is open for business;
- c) Provide a valid Social Security, required by federal law for income reporting purposes;
- d) Purchase an I-insureme™ Starter Kit (website, debit card, and back office - optional in North Dakota);
- e) Accurately complete and submit an Agent Application and Agreement to I-insureme™, either in hard copy or online format.

#### **3.3 Applying as a Business Entity**

A corporation, limited liability company (LLC), partnership, or trust (collectively referred to in

this section as a “Business Entity”) may apply to be an I-insureme™ Agent by submitting its Certificate of Incorporation, Partnership Agreement, or trust documents (these documents are collectively referred to as the “Entity Documents”) to I-insureme™, along with a properly completed Business Entity Registration form. An I-insureme™ business may change its status under the same sponsor from an individual to a business entity or from one type of entity to another. There is a \$39.95 fee for each change requested after the first request, which must be included with the written request and the completed Agent Application and Agreement. To be considered, the Business Entity Registration form must be signed by all of the shareholders, partners, or trustees. Members of the entity are jointly and separately liable for any indebtedness or other obligation to I-insureme™. To prevent the circumvention of Section 4.25 (regarding transfers and assignments of I-insureme™ business), if an additional partner, shareholder, member, or other business entity Agent is added to a business entity, the original applicant must remain as a party to the original Agent Application and Agreement. If the original Agent wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 4.25. If this process is not followed, the business shall be canceled upon the withdrawal of the original Agent. All bonus and commission checks will be sent to the address of record of the original Agent. Please note that the modifications permitted within the scope of this paragraph do not include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5. There is a \$39.95 fee for each change requested, which must be included with the written request and the completed Agent Application and Agreement. I-insureme™ may, at its discretion, require notarized documents before implementing any changes to an I-insureme™ business. Please allow thirty (30) days after the receipt of the request by I-insureme™ for processing.

### **3.4 Agent Benefits**

Once an Agent Application and Agreement has been accepted by I-insureme™, the benefits of the Marketing and Compensation Plan and the Agent Agreement are available to the new Agent. These benefits include the right to:

- a) Sell I-insureme™ products;
- b) Participate in the I-insureme™ Marketing and Compensation Plan (receive bonuses and referral fees, if eligible);
- c) Sponsor Agents in the I-insureme™ business and sell to others as Customers or Preferred Customers, and thereby build a sales and marketing organization and progress through the I-insureme™ Marketing and Compensation Plan;
- d) Receive periodic I-insureme™ literature and other I-insureme™ communications;
- e) Participate in I-insureme-sponsored support, training, and motivational and recognition functions upon payment of appropriate charges, if applicable; and
- f) Participate in promotional and incentive contests and programs sponsored by I-insureme™ for its Agents.

### **3.5 Setup Fee**

To gain access to the I-insureme™ product and service portfolio, sales aids, marketing techniques, personalized website, and back office, I-insureme™ requires each prospective Agent to pay a one-time Setup Fee of \$495.00. This fee is non-refundable. No person, however, is required to purchase I-insureme™ products to become an Agent.

### **3.6 Term and Renewal of Your I-insureme™ Business**

The term of the Agent Agreement is 12 months from the date of its acceptance by I-insureme™ (subject to reclassification pursuant to Section 11). Each year after the first 12 months, in order for an Agent to continue receiving referral fees and/or bonuses, said Agent must maintain a total of \$2,000 in Personal Annualized Volume (PAV) or \$12,000 in Group Annualized Volume (GAV). If the above requirements have not been met and a total of 12 months of inactivity have passed, the Agent's website will be removed and said Agent forfeits any future referral fees and/or bonuses earned.

## **SECTION 4 - OPERATING AN I-insureme™ BUSINESS**

### **4.1 Adherence to the I-insureme™ Marketing and Compensation Plan**

Agent shall adhere to the terms of the I-insureme™ Marketing and Compensation Plan, as set forth in official I-insureme™ literature, and shall refrain from offering the I-insureme™ opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official I-insureme™ literature, unless otherwise approved by the company. Agent shall not require or encourage other current or prospective Customers, Preferred Customers, or Agents to participate in I-insureme™ in any manner that varies from the program as set forth in official I-insureme™ literature. Agent shall not require or encourage other current or prospective Customers, Preferred Customers, or Agents to execute any agreement or contract other than official I-insureme™ agreements and contracts to become an I-insureme™ Agent. Similarly, Agent shall not require or encourage other current or prospective Customers, Preferred Customers, or Agents to make any purchase from, or payment to, any individual or other entity to participate in the I-insureme™ Marketing and Compensation Plan, other than those purchases or payments identified as recommended or required in official I-insureme™ literature.

### **4.2 Advertising**

#### **4.2.1 General**

All Agents shall safeguard and promote the good reputation of I-insureme™ and its products. The marketing and promotion of I-insureme™, the I-insureme™ opportunity, the Marketing and Compensation Plan, and I-insureme™ products shall be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical, or immoral conduct or practices. To promote both the products and the tremendous opportunity I-insureme™ offers, Agent shall use the sales tools and support materials produced by I-insureme™. The rationale behind this requirement is simple. I-insureme™ has carefully designed its products, product labels, Marketing and Compensation Plan, and promotional materials to ensure that each aspect of I-insureme™ is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal, state and local laws.

If I-insureme™ Agents were allowed to develop their own sales tools and promotional materials notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting I-insureme™ is almost certain. These violations, although they may be relatively a few in number, would jeopardize the I-insureme™ opportunity for all Agents. Accordingly, Agent may only use literature, advertisements, sales tools, and promotional materials created by the Company.

However, on a case-by-case basis, I-insureme™ holds the right to make an exception to the rule under the following circumstances. Agents who are Managing General Agents (i.e., a. have an active Property & Casualty license b. have referred a minimum of \$25,000 in personal annualized volume or have referred a minimum of \$150,000 in group annualized volume) may create and publish their own marketing materials, advertising materials, and/or other sales aids provided these are submitted to the company for pre-approval before they can be used or made public. All independently produced material must display the I-insureme™ Independent Agent logo. A “Reviewed by iim” sticker may be issued by the Company upon review and may be required to be displayed along with the logo in a prominent position on all marketing promotions. The Agent must receive specific written approval to use the “Reviewed by iim” sticker, or the request shall be deemed denied. I-insureme™ may MGAs (as defined above) to sell independently produced sales aids to other I-insureme™ Agents on their sales team. Therefore, Agents who receive authorization from I-insureme™ to produce their own sales aids will work with the Compliance Department to sell such. MGAs may make approved material available to their personally enrolled Downline organization free of charge if they wish, but may not charge other I-insureme™ Agents for the material. I-insureme™ further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Agents waive all claims for damages or remuneration arising from or relating to such rescission.

#### **4.2.2 Agent Websites & Social Media Sites**

If Agent wishes to utilize an internet web page or social media site to promote his or her business, he or she may do so through the Company’s official electronic marketing system, using official I-insureme™ templates. Alternatively, Agent may develop his/her own web pages or sites. However, any Agent who does so (a) must use the text of the Company’s official website; (b) may not supplement the content of his or her sites with text from any source other than the Company, and (c) must be a Qualified Agent. Agent web pages or websites may not contain the phrase “As Seen on TV” or have any verbiage regarding infomercials. Qualified Agents who develop or publish their own websites must register their site(s) with the Company and receive written approval from the Company prior to its public availability. If Agent wishes to register their website with I-insureme™, they must pay a \$50 review fee. This review fee must be paid on an annual basis and is non-refundable, even if the subject site is not approved for registration. If the renewal fee is not paid, prior approval of the site may be withdrawn. I-insureme™ reserves the right to refuse to register or to revoke the registration of any Agent-developed site that does not comply with the above requirements or otherwise violates any provision of this Statement of Policies. In the event an Agent-developed site is approved for registration by I-insureme™, the Company will supply Agent an “I-insureme™ Reviewed” site logo for use on the approved website homepage for one year. If an agent already has a website for another company, agent may add a link to his/her current site that simply points to the I-insureme™ official website.

#### **4.2.3 Blogs, Chat Rooms, Social Networks, Online Auctions, & Other Online Forums**

When participating in online blogs, chat rooms, social networks, or any other online forum, Agent agrees that they shall not promote or make claims about the I-insureme™ opportunity or I-insureme™ products, unless such claims and promotions are in compliance with the requirements of Sections 4.6.2 and 4.6.3 below. The sale or advertisement of I-insureme™ products in any online auction sites is strictly prohibited.

#### **4.2.4 Domain Names**

Agent may not use or attempt to register any of I-insureme's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any internet domain name. An Agent wishing to use personal domain names to market their I-insureme™ business may do so, provided the domain name has been approved by the Company and the domain points directly to the Agent's replicating I-insureme™ website.

#### **4.2.5 Search Engine Marketing**

An Agent wishing to engage in search engine marketing to drive traffic to their approved Agent websites (see Section 4.2.2) may do so, provided they do not use any of the Company's tradenames or trademarks as search terms or key words. Nor may any deceptive terms such as "direct site," "official site," "official I-insureme™ website," etc., appear in any sponsored links or ads of Agent that are displayed on any search result page. Neither Agent website pages nor the sponsored links or ads of Agent that are displayed on any search result page may contain the phrase "As Seen on TV."

#### **4.2.6 Trademarks and Copyrights**

I-insureme™ will not allow the use of its trade names, trademarks, designs, or symbols by any person, including I-insureme™ Agent, without its prior written permission. Agents may use only the Independent I-insureme™ Agent logo developed for them by the Company. Agent may not produce for sale or distribution any recorded Company events and speeches without written permission from I-insureme™. Nor may Agent reproduce for sale or for personal use any recording of Company-produced audio or videotape presentations.

#### **4.2.7 Media and Media Inquiries**

Agent must not attempt to respond to media inquiries regarding I-insureme™, its products, or their independent I-insureme™ business. All inquiries by any type of media must be immediately referred to I-insureme's Marketing Department. This policy is designed to ensure that accurate and consistent information is provided to the public, as well as a proper public image.

#### **4.2.8 Telemarketing**

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although I-insureme™ does not consider Agents to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing," so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation). Therefore, Agents must not engage in telemarketing in the operation of their I-insureme™ businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of an I-insureme™ product, or to recruit them for the I-insureme™ opportunity. "Cold calls" made to prospective customers or Agent that promotes either I-insureme's products or the I-insureme™ opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Agent (a "prospect") is permissible under the following situations:

a) Agent has an established business relationship with the prospect. An "established business

relationship” is a relationship between an Agent and a prospect based on the prospect’s purchase, rental, or lease of goods or services from Agent, or a financial transaction between the prospect and Agent, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service. b) The prospect’s personal inquiry or application regarding a product or service offered by Agent, within the three (3) months immediately preceding the date of such a call. c) Agent receives written and signed permission from the prospect authorizing the Agent to call. The authorization must specify the telephone number(s) that Agent is authorized to call. d) Agent may call his/her family members, personal friends, and acquaintances. An “acquaintance” is someone with whom Agent has at least a recent, first-hand relationship within the preceding three (3) months. Bear in mind, however, that if Agent engages in “card collecting” with everyone Agent meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if Agent engages in calling “acquaintances,” he/she must make such calls on an occasional basis only and not make this a routine practice. In addition, Agent shall not use automatic telephone dialing systems relative to the operation of their I-insureme™ businesses. The term “automatic telephone dialing system” means equipment that has the capacity (a) to store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. By submitting an Agent Agreement to I-insureme™, applicants and Agents grant permission to I-insureme™ to contact them by telephone, email, and/or fax to promote the sale of I-insureme™ products and to promote the I-insureme™ opportunity.

#### **4.2.9 Unsolicited Email**

I-insureme™ does not permit Agent to send unsolicited commercial emails, unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an Agent that promotes I-insureme™, the I-insureme™ opportunity, or I-insureme™ products must comply with the following:

- a) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- b) The use of deceptive subject lines and/or false header information is prohibited.
- c) The email must include the Agent’s physical mailing address.
- d) There must be a functioning return email address to the sender.
- e) There must be a functioning opt-out notice in the email that advises the recipient that he or she may reply to the email, via the return email address, to request that future email solicitations or correspondence not be sent to him or her.
- f) All opt-out requests, whether received by email or regular mail, must be honored. If an Agent receives an opt-out request from a recipient of an email, the Agent must forward the opt-out request to the Company. I-insureme™ may periodically send commercial emails on behalf of Agents. By entering into the Agent Agreement, Agent agrees that the Company may send such emails and that Agent’s email address will be included in such emails, as outlined above. Agent shall honor opt-out requests generated as a result of such emails sent by the Company.

#### **4.2.10 Unsolicited Faxes**

Except as provided in this section, Agent may not use or transmit unsolicited faxes or use an automatic telephone dialing system in relating to the operation of their I-insureme™ businesses. The term “automatic telephone dialing system” means equipment that has the capacity (a) to store or produce telephone numbers to be called, using a random or sequential number



generator, and (b) to dial such numbers. The term “unsolicited faxes” means the transmission via telephone facsimile of any material or information advertising or promoting I-insureme™, its products, its Compensation Plan, or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or e-mail (a) to any person with that person’s prior express invitation or permission, or (b) to any person with whom Agent has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between Agent and a person, on the basis of (a) an inquiry, application, purchase, or transaction by the person regarding products offered by such Agent, or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

### **4.3 Bonus Buying Prohibited**

I-insureme™ strictly and absolutely prohibits bonus buying. “Bonus buying” includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Agent Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Agent or Preferred Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Agents or Preferred Customers (“phantoms”); (d) purchasing I-insureme™ products on behalf of another Agent or Preferred Customer, or under another Agent’s or Preferred Customer’s I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that are not driven by bona fide product purchases by end-user consumers.

### **4.4 Changes to a Business Entity**

Each Agent must immediately notify I-insureme™ of all changes to the type of business entity they utilize in operating their businesses and the addition or removal of business associates. Changes shall be processed immediately by I-insureme™ Agent Support upon reception of the appropriate forms.

### **4.5 Change of Sponsor**

Maintaining the integrity of sponsorship is vital for the success of every Agent and marketing organization. Accordingly, the transfer of an I-insureme™ business from one Sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Compliance Department, must include the reason for the transfer, and must contain signed authorization from the original Sponsor and four levels of their Upline. Any such requests are subject to approval by I-insureme™. To protect the integrity of all marketing organizations and safeguard the hard work of all Agents, I-insureme™ will only authorize direct line changes in sponsorship that are submitted within a seven (7) day period from the date of enrollment and must be initiated by the currently listed Sponsor. Such changes must receive final approval in writing from I-insureme™, and the effects of sponsorship changes shall only apply to future qualifications and commission computations, which shall only take effect once I-insureme™ has approved and processed the changes. In no event shall commissions be adjusted retroactively, and only one change in sponsorship is allowed in the event that I-insureme™ grants approval.

#### **4.5.1 Misplacement**

A request for change of placement must be submitted within 48 hours of enrollment and must be

requested by the current listed Placement Upline. An Agent can only be moved inside the same Sponsor's organization. If approved, an Agent will be placed in the first available open, bottom position on the date that the change is made. An Agent who has earned a commission or achieved rank is not eligible for placement changes. Please note that decisions made for any change request – Sponsor or placement – are at the sole discretion of the Company.

#### **4.5.1.1 Placement by Company**

The Company may place new enrollees that have enrolled through an Agent's website with verbal permission from the Agent.

#### **4.5.2 Upline Approval**

The Agent seeking to change Sponsor must submit a properly completed and fully executed Sponsor Transfer Form, which includes the written approval of five levels of sponsorship, as stated in 4.5 Change of Sponsor. Photocopied or facsimile signatures are not acceptable. All Agent signatures must be notarized. The Agent who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring Agent also wants to move any of the Agents in his or her marketing organization, each Downline Agent must also obtain a properly completed Sponsorship Transfer Form and return it to I-insureme™ with the \$50.00 change fee (i.e., the transferring Agent and each Agent in his or her marketing organization multiplied by \$50.00 is the cost to move an I-insureme™ business). Downline Agents will not be moved with the transferring Agent unless all of the requirements of this paragraph are met. Transferring Agent must allow ten (10) business days after the receipt of the Sponsorship Transfer Forms by I-insureme™ for processing and verifying change requests.

In cases where the appropriate sponsorship change procedures have not been followed and a Downline organization has been developed in the second business developed by an Agent, I-insureme™ reserves the sole and exclusive right to determine the final disposition of the Downline organization. Resolving conflicts over the proper placement of a Downline that has developed under an organization that has improperly switched Sponsors is often extremely difficult. Therefore, AGENTS WAIVE ANY AND ALL CLAIMS AGAINST I-insureme™ THAT RELATE TO OR ARISE FROM I-insureme's DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.

#### **4.5.3 Cancellation and Re-application**

An Agent may legitimately change organizations by voluntarily canceling his or her I-insureme™ business and remaining inactive (i.e., no purchases of I-insureme™ products for resale, no sales of I-insureme™ products, no sponsoring, no attendance of any I-insureme™ functions, participation in any other form of Agent activity, or operation of any other I-insureme™ business) for six (6) full calendar months. Following the six-month period of inactivity, the former Agent may reapply under a new Sponsor; however, the former Agent's Downline will remain in their original line of sponsorship. I-insureme™ will consider waiving the six-month waiting period only under exceptional circumstances. Such requests for waiver must be submitted to I-insureme™ in writing.

#### **4.6 Unauthorized Claims and Actions**

#### **4.6.1 Indemnification**

An Agent is fully responsible for all of his or her verbal and written statements made regarding I-insureme™ products and the Marketing and Compensation Plan that are not expressly contained in official I-insureme™ materials. Agent agrees to indemnify I-insureme™ and I-insureme's directors, officers, employees, and agents, and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by I-insureme™ as a result of the Agent's unauthorized representations or actions that violate any of I-insureme's Policies and Procedures. This provision shall survive the termination of the Agent Agreement.

#### **4.6.2 Product Claims**

Except for information contained in official I-insureme™ literature, Agent may not make any claims (which include personal testimonials) as to any therapeutic, curative, or beneficial properties of any products offered by I-insureme™. In particular, no Agent may make any claim that I-insureme™ products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as guarantees or for future products that the Company may carry. Not only do such claims violate I-insureme™ policies, but they potentially violate federal, state and local laws and regulations.

#### **4.6.3 Income Claims**

In their enthusiasm to enroll prospective Agents, some Agents are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because a new Agent may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At I-insureme™, we firmly believe that the I-insureme™ income potential is great enough to be highly attractive without reporting the earnings of others. As in any business, this business will take hard work and consistent effort over a substantial amount of time. Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Agents may believe it beneficial to provide copies of checks or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact I-insureme™, as well as the Agent making the claim, unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because I-insureme™ Agents do not have the data necessary to comply with the legal requirements for making income claims, an Agent, presenting or discussing the I-insureme™ opportunity or Marketing and Compensation Plan to a prospective Agent, may not make income projections, income claims, or disclose his or her I-insureme™ income (including the showing of checks, copies of checks, bank statements, or tax records).

#### **4.6.4 Income Disclosure Statement (“IDS”)**

The I-insureme™ IDS is designed to convey truthful, timely, and comprehensive information regarding the income that I-insureme™ Agents earn. A copy of the IDS must be presented to a prospective Agent (someone who is not a party to a current I-insureme™ Agent Agreement) anytime the Compensation Plan is presented or discussed or any type of income claim or earnings representation is made. The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average Agent earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include

“Our number one Agent earned \$XXX last year” or “Our average (rank) makes \$XXX per month.” An example of a “statement of earnings ranges” is “The monthly income for (rank) is \$XXX on the low end to \$YYY on the high end.” A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one’s dreams, having everything one always wanted, and are phrased in terms of “opportunity” or “possibility” or “chance.” Claims such as “My I-insureme™ income exceeded my salary after six months in the business” or “Our I-insureme™ business has allowed my wife to come home and be a full-time mom” also fall within the purview of “lifestyle” claims. A hypothetical income claim exists when Agent attempts to explain the operation of the Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding the (1) number of Agents sponsored, (2) number of down-line Agents, (3) average product volume per Agent, and (4) total organizational volume. Running these assumptions through the Compensation Plan yields income figures that constitute income claims. In any public or non-public meetings (e.g., a home meeting, one-on-one, regardless of venue) with a prospective Agent or Agents in which the Compensation Plan is discussed or any type of income claim is made, Agent must either provide the prospect(s) with a copy of the IDS or guide them to where it may be found on official I-insureme™ marketing materials or websites when the IDS is available from I-insureme™. Copies of the IDS when available may be printed or downloaded without charge from the Corporate website. An Agent who develops sales aids and tools (as provided in Section 4.2.1) in which the Compensation Plan or income claims are present must incorporate the most current IDS into each such sales aid or tool prior to submission to the Company for review.

#### **4.7 Commercial Outlets**

Agent may not sell I-insureme™ products from a national chain or national commercial outlets. National outlets are defined as companies that have more than five locations. Agents may not display or sell I-insureme™ products in any retail establishments that have more than five locations. Display of I-insureme™ literature and products is permitted in service-oriented establishments that function by appointment only or provide opportunity for one-on-one interaction with the prospect or customer.

#### **4.8 Trade Shows, Expositions and Other Sales Forums**

Agent may display and/or sell I-insureme™ products at trade shows and professional expositions. I-insureme™ does not restrict the number of Agents at any given event or trade show. However, it is expected that each Agent use judgment in determining the appropriate number of participants at any given event. In addition to limiting the number of participants at any given event, I-insureme™ expects Agent to work in cooperation with other I-insureme™ Agents and to maintain a positive presentation of the Company. Agent is expected to be considerate, to follow all Policies and Procedures as outlined in this Statement of Policies, and to refrain from disparaging comments about other I-insureme™ Agents in order to obtain future customers and prospects. I-insureme™ reserves the right to refuse Agent’s participation at any function that it does not deem a suitable forum for the promotion of its products or the I-insureme™ opportunity.

#### **4.9 Conflicts of Interest**

#### **4.9.1 Non-solicitation**

I-insureme™ Agents are free to participate in other companies, including multilevel or network marketing business ventures or marketing opportunities (collectively, “network marketing”). However, during the term of this Agreement, Agent may not directly or indirectly recruit other I-insureme™ Agents or Preferred Customers for any other network marketing business. Following the cancellation of an Agent’s Independent Agent Agreement, and for a period of six calendar months thereafter, with the exception of an Agent who is personally sponsored by a former Agent, a former Agent may not recruit any I-insureme™ Agent or Preferred Customer for another network marketing business. Agent and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed globally and business that is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Agent and I-insureme™ agree that this non-solicitation provision shall apply to all markets in which I-insureme™ conducts business. The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another I-insureme™ Agent or Preferred Customer to enroll or participate in, and/or explain another multilevel marketing, network marketing, or direct sales opportunity. The conduct described in the preceding sentence constitutes recruiting, even if Agent’s actions are in response to an inquiry made by another Agent or a Preferred Customer.

#### **4.9.2 Agent Participation in Other Direct Selling Programs**

If Agent is engaged in other non-I-insureme™ direct-selling programs, it is the responsibility of Agent to ensure that his/her I-insureme™ business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- a) Agent shall not display I-insureme™ promotional material, sales aids, or products with or in the same location (physical or virtual) as any non- I-insureme™ promotional material or sales aids, products, or services.
- b) Agent shall not offer the I-insureme™ opportunity or products to prospective or existing Preferred Customers or Agents in conjunction with any non-I-insureme™ program, opportunity, product, or service.
- c) Agent may not offer any non- I-insureme™ opportunity, products, services, or opportunity at any I-insureme™-related meeting, seminar or convention, or within two hours of any I-insureme™ event. If the I-insureme™ meeting is held telephonically or on the internet, any non-I-insureme™ meeting must be at least two hours before or after the I-insureme™ meeting and on a different conference telephone number or internet web address from the I-insureme™ meeting.

#### **4.9.3 Agency Activity (Genealogy) Reports**

Agency Activity Reports are available for Agent access and viewing at I-insureme’s official website. Agent access to their Agency Activity Reports is password protected. All Agency Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to I-insureme™. Agency Activity Reports are provided to Agent in strictest confidence and are made available to Agent for the sole purpose of assisting Agent in working with their respective Agency organizations in the development of their I-insureme™ business. Agent should use their Agency Activity Reports to assist, motivate, and train Agents within their Agency. The Agent and I-insureme™ agree that, but for this agreement of confidentiality and nondisclosure, I-insureme™ would not provide Agency Activity

Reports to the Agent. An Agent shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation, or other entity:

- a) Directly or indirectly disclose any information contained in any Agency Activity Report to any third party;
- b) Directly or indirectly disclose the password or other access code to his or her Agency Activity Report;
- c) Use the information to compete with I-insureme™ or for any purpose other than promoting his or her I-insureme™ business; and/or
- d) Recruit or solicit any Agent or Preferred Customer of I-insureme™ listed on any report or in any manner attempt to influence or induce any Agent or Preferred Customer of I-insureme™ to alter their business relationship with I-insureme™. Upon demand by the Company, any current or former Agent will return the original and all copies of Agency Activity Reports to the Company.

#### **4.9.4 Leads Received from I-insureme™**

I-insureme™ may develop a lead generation program whereby the Company acquires leads of prospective Customers and Agents and sells or otherwise distributes them to qualified Agents. When an Agent receives or purchases any such lead from the Company, the Agent agrees that he or she shall use such lead solely for the purpose of promoting the I-insureme™ products and opportunity to the prospective Customer or Agent. The Agent further agrees that s/he shall not use the information contained in the lead to promote any non-I-insureme™ product, service, or opportunity. If at any time the Agent is no longer actively training and supporting their downline, or they are actively promoting another Direct Sales or Network Marketing company and the company lead requests to be transferred to a sponsor that will support them, Agent agrees to allow them and their immediate Agents to be transferred to a new sponsor.

#### **4.10 Targeting Other Direct Sellers**

I-insureme™ does not condone Agents specifically or consciously targeting the sales force of another direct sales company to sell I-insureme™ products or to become an Agent for I-insureme™, nor does I-insureme™ condone Agent solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Agent engage in such activity, they bear the risk of being sued by the other direct sales companies. If any lawsuit, arbitration, or mediation is brought against an Agent alleging that s/he engaged in inappropriate recruiting activity of a company's sales force or customers, I-insureme™ will not pay any of Agent's defense costs or legal fees, nor will I-insureme™ indemnify the Agent for any judgment, award, or settlement.

#### **4.11 Cross Sponsoring**

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Preferred Customer or Agent Agreement on file with I-insureme™, or who has had such an agreement within the preceding six (6) calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man, or other artifice to circumvent this policy is prohibited. Agent shall not demean, discredit, or defame other I-insureme™ Agent in an attempt to entice another Agent to become part of the first Agent's marketing organization. This policy shall not prohibit the transfer of an I-insureme™ business in accordance with Section 4.25. If cross sponsoring is discovered, it must be brought to the Company's attention

immediately. I-insureme™ may take disciplinary action against the Agent who changed organizations and/or those Agents who encouraged or participated in the cross sponsoring. I-insureme™ may also move all or part of the offending Agent's organization to his or her original organization if the Company deems it equitable and feasible to do so. However, I-insureme™ is under no obligation to move the cross-sponsored Agent's organization, and the ultimate disposition of the organization remains within the sole discretion of I-insureme™. Agent waives all claims and causes of action against I-insureme™ arising from or relating to the disposition of the cross-sponsored Agent's organization.

#### **4.12 Errors or Questions**

If Agent has questions about or believes any errors have been made regarding referral fees, bonuses, Agency Activity Reports, or charges, Agent must notify I-insureme™ in writing within thirty (30) days of the date of the purported error or incident in question. I-insureme™ will not be responsible for any errors, omissions, or problems not reported to the Company within thirty (30) days.

#### **4.13 Governmental Approval or Endorsement**

Neither federal nor state regulatory agencies nor officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Agent shall not represent or imply that I-insureme™ or its Marketing and Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

#### **4.14 Holding Applications or Orders**

Agent must not manipulate enrollments of new applicants and purchases of products. All Agent Applications and Agreements and product orders must be sent to I-insureme™ within seventy-two (72) hours from the time they are signed by an Agent or placed by a customer, respectively.

#### **4.15 Identification**

All U.S. Agents are required to provide their Social Security Number to I-insureme™. I-insureme™ uses this information for income reporting purposes only. Upon enrollment, the Company will provide a unique Agent Identification Number to the Agent by which s/he will be identified. This number will be used to place orders and to track referral fees and bonuses. International Agents working as U.S. Agents may be required to provide appropriate forms that fulfill US law and preclude registration in their home country. Under its right of contract, I-insureme™ retains the right to reject any application that does not include a valid Social Security Number, or appropriate international forms required by U.S. law for International Agents.

#### **4.16 Income Taxes**

Each Agent is responsible for paying local, state, and federal taxes on any income generated as an Independent Agent. If an I-insureme™ business is tax exempt, the federal tax identification number must be provided to I-insureme™. Every year, I-insureme™ will provide an IRS Form 1099-MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) had earnings in excess of the annual minimum as established by the Internal Revenue Service in the previous calendar year; or 2) made purchases during the previous calendar year in excess of \$5,000.

#### **4.17 Insurance**

Agent may wish to arrange insurance coverage for his/her business. Typically, a homeowner's

insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Agent should contact his/her insurance company to make certain that their business property is protected. This can often be accomplished with a simple “Business Pursuit” endorsement attached to the present homeowner’s policy.

#### **4.18 International Marketing**

Because of critical legal and tax considerations, I-insureme™ must limit the resale of I-insureme™ products and the presentation of the I-insureme™ business to prospective customers and Agents located within the United States and U.S. territories and those other countries that the Company has announced are officially opened for business. Moreover, allowing a few Agents to conduct business in markets not yet opened by I-insureme™ would violate the concept of affording every Agent the equal opportunity to expand internationally. I-insureme™ shall hold the Agent personally liable for losses related to illegal business activities in unauthorized markets, and Agent agrees to indemnify I-insureme™ and I-insureme’s directors, officers, employees, and agents, and to hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by I-insureme™ as a result of an Agent’s unauthorized violation of this policy. This provision shall survive the termination of the Agent Agreement.

Accordingly, Agents are authorized to sell I-insureme™ products and to enroll Preferred Customers or Agents only in the countries in which I-insureme™ is authorized to conduct business, as announced in official Company literature. I-insureme™ products or sales aids cannot be shipped into or sold in any foreign country. Agent may sell, give, transfer, or distribute I-insureme™ products or sales aids only in countries authorized as open for business and only with products and materials authorized for sale in that specific country. In addition, no Agent may, in any unauthorized country: (a) conduct sales, enrollment, or training meetings; (b) enroll or attempt to enroll potential customers or Agents; or (c) conduct any other activity for the purpose of selling I-insureme™ products, establishing a marketing organization, or promoting the I-insureme™ opportunity. Agent understands that conducting any pre-launch activity in countries not officially open for I-insureme™ business is against company policy and may be illegal in some countries.

#### **4.19 Adherence to Laws and Ordinances**

Agents shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances are not applicable to Agents because of the nature of their business. However, Agents must obey those laws that do apply to them. If a city or county official tells a Agent that an ordinance applies to him or her, the Agent shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of I-insureme™. In most cases, there are exceptions to the ordinance that may apply to an I-insureme™ Agent.

#### **4.20 Minors**

A person who is recognized as a minor in his/her state of residence may not be an I-insureme™ Agent. Agent shall not enroll or recruit minors into the I-insureme™ program.



#### **4.21 Position Holder Restrictions**

An individual may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary in only one I-insureme™ business. Agent may not have a simultaneous beneficial interest or participate in more than one affiliation without the written consent of the Company. A beneficial interest includes, but is not limited to, any ownership, interest, equitable interest, or any rights to present or future benefits, financial or otherwise, unless otherwise approved by the Company. Agent shall not have an ownership interest in, operational or management control of, or derive any benefits directly or indirectly from any subsequent team membership not in the same line of sponsorship as the individual's initial business center. Agent's position may be converted into a business entity pursuant to Section 4.4. To maintain the integrity of the I-insureme™ Marketing and Compensation Plan, an individual wishing to conduct business as an entity may not maintain a separate affiliation under his or her name. A valid form of government ID must be faxed/scanned to the Company for each and every individual who has any interest in said business entity.

#### **4.22 Actions of Household Members or Agent Individuals**

If any member of Agent's immediate household engages in any activity which, if performed by Agent, would violate any provision of the Agreement, such activity will be deemed a violation by Agent, and I-insureme™ may take disciplinary action pursuant to the Statement of Policies against Agent. Similarly, if any individual associated in any way with a corporation, partnership, trust, or other entity (collectively "Agent individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and I-insureme™ may take disciplinary action against the entity.

#### **4.23 Requests for Records**

Any request from Agent for copies of invoices, applications, agency activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

#### **4.24 Sale, Transfer, or Assignment of I-insureme™ Business**

Although an I-insureme™ business is a privately owned, independently operated business, the sale, transfer, or assignment of an I-insureme™ business is subject to certain limitations. If Agent wishes to sell his or her I-insureme™ business, the following criteria must be met:

- a) Protection of the existing line of sponsorship must always be maintained so that the I-insureme™ business continues to be operated in that line of sponsorship. Therefore, the Sponsor of said business will have the right of refusal after I-insureme's rights to said business under the same terms as the original offer to purchase.
- b) The buyer or transferee must become a qualified I-insureme™ Agent. If the buyer is an active I-insureme™ Agent, he or she must first terminate his or her I-insureme™ business and wait six (6) calendar months before acquiring any interest in a different I-insureme™ business.
- c) Before the sale, transfer, or assignment can be finalized and approved by I-insureme™, any debt obligations the selling Agent has with I-insureme™ must be satisfied.
- d) The selling Agent must be in good standing and have earned at least \$200 per month for the previous three (3) months and not be in violation of any of the terms of the Agreement to be eligible to sell, transfer, or assign an I-insureme™ business.
- e) Seller agrees to a three-year, worldwide, non-compete agreement that they will not solicit, directly or indirectly, any I-insureme™ Agent into another direct-selling opportunity.
- f) I-insureme™ maintains first right to claim the sale, transfer, or re-assignment of any given I-

insureme™ business. In the event that I-insureme™ does not lay claim to the available business, all other proposals concerning the sale, transfer, or re-assignment must be approved by I-insureme™ in writing and are subject to the Company's discretion for approval. Prior to selling an I-insureme™ business, the selling Agent must notify I-insureme's Compliance Department in writing of his or her intent to sell the I-insureme™ business. No changes in line of sponsorship can result from the sale or transfer of an I-insureme™ business. Agent may not sell, transfer, or assign individual business centers. If a business is sold, transferred, or assigned, all business centers must be included in the transaction.

#### **4.25 Separation of an I-insureme™ Business**

I-insureme™ Agents sometimes operate their I-insureme™ businesses as husband-wife, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership, or trust (the latter three entities are collectively referred to herein as "entities") may dissolve, arrangements must be made to ensure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Agents and the Company in a timely fashion, I-insureme™ will involuntarily terminate the Agent's Agreement. During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- a) One of the parties may, with consent of the other(s), operate the I-insureme™ business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize I-insureme™ to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
- b) The parties may continue to operate the I-insureme™ business jointly on a "business-as-usual" basis, whereupon all compensation paid by I-insureme™ will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above. Under no circumstances will the organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will I-insureme™ split referral fees and bonus checks between divorcing spouses or members of dissolving entities. I-insureme™ will recognize only one organization and will issue only one commission check per I-insureme™ business per referral fee cycle. Referral fee checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of referral fees and ownership of the business in a timely fashion as determined by the Company, the Agent's Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in the original I-insureme™ business pursuant to a divorce, he or she is thereafter free to enroll under any Sponsor of his or her choosing without waiting six (6) calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity Agent who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as an Agent. In either case, however, the former spouse or business Agent shall have no rights to any Agent in their former organization or to any former retail Customer. They must develop the new business in the same manner as would any other new Agent.

#### **4.26 Sponsoring**

All Active Agents in good standing have the right to sponsor and enroll others into I-insureme™. Each prospective Preferred Customer or Agent has the ultimate right to choose his or her own

Sponsor. If two Agents claim to be the Sponsor of the same new Agent or Preferred Customer, the Company shall regard the first application received by the Company as controlling.

#### **4.27 Succession**

Upon the death or incapacitation of Agent, his or her business may be passed to his or her heirs. Appropriate legal documentation as described in Sections 4.29 and 4.30 must be submitted to the Company to ensure the transfer is proper. Accordingly, Agent should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an I-insureme™ business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and referral fees of the deceased Agent's marketing organization, provided the following qualifications are met. The successor(s) must:

- a) Execute an Agent Agreement;
- b) Comply with terms and provisions of the Agreement; and
- c) Meet all of the qualifications for the deceased Agent's status.

Bonus and referral fee checks of an I-insureme™ business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide I-insureme™ with an "address of record" to which all bonus and referral fee checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal Taxpayer Identification number. I-insureme™ will issue all bonus and referral fee checks and one Form 1099 to the business entity.

#### **4.28 Stacking**

Stacking is strictly prohibited. The term "stacking" includes (a) the failure to transmit to I-insureme™ or the holding of an Independent Agent Application and Agreement in excess of two (2) business days after its execution; (b) the placement or manipulation of Independent Agent Applications and Agreements for the purpose of maximizing compensation pursuant to I-insureme's Marketing and Compensation Plan; or (c) providing of financial assistance to new Independent Agents for the purpose of maximizing compensation pursuant to I-insureme's Marketing and Compensation Plan; (d) violation the "one business per household" rule; and/or (e) enrollment of fictitious individuals or entities into the I-insureme™ Compensation Plan. Failure to comply with this provision can mean termination of the Agent business or other remedies available to the Company at the Company's sole discretion.

#### **4.29 Transfer upon Death of an Agent**

To effectuate a testamentary transfer of an I-insureme™ business, the successor must provide the following to I-insureme™: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the I-insureme™ business; and (3) a completed and executed Agent Agreement.

#### **4.30 Transfer upon Incapacitation of an Agent**

To effectuate a transfer of an I-insureme™ business because of incapacity, the successor must provide the following to I-insureme™: (1) a notarized copy of an appointment as trustee or conservator; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the I-insureme™ business; and (3) a completed Agent Agreement executed by the trustee or conservator.

## **SECTION 5 - RESPONSIBILITIES OF AGENT**

### **5.1 Change of Address, Telephone, and E-mail Addresses**

To ensure timely delivery of products, support materials, and commission checks, it is critically important that I-insureme's files are always kept current. Street addresses are required for shipping because the carrier under contract cannot deliver to a post office box. Agents planning to change their e-mail address or to move must send their new address and telephone numbers to I-insureme's Corporate Offices to the attention of the Agent Services Department. To guarantee proper delivery, two weeks advance notice must be provided to I-insureme™ on all changes.

### **5.2 Ongoing Training and Development Obligations**

Any Agent who sponsors another Agent into I-insureme™ must perform a bona fide assistance and training function to ensure that his or her Downline is properly operating his or her I-insureme™ business. Agent must have ongoing contact and communication with the Agent in their Downline organizations. Examples of such contact and communication may include, but are not limited to personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of Downline Agent to I-insureme™ meetings, training sessions, and other functions. Upline Agents are also responsible for motivating and training new Agents in I-insureme™ product knowledge, effective sales techniques, the I-insureme™ Marketing and Compensation Plan, and compliance with this Statement of Policies. Communication with and the training of downline Agents must not, however, violate Section 4.2 (regarding the development of Agent-produced sales aids and promotional materials). Agent should monitor the Agents in their Downline organizations to guard against Downline Agent making improper product or business claims or engaging in any illegal or inappropriate conduct. As Agent progresses through the various levels of leadership, s/he will become more experienced in sales techniques, product knowledge, and understanding of the I-insureme™ program. Agent will be called upon to share this knowledge with less-experienced Agents within their organization. Regardless of their level of achievement, Agent has an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing his/her existing customers.

### **5.3 Disparaging**

I-insureme™ wants to provide its Independent Agents with the best products, Compensation Plan, and service in the industry. Accordingly, we value constructive criticisms and comments. All such comments should be submitted in writing to the Agent Support Department. Remember, to best serve Agents, we must hear from them. While I-insureme™ welcomes constructive input, negative comments and remarks made in the field by Agents about the Company, its products, or Compensation Plan serve no purpose other than to sour the enthusiasm of other I-insureme™ Agents. For this reason, and to set the proper example for their Downline, Agent agrees that they will not encourage their affiliates or associates directly or indirectly or to act themselves, in any capacity or manner to make, express, transmit, speak, write, verbalize, or otherwise communicate in any way (or cause, further, assist, solicit, encourage, support, or participate in any of the foregoing), any statements that defame, disparage, are inimical to, or damage the reputation of the Company, its affiliates, subsidiaries, members, managers, employees, officers, directors, executives, Agents, representatives, or products and services.

#### **5.4 Providing Documentation to Applicants**

Agent must provide the most current version of the Statement of Policies and the Compensation Plan to individuals whom they are sponsoring to become Agents before the applicant(s) sign an Agent Agreement. Additional copies of the Statement of Policies can be downloaded from I-insureme's website.

#### **5.5 Reporting Policy Violations**

An Agent who observes a policy violation by another Agent should submit a written report of the violation directly to the attention of the I-insureme™ Compliance Department. Details of the incidents, such as dates, number of occurrences, person(s) involved, and any supporting documentation, should be included in the report.

### **SECTION 6 - SALES REQUIREMENTS**

#### **6.1 Product Sales**

The I-insureme™ Marketing and Compensation Plan is based on the sale of I-insureme™ products to end consumers. Agents must fulfill personal and Downline organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, referral fees, and advancement to higher levels of achievement. The following sales requirements must be satisfied for Agent to be eligible for commissions:

- a) Agents must be appropriately licensed to earn referral fees on insurance products.
- b) Agents must satisfy the Personal Annualized Volume and/or Group Annualized Volume requirements to fulfill the requirements associated with their rank, as specified in the I-insureme™ Marketing and Compensation Plan. "Personal Volume" includes purchases made by the Agent and purchases made by the Agent's personal Customers. Group Volume shall include the total Sales Volume of all Agents in his or her marketing organization, but shall not include the Agent's Personal Volume.
- c) If at any point in the future, I-insureme™ offers non-licensed and non-insurance related products or services, at least 70% of an Agent's total monthly Personal Volume must be sold to end product consumers or consumed with regards to those particular products/services. I-insureme™ may require proof of previous sales prior to honoring an order for any product by an Agent. Agent must certify that s/he has sold at retail at least 70% of all prior physical inventory purchased. Agent will be allowed by I-insureme™ to purchase a reasonable amount of product for personal use and enjoyment, as well as to be used as sales samples. The Company will monitor compliance with this rule, and any fraudulent information supplied by the Agent will be grounds for termination of the Agency of the violating party. For this reason, it is important that the Agent keep accurate sales records. It is Company policy to strictly prohibit the purchase of products in unreasonable amounts solely for the purpose of qualifying for commissions or advancement within the Compensation Plan. All such forms of frontloading or stockpiling are strictly prohibited.
- d) I-insureme™ recommends that Agents service at least three to five retail customers.

#### **6.2 No Territory Restrictions**

There are no exclusive territories granted to anyone. No franchise fees are required.

## **SECTION 7 - REFERRAL FEES AND BONUSES**

### **7.1 Referral Fees**

A Property & Casualty license is required to earn referral fees, which will be paid as follows:

- a) Depending on the carrier, referral fees paid to the field range from 2.5%-9.0% of the annualized premium; however, referral fees are paid out monthly to avoid chargebacks. The same percentage fee is paid on new business and renewals.
- b) 50% of the referral fee is paid to the Referring Agent on the first \$50,000 in personally referred annualized premiums (this is you on your own policy and on any of your personal clients).
- c) The remaining 50% is paid out in 5 levels of overrides as follows: 2.5%, 5.0%, 7.5%, 12.5%, and 22.5%.
- d) An agent will earn 100% of the referral fee paid to the field on all personally referred premiums above \$50,000 in annualized premiums (e.g., the full 2.5%-9.0%).
- e) From time to time, additional bonuses may be paid out according to the company's discretion. These include, but are not limited to, additional quote bonuses, production bonuses, vacation bonuses etc.

#### **7.1.1 Quote Bonus**

Any member, licensed or not, qualifies to earn the following quote bonuses:

- a. New members earn a \$10.00 quote bonus on the FIRST 5 home, auto, or commercial quotes that they submit within 30 days of enrolling (total payout of \$50.00).
- b. The new member's sponsor will earn a matching \$10.00 quote bonus override on the FIRST 5 home, auto, or commercial quotes that the new member submits (total payout of \$50.00). If the sponsor is subscribed to the Agency Building Center, the quote bonus overrides quadruple to \$40.00 per quote (total payout of \$200.00).
- c. Quote bonus overrides of \$1.25 (non-ABC subscribers) to \$5.00 (ABC subscribers) are also paid out for any new members on levels 2-5 for the FIRST 5 home, auto, or commercial quotes they submit (total payout of \$6.25 to \$25.00 on each level).

#### **7.1.2 Ranks**

There are 5 Ranks in I-insureme™.

- 1) Member – this is a person who is considered active in I-insureme™ (see section 3.6)
- 2) Provisional Agent – this is a non-licensed, active member who has personally referred a minimum of \$2,000 in Personal Annualized Volume (PAV) or \$12,000 in Group Annualized Volume (GAV), with a minimum of \$4,000 from 3 separate legs. A PA may not earn referral fees.
- 3) Agent – an active, licensed member who has personally referred a minimum of \$2,000 in PAV or \$12,000 in GAV, with a minimum of \$4,000 from 3 separate legs. An agent earns referral fees on all personal business and overrides on 3 levels of agents and their referrals (see percentage overrides in 7.1 above).
- 4) Senior Agent – an active, licensed member who has personally referred a minimum of \$10,000 in PAV or \$60,000 in GAV, with a minimum of \$20,000 from 3 separate legs. Senior Agents earn referral fees on all personal business and overrides on 4 levels of agents and their referrals.
- 5) Managing General Agent – an active, licensed member who has personally referred a minimum of \$25,000 in PAV or \$150,000 in GAV, with a minimum of \$50,000 from 3 separate

legs. Managing General Agents earn referral fees on all personal business and overrides on 5 levels of agents and their referrals.

### **7.1.3 Bonus and Referral Fee Qualifications**

Agent must be active and in compliance with the Agreement to qualify for bonuses and referral fees. So long as Agent complies with the terms of the Agreement, I-insureme™ shall pay referral fees to such Agent in accordance with the Marketing and Compensation Plan. The minimum amount for which I-insureme™ will issue payment is \$10. If Agent's bonuses and referral fees do not equal or exceed \$10, the Company will accrue the referral fees and bonuses until they total \$10. A payment will be issued upon request or based on the Company's payment procedures, once \$10 has been accrued. If Agent resigns s/he may request payment immediately for the full amount in his back office. A fee of up to \$50 USD may be applied to any request for a reissuance of a check requested by an Agent but is determined to be for reasons that resulted due to no fault of the Company. A Property & Casualty insurance license is required to earn P&C insurance referral fees and overrides.

## **7.2 Adjustment to Bonuses and Referral Fees**

### **7.2.1 Adjustments for Returned Products/Canceled Policies**

Agent receives bonuses and referral fees based on the actual sales of products to end consumers. When a product is returned to I-insureme™ for a refund or is repurchased by the Company or an insurance policy is canceled, the following may occur at the Company's discretion: (1) any bonuses and referral fees attributable to the returned or repurchased product(s)/canceled policies will be deducted in the month in which the refund is given and continuing every pay period thereafter until the referral fee is recovered from the Agent who received bonuses and referral fees on the sales of the refunded products/canceled policies; or (2) the Agent who earned referral fees based on the sale of the returned products/canceled policies will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered.

## **7.3 Reports**

All information provided by I-insureme™ in online agency activity reports, including but not limited to Personal Annualized Volume and Group Annualized Volume (or any part thereof) and agency sponsoring activity, is believed to be accurate and reliable. Nevertheless, due to various factors, including but not limited to, the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products/canceled policies; and credit card and electronic check chargebacks; the information is not guaranteed by I-insureme™ or any persons creating or transmitting the information. All personal and group volume information is provided "as is" without warranties, express or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use, or non-infringement. to the fullest extent permissible under applicable law, I-insureme™ and/or other persons creating or transmitting the information will in no event be liable to any Agent or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity, and

damages that may result from inaccuracy, incompleteness, inconvenience, delay, or loss of the use of the information), even if I-insureme™ or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, I-insureme™ or other persons creating or transmitting the information shall have no responsibility or liability to Agent or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto. Access to and use of I-insureme's online and telephone reporting services and Agent reliance upon such information is at his/her own risk. All such information is provided to Agent "as is." If Agent is dissatisfied with the accuracy or quality of the information, his/her sole and exclusive remedy is to discontinue use of and access to I-insureme's online reporting services and his/her reliance upon the information.

## **SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE (ONLY APPLICABLE FOR I-insureme™ NON-INSURANCE RELATED PRODUCTS/SERVICES)**

### **8.1 Customer and Preferred Customer Product Guarantee**

As I-insureme's products are primarily virtual (e.g., insurance coverage), any refund offered will be based on the insurance company through which the coverage was purchased.

### **8.2 Returns by Retail Customers**

For any products that are not insurance-based, I-insureme™ offers through its Agent a 100%, 30-day money-back satisfaction guarantee to all retail Customers. Agent is bound to honor the retail Customer guarantee. If, for any reason, a retail Customer is dissatisfied with any I-insureme™ product, the retail Customer may return the unused portion of the product to Agent from whom it was purchased within sixty (60) days for a replacement, exchange, or a full refund of the purchase price (minus shipping and handling costs). When Agent issues a refund to a retail Customer pursuant to this policy, Agent may return the product to I-insureme™ for an exchange. To receive the exchange, Agent must (a) return the product within ten (10) business days of the date that the product was received from the retail Customer; and (b) send a copy of the retail sales receipt with the returned product. A retail Customer who makes a purchase of \$25.00 or more has three (3) business days (72 hours) after the sale or execution of a contract to cancel the order and receive a full refund. This is consistent with the cancellation notice on the order form. When Agent makes a sale or takes an order from a retail Customer who cancels or requests a refund within the 72-hour period, Agent must promptly refund the Customer's money, as long as the products are returned to Agent in as substantially good condition as when received. Additionally, Agent must orally inform Customers of their right to rescind a purchase or an order within 72 hours and ensure that the date of the order or purchase is entered on the order form. All retail Customers must be provided with a copy of an official I-insureme™ sales receipt at the time of the sale. The back of the receipt provides the Customer with written notice of his or her rights to cancel the sales agreement.

### **8.3 Return of Inventory and Sales Aids by Agent upon Cancellation**

Upon cancellation of a Agent's Agreement, Agent may return his or her products and sales aids held in his or her inventory for a refund. Agent may only return products and sales aids that (a) s/he personally purchased from I-insureme™ (purchases from other Agents or third parties are not subject to refund); (b) are in resalable condition (see Definition of "Resalable" in Section 12-



Definitions); and (c) were purchased within ninety (30) days prior to the date of cancellation, unless the state they reside in requires a different time period. Upon receipt of resalable products and sales aids, Agent will be reimbursed 90% of the cost of the original purchase price(s). Shipping and handling charges will not be refunded. The training fee, which includes the free replicated Agent website, will not be refunded once it is set up. If purchases were made through a credit card, the refund will be credited back to the same account. If Agent was paid a commission based on a product(s) that s/he purchased and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

### **8.3.1 Montana Residents**

A Montana resident may cancel his or her Agent Agreement within fifteen (15) days from the date of enrollment and may return his or her Starter Kit for a full refund within such time period.

### **8.4 Procedures for All Returns**

The following procedures apply to all returns for refund, repurchase, or exchange:

- a) All merchandise must be returned by the Agent or Customer who purchased it directly from I-insureme™. Agent may return his or her product upon cancelation of their Agency. If Agent is returning their inventory, the items must be in a resalable condition and purchased within thirty (30) days prior to the date of cancellation, unless the state they reside in requires a different time period.
- b) All products to be returned must have a Return Authorization Number, which is obtained by creating a Support Ticket via the Agent Services Department. This Return Authorization Number must be written on each carton returned. This number is valid for ten (10) days only from date of issue.
- c) The return must be accompanied by a copy of the original dated retail sales receipt.
- d) Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned, and the most economical means of shipping is suggested. All returns must be shipped to I-insureme™ shipping pre-paid. I-insureme™ does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on Agent. If returned product is not received by the Company's Distribution Center, it is the responsibility of Agent or Customer to trace the shipment.
- e) If Agent is returning merchandise to I-insureme™ that was returned to him or her by a personal retail Customer, the product must be received by I-insureme™ within ten (10) business days from the date on which the retail Customer returned the merchandise to Agent, and must be accompanied by the sales receipt Agent gave to the Customer at the time of the sale. No refund or replacement of product will be made if the conditions of these rules are not met.

## **SECTION 9 - DISPUTE RESOLUTION & DISCIPLINARY PROCEEDINGS**

### **9.1 Disciplinary Sanctions**

Violation of the Agreement, this Statement of Policies, or violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by Agent that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to Agent's I-insureme™ business), may result, at I-insureme's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring of Agent to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and referral fee checks;
- Loss of rights to one or more bonus and commission checks;
- Withholding from Agent all or part of Agent's bonuses and commissions during the period that I-insureme™ is investigating any misconduct or alleged violations of the Agreement. If Agent's business is canceled for disciplinary reasons, Agent will not be entitled to recover any commissions withheld during the investigation period;
- Re-assignment of all or part of their marketing organization;
- Suspension of the individual's Agent Agreement for one or more pay periods;
- Involuntary termination of the offender's Agent Agreement;
- Suspension and/or termination of the offending Agent's I-insureme™ website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which I-insureme™ deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by Agent's policy violation or contractual breach;
- For situations deemed appropriate by I-insureme™, the Company may institute legal proceedings for monetary and/or equitable relief. Each violation is reviewed on a case-by-case basis, and all disciplinary actions are at the sole discretion of I-insureme™.

## **9.2 Grievances and Complaints**

When Agent has a grievance or complaint with another Agent regarding any practice or conduct in relationship to their respective I-insureme™ businesses, the complaining Agent should first report the problem to his or her Sponsor, who should review the matter and try to resolve it with the other party's Sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the Company's Compliance Department. The Compliance Department will review the facts and attempt to resolve it.

## **9.3 Mediation**

Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Mesa, Arizona and shall last no more than two (2) business days.

## **9.4 Arbitration**

If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Agent waives all rights to trial by jury or to any court. All arbitration proceedings shall be held in Mesa, Arizona. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct-selling

industry, selected from the panel that the American Arbitration Panel provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in a court of competent jurisdiction in Mesa, Arizona. This agreement to arbitration shall survive any termination or expiration of the Agreement. Notwithstanding the foregoing, nothing in this Statement of Policies shall prevent I-insureme™ from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect I-insureme's interest prior to, during, or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

### **9.5 Governing Law, Jurisdiction, and Venue**

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Mesa, Arizona. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Arizona shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing and the mediation and arbitration provisions set forth in Sections 9.3 and 9.4, residents of the State of Arizona shall be entitled to bring an action against I-insureme™ in their home forum pursuant to Arizona law.

## **SECTION 10 - PAYMENT AND SHIPPING**

### **10.1 Payments**

I-insureme™ accepts payments in the forms of Visa, MasterCard, Discover, American Express, and cashier's checks. The Company will not process orders that are not accompanied by full and proper payment. The Company will not be responsible for the loss of any referral fees and bonuses or other payments because of declined payments, delays, or errors in orders, charges, receiving agreements, or other acts outside the control of the company.

### **10.2 Restrictions on Third Party Use of Credit Cards and Checking Account Access**

Agent shall not permit other Agents or Customers to use his or her credit card or permit debits to their checking accounts, to enroll or to make purchases from the Company, unless an authorization letter is on file with the Company prior to the transaction.

### **10.3 Sales Tax**

Sales tax collection in the United States is very complex. Presently, there are over 7,500 sales taxes imposed. The rate of tax and taxability of products varies from state to state and even within a state. The rates and taxability of products are subject to constant change. To relieve our Independent Agents of this complex burden, I-insureme™ has entered into an agreement with all state and local jurisdictions (except Alaska and Hawaii) that impose a sales tax to collect these taxes on behalf of all Independent Agents.

#### **10.3.1 Collection of Sales Taxes by I-insureme™**

Under the terms of these agreements, I-insureme™ is required to collect the applicable tax at the time of sale. The tax collected will be based on the suggested retail price of orders placed by an Independent Agent. The price subject to sales tax will include the shipping charges if the state where the products are shipped requires sales tax be charged on this cost. The States of Alaska, Delaware, Montana, New Hampshire, and Oregon do not presently have a sales tax. Of these

states, only Alaska has local sales taxes.

### **10.3.2 Collection of Sales Taxes by an Independent Agent**

When Agent sells the products, s/he is required to collect the sales tax based on Agent's selling price. The taxes s/he collects will be a reimbursement for the taxes pre-collected by I-insureme™. Agent will not have any additional reporting to do.

Independent sellers are not required to have a sales tax license for their I-insureme™ business. However, if they have another business, they may be required to have a sales tax license for that business. These agreements are for sales tax only. Some states and local jurisdictions may require Agent to have a business license. S/He should consult with their accountant or tax preparer regarding other responsibilities they may have.

There are special requirements for Independent Agents in the States of New Mexico and Washington. The company has prepared a special bulletin for these states. Please call and request this bulletin.

### **10.3.3 Selling in the States of Alaska, Hawaii and US Territories except Puerto Rico**

I-insureme™ as a company will not collect and remit sales tax for Independent Agents selling in the States of Alaska and Hawaii and in the U.S. Territories of American Samoa, Baker Island, Howland Island, Guam, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Islands, Navassa Island, Northern Mariana Islands, Palau, Palmyra Atoll, United States Virgin Islands (St. Croix, St. John, and St. Thomas), and Wake Island. It is the responsibility of each Independent Agent making sales in these states or territories to register, collect, and remit these taxes to the applicable jurisdictions. Agent should contact the jurisdiction(s) where s/he is making sales to obtain the necessary forms to register and report. Independent Agents are required to comply with the terms of these agreements. If Agent has any questions regarding this notice or needs a special bulletin, please contact the Company by calling 480-840-7550 and select the extension for Agent Support, or e-mail [support@iinsureme.com](mailto:support@iinsureme.com) with Subject Line of: Sales Tax.

## **SECTION 11 - INACTIVITY, RECLASSIFICATION & CANCELLATION**

### **11.1 Effect of Cancellation**

So long as Agent remains active and complies with the terms of the Agent Agreement and this Statement of Policies, I-insureme™ shall pay referral fees to Agent in accordance with the Marketing and Compensation Plan. Agent's bonuses and referral fees constitute the entire consideration for Agent's efforts in generating sales and all activities related to generating sales (including building a Downline organization). Following Agent's non-renewal of his or her Agent Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Agent Agreement (all of these methods are collectively referred to as "cancellation"), the former Agent shall have no right, title, claim, or interest to the marketing organization that s/he operated or any referral fees or bonus from the sales generated by the organization. An Agent whose business is cancelled will lose all rights as an Agent. This includes the right to sell I-insureme™ products and services and the right to receive future referral fees, bonuses, or other income resulting from the sales and other activities of Agent's former Downline sales organization. In the event of cancellation, Agent agrees to waive all rights they may have, including but not limited to property rights, their former Downline organization, and any bonuses, referral fees, or other remuneration derived from the sales and other activities of his or her former Downline organization. Following Agent's cancellation of his or her Agent

Agreement, the former Agent shall not hold themselves out as an I-insureme™ Agent and shall not have the right to sell I-insureme™ products or services. An Agent whose Agent Agreement is canceled shall receive referral fees and bonuses only for the last full pay period in which s/he was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

### **11.2 Cancellation Due to Inactivity**

If Agent has not earned a referral fee or placed an order for twelve (12) consecutive months (thus, becomes “inactive”), his or her Agent Agreement may be canceled for inactivity.

### **11.3 Involuntary Cancellation**

Agent’s violation of any of the terms of the Agreement, including any amendments that may be made by I-insureme™ in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of his or her Agent Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered by an express courier, to the Agent’s last known address (or fax number), or to his/her attorney, or when the Agent receives actual notice of cancellation, whichever occurs first. I-insureme™ reserves the right to terminate all Agent Agreements upon thirty (30) days written notice (including email) in the event that it elects to (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

### **11.4 Voluntary Cancellation**

A participant in this Marketing Plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Agent's signature, printed name, address, and Agent I.D. number. If an Agent was on the Company's Autoship program at the time of cancellation, the Autoship agreement shall be cancelled unless the Agent specifically requests that the Autoship agreement remain in effect. If the former Agent requests that the Autoship agreement remain, he or she shall be reclassified as a Preferred Customer, if such a program is available at the time of cancellation.

### **11.5 Non-renewal**

Agent may also voluntarily cancel his or her Agent Agreement meet the requirements set forth in section 3.6.

## **SECTION 12 - DEFINITIONS**

**Active Agent** — An Agent who satisfies the minimum Personal Annualized Volume (PAV) or Group Annualized Volume (GAV) requirements, as set forth in the I-insureme™ Marketing and Compensation Plan, to ensure that s/he is eligible to receive bonuses and referral fees.

**Active Rank** — Refers to the current rank of an Agent, as determined by the I-insureme™ Marketing and Compensation Plan, for any referral fee qualification period. To be considered “Active” relative to a particular rank, an Agent must meet the criteria set forth in the I-insureme™ Marketing and Compensation Plan for his or her respective rank (see the definition of “Rank”).

**Agreement** — The contract between the Company and each Agent includes the Agent Application and Agreement, the I-insureme™ Statement of Policies, the I-insureme™ Marketing

and Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by I-insureme™ at its sole discretion. These documents are collectively referred to as the “Agreement.”

**Automatic Telephone Dialing System** — Any equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

**Cancel** — The termination of an Agent’s business. Cancellation may be either voluntary, involuntary, through non-renewal, or inactivity.

**Compensation Plan** — Guidelines and referenced literature used for describing how Agents are able to generate referral fees and bonuses.

**Customer** — An individual or entity who purchases I-insureme™ products that are not enrolled as an I-insureme™ Agent. Customers may purchase products at the Suggested Retail Price through an Agent’s website or via the I-insureme™ Customer program.

**Genealogy Report** — A monthly report generated by I-insureme™ that provides critical data relating to the identities of Agent, sales information, and enrollment activity of each Agent’s marketing organization. This report contains confidential and trade secret information that is proprietary to I-insureme™.

**Group Annualized Volume (GAV)** — The commissionable value of I-insureme™ products purchased directly from I-insureme™ through an Agent’s agency organization. Group Volume does not include the Personal Volume of the subject Agent (Agent Setup/Training fees and sales aids have no point value).

**Immediate Household** — Heads of household and dependent family members residing in the same house.

**Inactive Status** — The status given to an Agent who does not personally sell what is required to receive bonuses and/or to maintain rank.

**Leg** — Each one of the individuals enrolled immediately underneath you and their respective marketing organization represents one “Leg” in your marketing organization. .

**Level** — The layers of Downline Agents in a particular Agent’s marketing organization. This term refers to the relationship of an Agent relative to a particular Upline Agent, determined by the number of Agents between them who are related by enrollment or placement sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

**Maintenance Requirement** — The combined production of personal sales and Downline sales needed to qualify and be paid for a given rank.

**Marketing Organization** — The Customers, Preferred Customers, and Agents sponsored below a particular Agent.

**Official I-insureme™ Material** — Literature, audio or videotapes, and other materials developed, printed, published, and distributed by I-insureme™ to Agent.

**Paid-as-Rank** — Agent failing to achieve their rank maintenance requirement in any given qualification period will be paid at the lower rank to which they qualify, but they keep their rank in title (only).

**Personal Annualized Volume (PAV)** — The total value of points generated by an Agent in a calendar month based on sales: (1) by the Company to the Agent; and (2) by the Company to the Agent’s internet Customers and personally enrolled Preferred Customers.

**Points** — An arbitrary value assigned to each I-insureme™ product that is used to track business activity, qualify for referral fees and bonuses, and calculate referral fees and

bonuses. A Customer registered in the I-insureme™ Preferred Customer Program who agrees to a standing Autoship order that ships approximately every twenty-eight (28) days and is charged to the Preferred Customer's credit or debit card. Preferred Customers purchase I-insureme™ products at the Preferred Customer price and do not engage in building a business or retailing product.

**Recognition Title** — The “title” that an Agent has achieved pursuant to the I-insureme™ Marketing and Compensation Plan. Titles are used to recognize productivity at corporate events and in official publications and are permanent until a higher recognition title is achieved. May also be referred to as Recognition Rank but can differ from an Agent's Active Rank (see definition of “Active Rank”).

**Recruit** — For purposes of I-insureme's Conflict of Interest Policy (Section 4.9), the term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another I-insureme™ Agent or Preferred Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**Resalable** — Products and sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling have not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to I-insureme™ within ninety (90) days from the date of purchase, unless the state they reside in requires a different time period; and 5) the product contains current I-insureme™ labeling. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be resalable.

**Retail Sales** — These are sales to a retail Customer. If a sale is made to a Customer (including a Preferred Customer) who subsequently submits an I-insureme™ Agent Agreement within thirty (30) days from the date of the sale, or if an immediate household family member of the customer submits an I-insureme™ Agent Agreement within 30 days of the sale, such sale shall not constitute a Retail Sale. An Agent's personal purchases from I-insureme™ do not constitute Retail Sales.

**Sponsor** — An Agent who introduces and enrolls a customer, Preferred Customer, or a new Agent to I-insureme™ and is listed as the Sponsor on the Agent Application and Agreement.

**Upline** — The Agent or Agent above a particular Agent in a sponsorship or placement line up to the Company. Conversely stated, it is the line of sponsors that links any particular Agent to the Company.