

MASTER GROUP AGREEMENT**BETWEEN****CRYSTAL RUN HEALTH INSURANCE COMPANY, INC.****(the "Plan")****AND**

("Group")

This is the Master Group Agreement (the "Agreement") made effective _____, 20___, between the Plan, with offices located at 155 Crystal Run Road, Middletown, NY 10941 and Group, with offices located at _____.

1. Purpose. This Agreement sets forth the terms and conditions on which the Plan will issue to Group certain health benefits certificates and/or riders for the benefit of Group's employees and/or members, and/or (if applicable) employees or members of Group's member firms or participants (collectively, as applicable, "Group Members").
2. Term of Agreement; Renewal. This Agreement and the coverage to be provided pursuant to it will be effective on the date set forth above, provided that the Group meets all underwriting criteria, and the first premium has been paid to the Plan by the effective date. The Agreement and coverage will continue for the period specified in the attached Premium Rate Schedule (the "Initial Term"), unless earlier terminated as provided below. The Agreement will automatically be renewed for successive one year renewal terms (each a "Renewal Term") on each subsequent anniversary of the effective date, unless earlier terminated as provided below.
3. Benefits.
 - a. Certificate. The Plan will provide group health care benefits (the "Benefits") to Group Members and their eligible dependents in the classification(s) specified under this Agreement. The Benefits, including limitations and exclusions, are described in the Group Certificate(s) and Riders(s), if any (collectively, the "Certificate") that are identified on the attached Premium Rate Schedule and made a part of this Agreement. If any provision of this Agreement conflicts with any provision of the Certificate, this Agreement controls.
 - b. Changes in Certificate. The Plan will not make any unilateral change to the Benefits without giving Group written notice at least 44 days prior to the anniversary of the effective date as of which the change is to be effective, unless the Plan is required by applicable law to implement such change on shorter notice. Upon receipt of notice of

a change in the Benefits, Group will be deemed to have accepted the change in the Benefits, unless Group provides written notice to the Plan, as set forth in the "Termination" section of this Agreement and in the Certificate, of its intention to terminate this Agreement.

4. Premiums. Group will pay premiums to the Plan to secure the Benefits for Group Members and their enrolled dependents.
 - a. Initial Premium Rates; Changes in Premium Rates. The initial premium rates are set out in the attached Premium Rate Schedule. Changes in premium rates will be made as set forth on the attached Schedule of Changes in Premium Rates.
 - b. Payment of Premiums. All premium payments are due in advance. Group must pay the first premium payment for the Benefits prior to the effective date of coverage. All subsequent premium payments must be paid on or before the due date; except that the Plan will allow Group a 30-day grace period after the due date for payment. At the option of the Plan, the Plan may charge, and Group will pay, a late charge of up to 18% per year for late payment of any premiums paid after the end of the grace period. The Plan will provide written notice to Group of any applicable late payment charges that are due and owing to the Plan. If requested, the Plan will provide to Group a written explanation of its method of calculation of the applicable late charges assessed.
 - c. Effect of Nonpayment.
 - i. If Group fails to pay the first premium payment due for the Benefits prior to the effective date, no coverage will be provided.
 - ii. If Group fails to pay any subsequent premium payment by the end of the grace period, the Plan may terminate the Agreement as set forth in the provision of the "Termination" section pertaining to default in the payment of premiums. In the event that the Plan terminates the Agreement for nonpayment of premiums:
 - the Plan will notify Group of its intention to terminate the Agreement for nonpayment of premiums, as set forth in the Agreement;
 - the Plan will include, with its notice of termination, a written notice to Group regarding Group's obligations under Section 217 of the New York Labor Law, as required by Section 4235 of the New York Insurance Law; and
 - Group will be responsible for the payment of all premiums and applicable late payment charges owed to the Plan as of the date of termination, which will be the first day following the end of the period for which premiums were paid.

- d. Cure of Default by Group. If, prior to the end of the grace period, Group pays all of the premiums and applicable late payment charges due and owing to the Plan, this Agreement will not be terminated by the Plan for nonpayment of premiums.;
5. Delivery of Notices and Materials. When notices or other materials (e.g., applications, identification cards, certificates, riders) are to be provided by the Plan to Group Members, the Plan may deliver them to Group, and Group will, in a timely manner, distribute them to the Group Members.
6. Termination.
 - a. By Group. This Agreement may be terminated by Group upon the provision of 30 days advance written notice to the Plan.
 - b. By the Plan. At the option of the Plan, this Agreement may be terminated by the Plan:
 - i. as of the date to which the premium has been paid, if the Plan does not receive premium payment from Group as of the end of the applicable grace period (if any);
 - ii. 30 days from the date on which the Plan provides notice to Group, if Group commits fraud or makes an intentional misrepresentation of material fact under the terms of this Agreement;
 - iii. 30 days from the date on which the Plan provides notice to Group, if Group no longer qualifies as a group. The Plan has certain administrative rules that describe the Plan's requirements for groups. The Plan's rules are consistent with New York State law and regulations governing the types of coverage issued by the Plan;
 - iv. 30 days from the date on which the Plan provides written notice to Group, if Group fails to comply or group participation rules, as permitted under Section 4235 of the Insurance Law;
 - v. 90 days from the date on which the Plan provides notice to Group that the Plan is discontinuing the class of contracts, certificates, riders or endorsements issued to the Group.
 - vi. six months from the date on which the Plan provides notice to Group, if the Plan withdraws from the applicable market through which Group obtained coverage under this Agreement;
 - vii. upon notice to Group, if there cease to be any Group Members who live, reside or work in the Plan's Service Area; or

- ix. for any reason approved by the Superintendent of the Department of Financial Services and authorized by the Health Insurance Portability and Accountability Act of 1996, and any later amendments or successor provisions, or by any federal regulations or rules that implement the provisions of the Act.
 - c. By the Superintendent. This Agreement will automatically terminate if the Superintendent of the Department of Financial Services of the State of New York informs the Plan that it may not participate in this Agreement.
 - d. Termination of Specific Certificates and Riders. The Plan may terminate specific group certificates and riders forming part of the Certificate 90 days from the date on which the Plan provides notice to Group, if the Plan terminates the entire class of contract to which such certificates and riders belong.
7. Relationship of Parties. The parties to this Agreement are independent contractors and are not to be construed as having any other relationship, either with respect to this transaction or any other transaction between the parties. No party will have, or hold itself out as having, the power or authority to bind or create liability for the other by its intentional or negligent act or omission.
8. Notices. All notices and other communications given under this Agreement must be in writing and delivered personally, by established overnight courier or by first class mail, postage prepaid, to the addresses set forth at the beginning or to such other address as one party may provide to the other in writing. Notices and communications will be deemed received at the time of personal delivery (except that, if personal delivery occurs on a day other than a business day, the next business day will be deemed the date of receipt), one business day after shipping via overnight courier, and three business days after mailing.
9. Jurisdiction; Venue. Jurisdiction of any litigation with respect to this Agreement will be in New York.
10. Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York.
11. Entire Agreement. This Agreement, including attached schedules (as they may be replaced or added from time to time constitutes the entire agreement among the parties and supersedes any prior understandings or agreements with respect to the subject matter. No changes, additions or modifications to the terms of this Agreement will be made or binding, unless in writing and signed by both parties.
14. Right to Audit. The Plan will have the right to conduct random audits of Group, to verify that Group is in compliance with the underwriting rules of the Plan, any rules imposed upon the Plan by external agencies/entities with authority over the Plan, and/or applicable law and regulation. Group will be required to provide the Plan with any and all documentation needed to facilitate the audit.
15. Required Disclosure. The Plan is required to notify Group of the following:

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and will also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

The parties' assent to the terms of this Agreement as of the date set forth at the beginning is established by their signatures below.

Dated: _____

Crystal Run Health Insurance Company,
Inc.

By: _____

Title: _____

Dated: _____

Insert Group Name

By: _____

Title: _____

**SCHEDULE OF ATTACHMENTS TO AGREEMENT
AND OTHER REQUIRED DOCUMENTATION**

I. Attached to Agreement by Plan

[

1. Premium Rate Schedule;
2. Schedule of Changes in Premium Rates;

]

II. Provided by Group

1. Completed group information form or enrollment questionnaire
2. Completed Addendum authorizing Broker and/or Administrator, if applicable.

PREMIUM RATE SCHEDULE

If the conditions in the Agreement are met, the Agreement has an effective date of [____], 20[___] for the Initial Term expiring [_____, 20__]. The renewal date is [_____, 20__].

Rates

For the Benefits described in the Agreement, including the Certificate (identified below), the Plan will charge and Group will pay the following premium rates:

Health

<i>Individual</i>	\$ _____
<i>Two-Person, Subscriber/Spouse</i>	\$ _____
<i>Parent and Child(ren)</i>	\$ _____
<i>Family</i>	\$ _____

[Other Riders:

Rider Name:

<i>Individual</i>	\$ _____
<i>Two-Person, Subscriber/Spouse</i>	\$ _____
<i>Parent and Child(ren)</i>	\$ _____
<i>Family</i>	\$ _____

Rider Name:

<i>Individual</i>	\$ _____
<i>Two-Person, Subscriber/Spouse</i>	\$ _____
<i>Parent and Child(ren)</i>	\$ _____
<i>Family</i>	\$ _____

Rider Name:

<i>Individual</i>	\$ _____
<i>Two-Person, Subscriber/Spouse</i>	\$ _____
<i>Parent and Child(ren)</i>	\$ _____

Family]

\$ _____

The above rates are effective for the Initial Term of the Agreement. Rates for any Renewal Term will be provided to Group in a rate renewal notice.

Certificate

The Certificate consists of the following subscriber contracts, certificates, riders, and/or endorsements (form numbers and/or descriptions, including variables).

SCHEDULE OF CHANGES IN PREMIUM RATES

1. Changes in Premium Rates.
 - a. Changes upon Renewal. The premium rates for each Renewal Term of the Agreement will be provided to Group in a renewal rate notice, which will specify the effective date of the new rates.
 - b. Changes Due to Change in Benefits. If, during the term of the Agreement, the Plan makes a unilateral change in the Benefits as permitted by the Agreement, the Plan may change the premium rates to adjust for that change in the Benefits.

2. Notice of Changes in Premium Rates. The Plan will not make any changes to the premium rates without giving Group at least 30 days' prior written notice. Upon receipt of notice of a change in the premium rates, Group will be deemed to have accepted the new rates, unless Group provides timely written notice to the Plan of its intention to terminate this Agreement or modify the Benefits.

3. Affected Products. The foregoing provisions apply to all contracts, certificates, riders, and/or endorsements forming part of the Certificate.

**[SCHEDULE OF CHANGE IN PREMIUM RATES
Level Premium**

Changes in Premium Rates at End of Rating Period. The total amount of premium payments made during a rating period using the premium rate the Plan has quoted to Group will be referred to as the Fixed Premium Payments ("FPP"). At the end of the initial rating period and each subsequent rating period, the FPP will be compared against the premium rates that actually prevailed during the rating period, as they were approved by the Superintendent of Insurance. The total amount of premium payments that would have been made during the rating period, if the prevailing rates had been in effect, will be referred to as the Prevailing Premium Payments ("PPP"). The difference between the FPP and the PPP will be referred to as the Rate Variance. The amount of the Rate Variance (expressed as a dollar amount) will be applied to increase or decrease the premium rate quoted by the Plan for the following rating period. However, in the event that the Agreement is terminated, the Rate Variance with respect to the Agreement shall be paid (by the Plan in the event that the FPP exceeds the PPP, or by Group in the event that the PPP exceeds the FPP) in cash upon demand or by offsetting the amount against other monies due. The cash shall be paid by the Plan in the event that the FPP exceeds the PPP (a positive balance), or paid by Group in the event that the PPP exceeds the FPP (a negative balance).

The foregoing provisions apply to all contracts, certificates, riders, and/or endorsements forming part of the Certificate.]

[AGENT/ BROKER ADDENDUM

Group has appointed _____ to act as agent/broker of record in connection with the Certificate (as defined in the Agreement). _____ must elect one form of payment only with respect to its services:

_____ Commission from the Plan under agent/broker agreement; or

_____ Compensation from Group for remitting agent services

Dated: _____

GROUP: _____

By: _____

Title: _____]