

## Services Contract

This Services Contract (the "Contract") is between Ann Frohman (the "Contractor"), 233 South 13<sup>th</sup> Street, Suite 1200A, Lincoln, Nebraska, and the Iowa Insurance Division (the "Division"), Two Ruan Center, 601 Locust, 4<sup>th</sup> Floor, Des Moines, Iowa 50309. The Division and the Contractor are authorized to enter into this Contract. Contractor is authorized to do business in the State of Iowa. The terms of the Contract are as follows:

1. The term of this Contract is July 15, 2018, through December 15, 2018.
2. The Contractor shall perform the following services:
  - a. Develop a Suitability Examination Framework for the Iowa Insurance Division for use as a tool to enhance review of insurance company suitability requirements in the sale of annuities to consumers. The Framework will assess, evaluate, test rules and procedures applicable to the suitable sale of annuities and determine the effectiveness of an insurance company's processes and controls related to suitability; and
  - b. Provide such additional and different advice, consultation, and services as deemed necessary by the Division.
3. Contractor shall be paid as follows:
  - a. For all services set forth in the preceding paragraph \$350.00 per hour.
  - b. In no event would the total charge for services under this Contract exceed \$10,500.00. Contractor agrees to cease all activities conducted under this Contract before the bill for her services would exceed that amount and to contact the Division to determine if extra charges can be approved in writing by the Division.
  - c. There will be no charge for any other services, including but not limited to administrative services, supplies, printing, premises, travel, mileage, or telephone unless previously agreed to in writing by the Division.
4. Contractor shall submit her bill for the work and expenses after all services are completed. The invoice shall comply with all applicable rules concerning payment of such claims. The Division shall pay all approved invoices in arrears and in conformance with Iowa Code section 8A.514 and 11 Iowa Administrative Code 41.1. The Division may pay in less than 60 days, as provided in Iowa Code section 8A.514. However, an election to pay in less than 60 days shall not act as an implied waiver of Iowa Code section 8A.514. Notwithstanding anything herein to the contrary, the Division shall have the right to dispute any invoice submitted for payment and withhold payment of any disputed amount if the Division believes the invoice is inaccurate or incorrect in any way. The Division shall pay Contractor only after it determines the submitted expenses meet with the Division's approval.
5. The occurrence of any one or more of the following events shall constitute cause for the Division to declare Contractor in default of her obligations under this Contract.

- a. Contractor fails to perform, to the Division's satisfaction, any material requirement of this Contract or is in violation of a material provision of this Contract;
  - b. The Division determines that satisfactory performance of this Contract is substantially endangered or that a default is likely to occur; or
  - c. Contractor fails to make substantial and timely progress toward performance of the Contract.
6. The status of Contractor shall be that of an independent contractor. Contractor, her employees, agents and any subcontractors performing under this Contractor are not employees or agents of the State of Iowa or any agency, division or department of the State. Neither the Contractor nor her employees shall be considered employees of the Division or the State of Iowa for federal or state tax purposes. The Division will not withhold taxes on behalf of Contractor (unless required by law).
  7. Contractor, her employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing the services under this Contract, including without limitation, all laws applicable to the prevention of discrimination in employment and the use of targeted small businesses as subcontractors or suppliers. Contractor, her employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract.
  8. Time is of the essence with respect to the performance of the terms of this Contract.
  9. Contractor shall maintain books, records and documents which sufficiently and properly document and calculate all charges billed to the Division throughout the term of this Contract for a period of at least three years following the date of final payment or completion of any required audit, whichever is later. Contractor shall permit the Auditor of the State of Iowa or any authorized representative of the State to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract. Contractor shall not impose a charge for audit or examination of Contractor's books and records.
  10. During the term of this Contract, Contractor agrees to maintain any existing insurance in full force and effect and obtain such other coverage as the Division and Contractor collectively determine is required or desired. The terms of these insurance policies may name the Division as an additional insured where customary and advisable.
  11. The Division shall, only to the extent consistent with and permitted by Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, indemnify the Contractor from and against any claim, as defined in Iowa Code Section 669.2, caused directly by the negligent or wrongful acts or omissions of any employee of the Division while acting within the scope of the employee's office or employment in connection with the performance of this Contract. Contractor agrees any claim for which indemnification is sought pursuant to this

Section 11 will be subject to the provisions of Iowa Code Chapter 669 and 543 Iowa Admin. Code 1, including, without limitation, those provisions which address the making and filing of claims. If the Division makes any indemnity payments to the Contractor pursuant to this Section 11 and the Contractor thereafter collects or recovers all or a portion of such amounts from any person or third party, including from any insurance carrier, Contractor shall promptly repay such collected or recovered amounts to the Division.

The Contractor shall, only to the extent consistent with and permitted by law, indemnify the Division from and against any claim caused directly by the negligent or wrongful acts or omissions of any employee of the Contractor while acting within the scope of the employee's office or employment in connection with the performance of this Contract. For purposes of this paragraph, "employee of the Contractor" shall include officers, agents, or employees of the Contractor, and persons acting on behalf of the Contractor in any official capacity, temporarily or permanently in the service of the Contractor, whether with or without compensation.

12. This Contract may be amended by mutual consent of the parties. All amendments to this Contract must be in writing and fully executed by the parties.
13. This Contract may not be assigned without the written consent of the Contractor and Division.
14. There are no intended third party beneficiaries to this Contract. This Contract is intended to benefit only the parties hereto.
15. The Division acknowledges a party may contract with third parties for the performance of any of the parties' obligations under this Contract.
16. The contact person and contact information for the Contractor is Ann Frohman, 402-438-6612, [ann@frohmanlaw.com](mailto:ann@frohmanlaw.com) and the contact person and contact information for the Division is Kim Cross, 515-281-4163, [kim.cross@iid.iowa.gov](mailto:kim.cross@iid.iowa.gov).

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

Craig Goettsch  
Deputy Commissioner  
Iowa Insurance Division

Ann Frohman

---

---

Date

Date



Ann Frohman specializes in insurance regulatory law, bringing almost three decades of experience in designing an advocacy approach for client needs when it comes to seeking insurance department approvals on applications, filings, reporting and corporate matters. In addition, as a former insurance commissioner and state insurance department general counsel, Ann Frohman maneuvers the insurance regulatory system with a national practice providing representation on matters before the National Association of Insurance Commissioners on model law and policy. At the forefront of the issues, Ann has deep networks in insurance regulation to bring perspective to client expectations and timelines by bridging political, regulatory and communication barriers.

#### Ann M. Frohman, Esq.

##### Work Experience

- Frohman Law Office, LLC, Lincoln, Nebraska April 2012--Present  
Founding Attorney, National Insurance Government Relations and M&A Practice
- Physicians Mutual Insurance Company, Omaha, Nebraska Dec. 2010--Mar. 2012  
Senior Vice President, Government and Industry
- Nebraska Department of Insurance, Lincoln, Nebraska Jan. 2000--Nov. 2010  
Director of Insurance, Deputy Director, General Counsel
- Other Experience  
Outside Corporate Director, Resolution Holdings, Inc., Resolution Life, Inc., Lincoln Benefit Life  
Outside Corporate Director, Farmers Mutual Insurance Co of NE  
Nebraska State Risk Manager, Head of Employee Benefits - 18,000 employees  
Brick and Mortar Transformation to E Commerce Platform/Capital Investment Advisor/Operations Manager  
Judicial Clerk, Nebraska Supreme Court, Nebraska Department of Justice Law Clerk  
Pension Plan Activations

##### Specific Areas of Insurance Knowledge

- Actuarial Qualifications
- Administrative Law
- Agents and Brokers
- Auto Warranty
- Cyber Risk Compliance
- Unfair Claims Settlement
- Corporate Governance
- Corporate Structures
- Dental Insurance
- Federal Insurance Office
- Fiduciary Issues
- Fraternal Organizations
- Guaranty Funds
- Government Hearings
- Health Insurance/Markets
- Insurer Investments
- Insurance Holding Companies
- IIPRC/Interstate Compact Filings
- Legislative Drafting/ Model Laws
- Life Insurance
- Long-term Care
- Market Conduct
- Medicare Supplement
- Patient Compensation Funds
- Property and Casualty
- Product Compliance
- Public Adjusting
- Rates and Forms
- Reporting Requirements
- Risk Management
- Risk Retention Groups
- Surplus Lines
- Title Insurance
- Unclaimed Property
- Insurtech Compliance
- Workers Compensation

##### Unique Case Work and Strategic Development, Advocacy

- M&A review provided to government involving acquisition of insurer by Chinese firm in daily news on WSJ
- Advised Fortune 50 health insurer on state regulatory strategy as well as on a specific M&A strategy with states

- Fashioned Product Design and Filing Approval and refined 50 state game plan for global broker, enabling Innovative Annuity for Medicare insurance premium support
- Mobilized top health insurers for advocacy game plan on accounting treatment for ACA health insurer fee
- As architect of NAIC group solvency overhaul testified before US Senate Financial Services Committee, Subcommittee on Capital Markets regarding insurance regulatory response to AIG on NAIC approach
- Seized and successfully sold troubled title insurers during financial crisis thereby preserving title insurance market
- One of two US participants consulted on developing international insurance core principle for insurance groups
- Authored "Windows and Wall" framework for US holding companies, on insurance fraud, surplus lines, and instrumental on licensing, receiverships, and guaranty funds
- Instrumental lead on shaping law and policy regarding insurance fraud, surplus lines, licensing, receiverships, and guaranty funds
- Launched first US-based global supervisory college, upon which all future colleges would be modeled
- Activated a multistate market conduct settlement of Fortune 50 insurer which resulted in settlement with 32 states, creating template for quicker resolution of multistate market conduct settlements through NAIC's MAWG
- Represent healthcare providers on delivery of care issues before state legislature
- Launched insurer coalition that lobbied Congress on Deficit Reduction Plan thereby avoiding potential harm to Medicare Supplement owners and insurers in the market
- Created, implemented a national education campaign to save lives for national fire marshals and manufacturers
- Lead strategist and advocate for national adjuster association before NAIC
- Fashioned and implement actuarial education advocacy plan on behalf of global educator seeking US recognition on financial statements

#### Professional Memberships

- National Association of Corporate Directors (NACD) – *Fellow in Corporate Governance*
- Association of Insurance Compliance Professionals (AICP)
- Insurance Regulatory Examiners Society (IRES)
- International Association of Insurance Supervisors, *Past Member*
- Interstate Insurance Product Compact Commission, *Past Finance Chair*
- National Association of Insurance Commissioners, *Past Member*
- Nebraska Insurance Federation
- Society of Financial Examiners (SOFE), Bestowed *Honorary Member*
- Solvency Modernization Task Force, *Past Member, Chair Group Solvency*

#### Education and Current License

- Certificate, Wharton School of Business, University of PA, Executive Education in Accounting and Finance, 2016
- Juris Doctorate, University of Nebraska College of Law, Lincoln, Nebraska, 1989
- Bachelor of Science in Political Science, History, University of Nebraska-Kearney, 1985
- Admitted to practice law in 1989



© Frohman Law Office LLC 2017, All Rights Reserved

