

**IINSUREme™**  
**STATEMENT OF POLICIES**  
**Effective September 1<sup>st</sup>, 2021**

**SECTION 1 – CORPORATE MISSION STATEMENT**

IINSUREme™ 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 Representatives at the top of our priority list.

IINSUREme™ provides a one-of-a-kind opportunity to build generational wealth by “becoming your own Representative” 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 Representative Agreement**

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

**2.2 Purpose of Policies**

IINSUREme™ is a direct sales company that markets its products through Independent Representatives. Your success and the success of your fellow Representatives depend on the integrity of the men and women who market IINSUREme™ products. To clearly define the relationship that exists between the Representative and IINSUREme™, and to set a standard for acceptable business conduct, IINSUREme™ has established this Agreement. IINSUREme™ Representatives 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 IINSUREme™ 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 Representative, and the Company.

If you have any questions regarding any policy or rule, do not hesitate to seek an answer from IINSUREme™. 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, IINSUREme™ 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 Representative Agreement, a Representative agrees to abide by all amendments or modifications that IINSUREme™ elects to make. The continuation of a Representative's IINSUREme™ business or a Representative's acceptance of bonuses or commissions also constitutes acceptance of any and all amendments.

### **2.4 Delays**

IINSUREme™ 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 IINSUREme™ to exercise any right or power under the Agreement or to insist upon strict compliance by a Representative with any obligation or provision of the Agreement shall not constitute a waiver of IINSUREme'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 IINSUREme™ of any violation of any provision of the Agreement can be effectuated only in writing by an authorized officer of the Company. IINSUREme's waiver of any particular breach by a Representative shall not affect or impair IINSUREme's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Representative. Nor shall any delay or omission by IINSUREme™ to exercise any right arising from a breach affect or impair IINSUREme's rights as to that or any subsequent breach. The existence of any claim or cause of action of a Representative against IINSUREme™ shall not constitute a defense to IINSUREme's enforcement of any term or provision of the agreement.

## **2.7 Representative Waiver**

Through my acceptance of the Statement of Policies and by participating in the IINSUREme™ income opportunity, I understand and grant permission to IINSUREme™ 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 IINSUREme™ and all other associated legal entities and will not be returned. I hereby irrevocably authorize IINSUREme™ to edit, alter, copy, exhibit, publish, or distribute my own image, voice, or likeness for purposes of publicizing or promoting the IINSUREme™ 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 IINSUREme™ 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 REPRESENTATIVE**

Representatives are independent contractors of the Company granted a non-exclusive authorization to sell IINSUREme™ products in accordance with the terms and conditions set forth by the Company. Acceptance by the Company of a Representative 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**

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

### **3.2 Application Requirements**

To become an IINSUREme™ Representative, 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 IINSUREme™ has officially announced is open for business;
- c) Provide a valid Social Security, required by federal law for income reporting purposes;
- d) Purchase an IINSUREme™ Starter Kit (website, debit card, and back office - optional in ND);
- e) Accurately complete and submit a Representative Application and Agreement to IINSUREme™, 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 IINSUREme™ Representative by submitting its Certificate of Incorporation, Partnership Agreement, or trust documents (these documents are collectively referred to as the “Entity Documents”) to IINSUREme™, along with a properly completed Business Entity Registration form. An IINSUREme™ business may change its status under the same sponsor from an individual to a business entity or from one type of entity to another. 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 IINSUREme™. To prevent the circumvention of Section 4.25 (regarding transfers and assignments of IINSUREme™ business), if an additional partner, shareholder, member, or other business entity Representative is added to a business entity, the original applicant must remain as a party to the original Representative Application and Agreement. If the original Representative 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 Representative. All bonus and commission checks will be sent to the address of record of the original Representative. 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. IINSUREme™ may, at its discretion, require notarized documents before implementing any changes to an IINSUREme™ business. Please allow thirty (30) days after the receipt of the request by IINSUREme™ for processing.

### **3.4 Representative Benefits**

Once a Representative Application and Agreement has been accepted by IINSUREme™, the benefits of the Marketing and Compensation Plan and the Representative Agreement are available to the new Representative. These benefits include the right to:

- a) Sell IINSUREme™ products;
- b) Participate in the IINSUREme™ Marketing and Compensation Plan (receive commissions, bonuses and referral fees, if eligible);
- c) Sponsor Representatives in the IINSUREme™ business and sell to others as Customers or Preferred Customers, and thereby build a sales and marketing organization and progress through the IINSUREme™ Marketing and Compensation Plan;
- d) Receive periodic IINSUREme™ literature and other IINSUREme™ communications;
- e) Participate in IINSUREme-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 IINSUREme™ for its Representatives.

### **3.5 Representative**

A person may join IINSUREme™ as an Agency Owner or a Producer. Collectively, all are known as Representatives. **Fees to participate are non-refundable.**

### **3.6 Term and Renewal of Your IINSUREme™ Business**

The term of the Representative Agreement renews monthly from the date of its acceptance by IINSUREme™ (subject to reclassification pursuant to Section 11). In order for a Representative to continue receiving commissions, referral fees, overrides and bonuses, said Representative must maintain active status. If a Representative is considered inactive for any other reason (see

3.7 below), the Representative's website will be removed and said Representative immediately forfeits any future referral fees, commissions, overrides, and bonuses.

### **3.7 Active Status**

Active status is generally defined as paying the monthly autoship fee. If a Representative fails to pay the monthly fee, IINSUREme will make 4 attempts to process the fee (spread out over 2 weeks). Upon the 4<sup>th</sup> failed attempt, the Representative's account is automatically terminated.

## **SECTION 4 - OPERATING AN IINSUREme™ BUSINESS**

### **4.1 Adherence to the IINSUREme™ Marketing and Compensation Plan**

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

### **4.2 Advertising**

#### **4.2.1 General**

All Representatives shall safeguard and promote the good reputation of IINSUREme™ and its products. The marketing and promotion of IINSUREme™, the IINSUREme™ opportunity, the Marketing and Compensation Plan, and IINSUREme™ 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 IINSUREme™ offers, Representative shall use the sales tools and support materials produced by IINSUREme™. The rationale behind this requirement is simple. IINSUREme™ has carefully designed its products, product labels, Marketing and Compensation Plan, and promotional materials to ensure that each aspect of IINSUREme™ is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal, state and local laws.

If IINSUREme™ Representatives 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 IINSUREme™ is almost certain. These violations, although they may be relatively a few in number, would jeopardize the IINSUREme™ opportunity for all Representatives. Accordingly, Representative may only use literature, advertisements, sales tools, and promotional materials created by the Company.

However, on a case-by-case basis, IINSUREme™ holds the right to make an exception to the rule under the following circumstances. Representatives who are Managing General Representatives (i.e., a. have an active Property & Casualty license b. have referred a minimum of five policies and \$10,000 in annualized premium and c. have referred a minimum of three Senior Representatives) 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 IINSUREme™ Independent Representative 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 Representative must receive specific written approval to use the “Reviewed by iim” sticker, or the request shall be deemed denied. IINSUREme™ may MGAs (as defined above) to sell independently produced sales aids to other IINSUREme™ Representatives on their sales team. Therefore, Representatives who receive authorization from IINSUREme™ 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 Agency organization free of charge if they wish, but may not charge other IINSUREme™ Representatives for the material. IINSUREme™ further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and Representatives waive all claims for damages or remuneration arising from or relating to such rescission.

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

If Representative 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 IINSUREme™ templates. Alternatively, Representative may develop his/her own web pages or sites. However, any Representative 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 Representative. Representative web pages or websites may not contain the phrase “As Seen on TV” or have any verbiage regarding infomercials. Qualified Representatives 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 Representative wishes to register their website with IINSUREme™, 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. IINSUREme™ reserves the right to refuse to register or to revoke the registration of any Representative-developed site that does not comply with the above requirements or otherwise violates any provision of this Statement of Policies. In the event a Representative-developed site is approved for registration by IINSUREme™, the Company will supply Representative an “IINSUREme™ Reviewed” site logo for use on the approved website homepage for one year. If a Representative already has a website for another company, Representative may add a link to his/her current site that simply points to the IINSUREme™ 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, Representative agrees that they shall not promote or make claims about the IINSUREme™ opportunity or IINSUREme™ 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 IINSUREme™ products in any online auction sites is strictly prohibited.

#### **4.2.4 Domain Names**

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

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

A Representative wishing to engage in search engine marketing to drive traffic to their approved Representative 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 IINSUREme™ website," etc., appear in any sponsored links or ads of Representative that are displayed on any search result page. Neither Representative website pages nor the sponsored links or ads of Representative that are displayed on any search result page may contain the phrase "As Seen on TV."

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

IINSUREme™ will not allow the use of its trade names, trademarks, designs, or symbols by any person, including IINSUREme™ Representative, without its prior written permission.

Representatives may use only the Independent IINSUREme™ Representative logo developed for them by the Company.

Representative may not produce for sale or distribution any recorded Company events and speeches without written permission from IINSUREme™. Nor may Representative reproduce for sale or for personal use any recording of Company-produced audio or videotape presentations.

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

Representative must not attempt to respond to media inquiries regarding IINSUREme™, its products, or their independent IINSUREme™ business. All inquiries by any type of media must be immediately referred to IINSUREme'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 IINSUREme™ does not consider Representatives 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, Representatives must not engage in telemarketing in the operation of their IINSUREme™ businesses. The term "telemarketing" means the placing of one or more telephone calls to an

individual or entity to induce the purchase of an IINSUREme™ product, or to recruit them for the IINSUREme™ opportunity. “Cold calls” made to prospective customers or Representative that promotes either IINSUREme’s products or the IINSUREme™ opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Representative (a “prospect”) is permissible under the following situations:

a) Representative has an established business relationship with the prospect. An “established business relationship” is a relationship between a Representative and a prospect based on the prospect’s purchase, rental, or lease of goods or services from Representative, or a financial transaction between the prospect and Representative, 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 Representative, within the three (3) months immediately preceding the date of such a call. c) Representative receives written and signed permission from the prospect authorizing the Representative to call. The authorization must specify the telephone number(s) that Representative is authorized to call. d) Representative may call his/her family members, personal friends, and acquaintances. An “acquaintance” is someone with whom Representative has at least a recent, first-hand relationship within the preceding three (3) months. Bear in mind, however, that if Representative engages in “card collecting” with everyone Representative meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if Representative engages in calling “acquaintances,” he/she must make such calls on an occasional basis only and not make this a routine practice. In addition, Representative shall not use automatic telephone dialing systems relative to the operation of their IINSUREme™ 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 a Representative Agreement to IINSUREme™, applicants and Representatives grant permission to IINSUREme™ to contact them by telephone, email, and/or fax to promote the sale of IINSUREme™ products and to promote the IINSUREme™ opportunity.

#### **4.2.9 Unsolicited Email**

IINSUREme™ does not permit Representative 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 a Representative that promotes IINSUREme™, the IINSUREme™ opportunity, or IINSUREme™ 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 Representative’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 a Representative receives an opt-out request from a recipient of an email, the Representative must forward the opt-out request to the Company. IINSUREme™ may periodically send commercial emails on behalf of Representatives. By entering into the Representative Agreement, Representative agrees that the Company may send such emails and that Representative’s email



address will be included in such emails, as outlined above. Representative 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, Representative may not use or transmit unsolicited faxes or use an automatic telephone dialing system in relating to the operation of their IINSUREme™ 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 IINSUREme™, 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 Representative 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 Representative and a person, on the basis of (a) an inquiry, application, purchase, or transaction by the person regarding products offered by such Representative, or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

#### **4.3 Bonus Buying Prohibited**

IINSUREme™ 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 Representative Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as a Representative or Preferred Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Representatives or Preferred Customers (“phantoms”); (d) purchasing IINSUREme™ products on behalf of another Representative or Preferred Customer, or under another Representative’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 Representative must immediately notify IINSUREme™ 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 IINSUREme™ Representative Support upon reception of the appropriate forms.

#### **4.5 Change of Sponsor**

Maintaining the integrity of sponsorship is vital for the success of every Representative and marketing organization. Accordingly, the request to transfer an IINSUREme™ business from one Sponsor to another is rarely permitted. Requests for change of sponsorship must be submitted in writing to the Compliance Department and must include the reason for the transfer. An exception is in the event of compression where the sponsor of a Representative is automatically changed. In this case, an email or phone call with the reason for the transfer is sufficient. Any such requests are subject to approval by IINSUREme™. Such changes must receive final approval from IINSUREme™, and the effects of sponsorship changes shall only

apply to future qualifications and commission computations, which shall only take effect once IINSUREme™ 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 IINSUREme™ 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. A Representative can only be moved inside the same Sponsor's organization. If approved, a Representative will be placed in the first available open, bottom position on the date that the change is made. A Representative 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**

When enrollments are done through the Company call center, the Representative understands that the new enrollee will be placed inside a company-wide matrix. The Representative will maintain direct sponsorship for qualification and bonus purposes; however, the new enrollee may be placed in any of the five (5) levels beneath the direct sponsor/Representative. The Company may also place new enrollees that have enrolled through a Representative's website with verbal permission from the Representative.

#### **4.5.2 Cancellation and Re-application**

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

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

##### **4.6.1 Indemnification**

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

##### **4.6.2 Product Claims**

Except for information contained in official IINSUREme™ literature, Representative may not make any claims (which include personal testimonials) as to any therapeutic, curative, or beneficial properties of any products offered by IINSUREme™. In particular, no Representative

may make any claim that IINSUREme™ 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 IINSUREme™ policies, but they potentially violate federal, state and local laws and regulations.

#### **4.6.3 Income Claims**

In their enthusiasm to enroll prospective Representatives, some Representatives are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because a new Representative may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At IINSUREme™, we firmly believe that the IINSUREme™ 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 Representatives 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 IINSUREme™, as well as the Representative making the claim, unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because IINSUREme™ Representatives do not have the data necessary to comply with the legal requirements for making income claims, a Representative, presenting or discussing the IINSUREme™ opportunity or Marketing and Compensation Plan to a prospective Representative, may not make income projections, income claims, or disclose his or her IINSUREme™ income (including the showing of checks, copies of checks, bank statements, or tax records).

#### **4.7 Commercial Outlets**

Representative may not sell IINSUREme™ products from a national chain or national commercial outlets. National outlets are defined as companies that have more than five locations. Representatives may not display or sell IINSUREme™ products in any retail establishments that have more than five locations. Display of IINSUREme™ 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**

Representative may display and/or sell IINSUREme™ products at trade shows and professional expositions. IINSUREme™ does not restrict the number of Representatives at any given event or trade show. However, it is expected that each Representative 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, IINSUREme™ expects Representative to work in cooperation with other IINSUREme™ Representatives and to maintain a positive presentation of the Company. Representative 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 IINSUREme™ Representatives in order to obtain future customers and prospects. IINSUREme™ reserves the right to refuse Representative's participation at any function that it does not deem a suitable forum for the promotion of its products or the IINSUREme™ opportunity.

## **4.9 Conflicts of Interest**

### **4.9.1 Non-solicitation**

IINSUREme™ Representatives 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, Representative may not directly or indirectly recruit other IINSUREme™ Representatives or Preferred Customers for any other network marketing business. Following the cancellation of a Representative’s Independent Representative Agreement, and for a period of six calendar months thereafter, with the exception of a Representative who is personally sponsored by a former Representative, a former Representative may not recruit any IINSUREme™ Representative or Preferred Customer for another network marketing business. Representative 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, Representative and IINSUREme™ agree that this non-solicitation provision shall apply to all markets in which IINSUREme™ 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 IINSUREme™ Representative 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 Representative’s actions are in response to an inquiry made by another Representative or a Preferred Customer.

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

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

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

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

Agency Activity Reports are available for Representative access and viewing at IINSUREme’s official website. Representative 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 IINSUREme™. Agency Activity Reports are provided to Representative in strictest confidence and are made

available to Representative for the sole purpose of assisting Representative in working with their respective Agency organizations in the development of their IINSUREme™ business.

Representative should use their Agency Activity Reports to assist, motivate, and train Representatives within their Agency. The Representative and IINSUREme™ agree that, but for this agreement of confidentiality and nondisclosure, IINSUREme™ would not provide Agency Activity Reports to the Representative. A Representative 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 IINSUREme™ or for any purpose other than promoting his or her IINSUREme™ business; and/or
- d) Recruit or solicit any Representative or Preferred Customer of IINSUREme™ listed on any report or in any manner attempt to influence or induce any Representative or Preferred Customer of IINSUREme™ to alter their business relationship with IINSUREme™. Upon demand by the Company, any current or former Representative will return the original and all copies of Agency Activity Reports to the Company.

#### **4.9.4 Leads Received from IINSUREme™**

IINSUREme™ may develop a lead generation program whereby the Company acquires leads of prospective Customers and Representatives and sells or otherwise distributes them to qualified Representatives. When a Representative receives or purchases any such lead from the Company, the Representative agrees that he or she shall use such lead solely for the purpose of promoting the IINSUREme™ products and opportunity to the prospective Customer or Representative. The Representative further agrees that s/he shall not use the information contained in the lead to promote any non-IINSUREme™ product, service, or opportunity. If at any time the Representative is no longer actively training and supporting their Agency, 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, Representative agrees to allow them and their immediate Representatives to be transferred to a new sponsor.

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

IINSUREme™ does not condone Representatives specifically or consciously targeting the sales force of another direct sales company to sell IINSUREme™ products or to become a Representative for IINSUREme™, nor does IINSUREme™ condone Representative 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 Representative 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 a Representative alleging that s/he engaged in inappropriate recruiting activity of a company's sales force or customers, IINSUREme™ will not pay any of Representative's defense costs or legal fees, nor will IINSUREme™ indemnify the Representative 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 Representative Agreement on file with IINSUREme™, 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. Representative shall not demean, discredit, or defame other IINSUREme™ Representative in an attempt to entice another Representative to become part of the first Representative's marketing organization. This policy shall not prohibit the transfer of an IINSUREme™ business in accordance with Section 4.25. If cross sponsoring is discovered, it must be brought to the Company's attention immediately. IINSUREme™ may take disciplinary action against the Representative who changed organizations and/or those Representatives who encouraged or participated in the cross sponsoring. IINSUREme™ may also move all or part of the offending Representative's organization to his or her original organization if the Company deems it equitable and feasible to do so. However, IINSUREme™ is under no obligation to move the cross-sponsored Representative's organization, and the ultimate disposition of the organization remains within the sole discretion of IINSUREme™. Representative waives all claims and causes of action against IINSUREme™ arising from or relating to the disposition of the cross-sponsored Representative's organization.

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

If Representative has questions about or believes any errors have been made regarding referral fees, bonuses, Agency Activity Reports, or charges, Representative must notify IINSUREme™ in writing within thirty (30) days of the date of the purported error or incident in question. IINSUREme™ 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, Representative shall not represent or imply that IINSUREme™ or its Marketing and Compensation Plan have been "approved," "endorsed," or otherwise sanctioned by any government agency.

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

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

#### **4.15 Identification**

All U.S. Representatives are required to provide their Social Security Number to IINSUREme™. IINSUREme™ uses this information for income reporting purposes only. Upon enrollment, the Company will provide a unique Representative Identification Number to the Representative by which s/he will be identified. This number will be used to place orders and to track referral fees and bonuses. International Representatives working as U.S. Representatives may be required to provide appropriate forms that fulfill US law and preclude registration in their home country. Under its right of contract, IINSUREme™ 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 Representatives.

#### **4.16 Income Taxes**

Each Representative is responsible for paying local, state, and federal taxes on any income generated as an Independent Representative. If an IINSUREme™ business is tax exempt, the federal tax identification number must be provided to IINSUREme™. Every year, IINSUREme™ 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**

Representative 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. Representative 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, IINSUREme™ must limit the resale of IINSUREme™ products and the presentation of the IINSUREme™ business to prospective customers and Representatives 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 Representatives to conduct business in markets not yet opened by IINSUREme™ would violate the concept of affording every Representative the equal opportunity to expand internationally.

IINSUREme™ shall hold the Representative personally liable for losses related to illegal business activities in unauthorized markets, and Representative agrees to indemnify IINSUREme™ and IINSUREme's directors, officers, employees, and Representatives, and to hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by IINSUREme™ as a result of a Representative's unauthorized violation of this policy. This provision shall survive the termination of the Representative Agreement.

Accordingly, Representatives are authorized to sell IINSUREme™ products and to enroll Preferred Customers or Representatives only in the countries in which IINSUREme™ is authorized to conduct business, as announced in official Company literature. IINSUREme™ products or sales aids cannot be shipped into or sold in any foreign country. Representative may sell, give, transfer, or distribute IINSUREme™ 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 Representative may, in any unauthorized country: (a) conduct sales, enrollment, or training meetings; (b) enroll or attempt to enroll potential customers or Representatives; or (c) conduct any other activity for the purpose of selling IINSUREme™ products, establishing a marketing organization, or promoting the IINSUREme™ opportunity. Representative understands that conducting any pre-launch activity in countries not officially open for IINSUREme™ business is against company policy and may be illegal in some countries.

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

Representatives 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 Representatives because of the nature of their business. However, Representatives must obey those laws that do apply to them. If a city or county official tells a Representative that an ordinance applies to him or her, the Representative shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of IINSUREme™. In most cases, there are exceptions to the ordinance that may apply to an IINSUREme™ Representative.

#### **4.20 Minors**

A person who is recognized as a minor in his/her state of residence may not be an IINSUREme™ Representative. Representative shall not enroll or recruit minors into the IINSUREme™ 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 IINSUREme™ business. Representative 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. Representative 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. Representative's position may be converted into a business entity pursuant to Section 4.4. To maintain the integrity of the IINSUREme™ 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 Representative Individuals**

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

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

Any request from Representative 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 IINSUREme™ Business**

Although an IINSUREme™ business is a privately owned, independently operated business, the sale, transfer, or assignment of an IINSUREme™ business is subject to certain limitations. If



Representative wishes to sell his or her IINSUREme™ business, the following criteria must be met:

- a) Protection of the existing line of sponsorship must always be maintained so that the IINSUREme™ business continues to be operated in that line of sponsorship. Therefore, the Sponsor of said business will have the right of refusal after IINSUREme's rights to said business under the same terms as the original offer to purchase.
- b) The buyer or transferee must become a qualified IINSUREme™ Representative. If the buyer is an active IINSUREme™ Representative, he or she must first terminate his or her IINSUREme™ business and wait six (6) calendar months before acquiring any interest in a different IINSUREme™ business.
- c) Before the sale, transfer, or assignment can be finalized and approved by IINSUREme™, any debt obligations the selling Representative has with IINSUREme™ must be satisfied.
- d) The selling Representative 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 IINSUREme™ business.
- e) Seller agrees to a three-year, worldwide, non-compete agreement that they will not solicit, directly or indirectly, any IINSUREme™ Representative into another direct-selling opportunity.
- f) IINSUREme™ maintains first right to claim the sale, transfer, or re-assignment of any given IINSUREme™ business. In the event that IINSUREme™ does not lay claim to the available business, all other proposals concerning the sale, transfer, or re-assignment must be approved by IINSUREme™ in writing and are subject to the Company's discretion for approval. Prior to selling an IINSUREme™ business, the selling Representative must notify IINSUREme's Compliance Department in writing of his or her intent to sell the IINSUREme™ business. No changes in line of sponsorship can result from the sale or transfer of an IINSUREme™ business. Representative 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 IINSUREme™ Business**

IINSUREme™ Representatives sometimes operate their IINSUREme™ 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 Representatives and the Company in a timely fashion, IINSUREme™ will involuntarily terminate the Representative'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 IINSUREme™ business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners, or trustees authorize IINSUREme™ to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.
- b) The parties may continue to operate the IINSUREme™ business jointly on a "business-as-usual" basis, whereupon all compensation paid by IINSUREme™ 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 IINSUREme™ split referral fees and bonus checks between divorcing spouses or members of dissolving entities. IINSUREme™ will recognize only one organization

and will issue only one commission check per IINSUREme™ 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 Representative's Agreement shall be involuntarily canceled. If a former spouse has completely relinquished all rights in the original IINSUREme™ 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 Representative who retains no interest in the business must wait six (6) calendar months from the date of the final dissolution before re-enrolling as a Representative. In either case, however, the former spouse or business Representative shall have no rights to any Representative 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 Representative.

#### **4.26 Sponsoring**

All Active Representatives in good standing have the right to sponsor and enroll others into IINSUREme™. Each prospective Preferred Customer or Representative has the ultimate right to choose his or her own Sponsor. If two Representatives claim to be the Sponsor of the same new Representative 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 Representative, 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, Representative should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an IINSUREme™ 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 Representative's marketing organization, provided the following qualifications are met. The successor(s) must:

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

Bonus and referral fee checks of an IINSUREme™ business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide IINSUREme™ 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. IINSUREme™ will issue all bonus and referral fee checks and one Form 1099 to the business entity.

#### **4.28 Transfer upon Death of a Representative**

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

#### **4.29 Transfer upon Incapacitation of a Representative**

To effectuate a transfer of an IINSUREme™ business because of incapacity, the successor must provide the following to IINSUREme™: (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 IINSUREme™ business; and (3) a completed Representative Agreement executed by the trustee or conservator.

### **SECTION 5 - RESPONSIBILITIES OF REPRESENTATIVE**

#### **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 IINSUREme's files are always kept current. Street addresses are required for shipping because the carrier under contract cannot deliver to a post office box. Representatives planning to change their e-mail address or to move must send their new address and telephone numbers to IINSUREme's Corporate Offices to the attention of the Representative Services Department. To guarantee proper delivery, two weeks advance notice must be provided to IINSUREme™ on all changes.

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

Any Representative who sponsors another Representative into IINSUREme™ must perform a bona fide assistance and training function to ensure that his or her Agency is properly operating his or her IINSUREme™ business. Representative must have ongoing contact and communication with the Representative in their Agency 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 Agency Representative to IINSUREme™ meetings, training sessions, and other functions. Upline Representatives are also responsible for motivating and training new Representatives in IINSUREme™ product knowledge, effective sales techniques, the IINSUREme™ Marketing and Compensation Plan, and compliance with this Statement of Policies. Communication with and the training of Agency Representatives must not, however, violate Section 4.2 (regarding the development of Representative-produced sales aids and promotional materials). Representative should monitor the Representatives in their Agency organizations to guard against Agency Representative making improper product or business claims or engaging in any illegal or inappropriate conduct. As Representative progresses through the various levels of leadership, s/he will become more experienced in sales techniques, product knowledge, and understanding of the IINSUREme™ program. Representative will be called upon to share this knowledge with less-experienced Representatives within their organization. Regardless of their level of achievement, Representative 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**

IINSUREme™ wants to provide its Independent Representatives 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 Representative Support Department. Remember, to best serve Representatives, we must hear from them. While IINSUREme™ welcomes constructive input, negative comments and remarks made in the field by Representatives about the Company, its products, or Compensation Plan serve no purpose

other than to sour the enthusiasm of other IINSUREme™ Representatives. For this reason, and to set the proper example for their Agency, Representative agrees that they will not encourage their Representatives 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 Representatives, subsidiaries, members, managers, employees, officers, directors, executives, Representatives, Representatives, or products and services.

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

Representative must provide the most current version of the Statement of Policies and the Compensation Plan to individuals whom they are sponsoring to become Representatives before the applicant(s) sign a Representative Agreement. Additional copies of the Statement of Policies can be downloaded from IINSUREme's website.

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

A Representative who observes a policy violation by another Representative should submit a written report of the violation directly to the attention of the IINSUREme™ 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 IINSUREme™ Marketing and Compensation Plan is based on the sale of IINSUREme™ products to end consumers. Representatives must fulfill personal and Agency 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 Representative to be eligible for commissions:

- a) Representatives must be appropriately licensed to earn referral fees on insurance products.
- b) Representatives must satisfy the Personal Annualized Volume and/or Group Annualized Volume requirements to fulfill the requirements associated with their rank, as specified in the IINSUREme™ Marketing and Compensation Plan. "Personal Volume" includes purchases made by the Representative and purchases made by the Representative's personal Customers. Group Volume shall include the total Sales Volume of all Representatives in his or her marketing organization, but shall not include the Representative's Personal Volume.

- c) If at any point in the future, IINSUREme™ offers non-licensed and non-insurance related products or services, at least 70% of a Representative's total monthly Personal Volume must be sold to end product consumers or consumed with regards to those particular products/services. IINSUREme™ may require proof of previous sales prior to honoring an order for any product by a Representative. Representative must certify that s/he has sold at retail at least 70% of all prior physical inventory purchased. Representative will be allowed by IINSUREme™ 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 Representative will be grounds for termination of the Agency of the violating party. For this reason, it is important that the Representative 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) IINSUREme™ recommends that Representative-Representatives 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 – COMPENSATION**

### **7.1 Referral Fees, Overrides, and Bonuses**

#### **7.1.1 Insurance Referral Fees**

Active Representatives with a Personal Lines insurance license will earn monthly insurance referral fees of 0.4% (4.8% annually) on any Personal Volume (PV) **above the first \$2,500**.

We pay the same on both new and renewed business.

#### **7.1.2 Insurance Overrides**

Active Licensed Representatives earn Insurance Overrides **on the first \$2,500** that any Representative refers thru 3 levels within their agency as follows:

L1: 0.4% per month (4.8% annually) times the volume

L2: 0.4% per month (4.8% annually) times the volume

L3: 0.8% per month (9.6% annually) times the volume

Licensed Representatives earn Insurance Overrides of 0.1% per month (1.2% annually) on any volume **above the first \$2,500** that any of their PSRs refer.

Insurance Overrides are paid based on **Placement**. This means that you may sponsor a PSR and place that person on any of the 3 levels of overrides. Whatever level your PSR is placed on will pay the overrides from that level.

Qualifications for **Insurance Overrides** are as follows:

a. \$2,500 in PV

b. 1 PSR

#### **7.1.3 Fast-Start Production Bonus**

From time to time, iINSUREme may offer a Fast-Start Production Bonus. These bonuses happen when you help any of your PSRs refer a policy within their first 30 days and are paid in addition to insurance overrides.

Fast-Start Production Bonuses are paid based on **Sponsorship**. This means that you may sponsor a PSR and place that person on any of the 3 levels of overrides. Regardless of where your PSR is placed, you (as the sponsor) will earn the bonus.

**PLEASE NOTE:** All compensation tied to insurance production requires a Personal Lines insurance license and is paid on or around the 15<sup>th</sup> of the month.

#### **7.1.4 Compression**

If a Representative cancels or is terminated, any PSRs he/she has enrolled (along with their agency) will roll up to his/her sponsor. Insurance volume referred by a PSR who has canceled or is terminated, however, is not compressed.

#### **7.1.5 Bonus and Referral Fee Qualifications**

Representative must be active and in compliance with the Agreement to qualify for bonuses, commissions and/or referral fees. So long as Representative complies with the terms of the Agreement, IINSUREme™ shall pay said bonuses, commissions and/or referral fees to such Representative in accordance with the Marketing and Compensation Plan. The minimum amount for which IINSUREme™ will issue payment is \$10. If Representative's bonuses, commissions, and/or referral fees do not equal or exceed \$10, the Company will accrue this remuneration until it totals \$10. A payment will be issued upon request or based on the Company's payment procedures, once \$10 has been accrued. If Representative 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 a Representative 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.

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

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

Representative receives bonuses and referral fees based on the actual sales of products to end consumers. When a product is returned to IINSUREme™ 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 Representative who received bonuses and referral fees on the sales of the refunded products/canceled policies; or (2) the Representative 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 IINSUREme™ in online agency activity reports, including but not limited to Personal Sales Volume and Group 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 IINSUREme™ 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, IINSUREme™ and/or other persons creating or transmitting the information will in no event be liable to any Representative 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 IINSUREme™ 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, IINSUREme™ or other persons creating or transmitting the information shall have no responsibility or liability to Representative 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 IINSUREme's online and telephone reporting services and Representative reliance upon such information is at his/her own risk. All such information is provided to Representative "as is." If Representative is dissatisfied with the accuracy or quality of the information, his/her sole and exclusive remedy is to discontinue use of and access to IINSUREme's online reporting services and his/her reliance upon the information.

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

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

As IINSUREme'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.

#### **8.3.1 Montana Residents**

A Montana resident may cancel his or her Representative Agreement within fifteen (15) days from the date of enrollment.

## **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 Representative that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to Representative's IINSUREme™ business), may result, at IINSUREme's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring of Representative 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 Representative all or part of Representative's bonuses and commissions during the period that IINSUREme™ is investigating any misconduct or alleged violations of the Agreement. If Representative's business is canceled for disciplinary reasons, Representative 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 Representative Agreement for one or more pay periods;
- Involuntary termination of the offender's Representative Agreement;
- Suspension and/or termination of the offending Representative's IINSUREme™ website or website access;

- Any other measure expressly allowed within any provision of the Agreement or which IINSUREme™ deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by Representative's policy violation or contractual breach;
- For situations deemed appropriate by IINSUREme™, 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 IINSUREme™.

## **9.2 Grievances and Complaints**

When Representative has a grievance or complaint with another Representative regarding any practice or conduct in relationship to their respective IINSUREme™ businesses, the complaining Representative 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 Upline 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. Representative 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 IINSUREme™ 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 IINSUREme'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 IINSUREme™ in their home forum pursuant to Arizona law.

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

### **10.1 Payments**

IINSUREme™ 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**

Representative shall not permit other Representatives 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 Representatives of this complex burden, IINSUREme™ 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 Representatives.

#### **10.3.1 Collection of Sales Taxes by IINSUREme™**

Under the terms of these agreements, IINSUREme™ 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 Representative. 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 Representative**

When Representative sells the products, s/he is required to collect the sales tax based on Representative's selling price. The taxes s/he collects will be a reimbursement for the taxes pre-collected by IINSUREme™. Representative will not have any additional reporting to do. Independent sellers are not required to have a sales tax license for their IINSUREme™ 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 Representative 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 Representatives 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**

IINSUREme™ as a company will not collect and remit sales tax for Independent Representatives 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 Representative making sales in these states or territories to register, collect, and remit these taxes to the applicable jurisdictions. Representative should contact the jurisdiction(s) where s/he is making sales to obtain the necessary forms to register and report. Independent Representatives are required to comply with the terms of these agreements. If Representative 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 Representative 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 Representative remains active and complies with the terms of the Representative Agreement and this Statement of Policies, IINSUREme™ shall pay referral fees to Representative in accordance with the Marketing and Compensation Plan. Representative's bonuses and referral fees constitute the entire consideration for Representative's efforts in generating sales and all activities related to generating sales (including building an Agency organization). Following Representative's non-renewal of his or her Representative Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Representative Agreement (all of these methods are collectively referred to as "cancellation"), the former Representative 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. A Representative whose business is cancelled will lose all rights as a Representative. This includes the right to sell IINSUREme™ products and services and the right to receive future referral fees, bonuses, or other income resulting from the sales and other activities of Representative's former Agency sales organization. In the event of cancellation, Representative agrees to waive all rights they may have, including but not limited to property rights, their former Agency organization, and any bonuses, referral fees, or other remuneration derived from the sales and other activities of his or her former Agency organization. Following Representative's cancellation of his or her Representative Agreement, the former Representative shall not hold themselves out as an IINSUREme™ Representative and shall not have the right to sell IINSUREme™ products or services. A Representative whose Representative 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).

### **11.3 Involuntary Cancellation**

Representative's violation of any of the terms of the Agreement, including any amendments that may be made by IINSUREme™ in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of his or her Representative Agreement. Cancellation shall be effective on the date on which written notice is emailed, mailed, faxed, or delivered by an express courier, to the Representative's last known email/physical address (or fax number), or to his/her attorney, or when the Representative receives actual notice of cancellation, whichever occurs first. IINSUREme™ reserves the right to terminate all Representative Agreements upon thirty (30) days written notice 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 after the initial 12-month agreement, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the Representative's signature, printed name, address, and Representative I.D. number. If a Representative was on the Company's Autoship program at the time of cancellation, the Autoship agreement shall be cancelled unless the Representative specifically requests that the Autoship agreement remain in effect. If the former Representative 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**

Representative may also voluntarily cancel his or her Representative Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew a Representative's Agreement upon its anniversary date or elect to change the status of the account to Retail/Preferred Customer based on receipt of payment for the renewal.

## **SECTION 12 - DEFINITIONS**

**Active Representative** — A Representative who satisfies the minimum Personal Sales Volume (PSV) requirements, as set forth in the IINSUREme™ 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 a Representative, as determined by the IINSUREme™ Marketing and Compensation Plan, for any referral fee qualification period. To be considered "Active" relative to a particular rank, a Representative must meet the criteria set forth in the IINSUREme™ Marketing and Compensation Plan for his or her respective rank (see the definition of "Rank").

**Agreement** — The contract between the Company and each Representative includes the Representative Application and Agreement, the IINSUREme™ Statement of Policies, the IINSUREme™ Marketing and Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by IINSUREme™ 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 a Representative’s business. Cancellation may be either voluntary, involuntary, through non-renewal, or inactivity.

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

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

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

**Group Volume (GV)** — The total value of insurance premiums generated directly from IINSUREme™ through a Representative’s agency organization. Group Volume does not include the Personal Volume of the subject Representative (Representative 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 a Representative 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 Agency Representatives in a particular Representative’s marketing organization. This term refers to the relationship of a Representative relative to a particular Upline Representative, determined by the number of Representatives 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 Agency sales needed to qualify and be paid for a given rank.

**Marketing Organization** — The Customers, Preferred Customers, and Representatives sponsored below a particular Representative.

**Official IINSUREme™ Material** — Literature, audio or videotapes, and other materials developed, printed, published, and distributed by IINSUREme™ to Representative.

**Paid-as-Rank** — Representative 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 Volume (PV)** — The total value of insurance premiums generated by a Representative in a calendar month based on sales: (1) by the Company to the Representative; and (2) by the Company to the Representative’s internet Customers and personally enrolled Preferred Customers.

**Points** — An arbitrary value assigned to each IINSUREme™ 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 IINSUREme™ 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

IINSUREme™ products at the Preferred Customer price and do not engage in building a business or retailing product.

**Placement by Upline** — The placement of a new Representative who is enrolled due to spillover by someone in the Upline. For example, if A has three Representatives enrolled directly under him or her (B and C), and A sponsors or enrolls D, D may spillover under the next available position in A's Agency.

**Recognition Title** — The "title" that a Representative has achieved pursuant to the IINSUREme™ 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 a Representative's Active Rank (see definition of "Active Rank").

**Recruit** — For purposes of IINSUREme'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 IINSUREme™ Representative 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 IINSUREme™ 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 IINSUREme™ labeling. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be resaleable.

**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 IINSUREme™ Representative Agreement within thirty (30) days from the date of the sale, or if an immediate household family member of the customer submits an IINSUREme™ Representative Agreement within 30 days of the sale, such sale shall not constitute a Retail Sale. A Representative's personal purchases from IINSUREme™ do not constitute Retail Sales.

**Sponsor** — A Representative who introduces and enrolls a customer, Preferred Customer, or a new Representative to IINSUREme™ and is listed as the Sponsor on the Representative Application and Agreement.

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