

## EMPLOYEE LEASE AGREEMENT (PPIC)

This Employee Lease Agreement ("Agreement") is made and entered into as of the \_\_\_ day of [\_\_\_\_\_], 2017, ("Effective Date") by and between Quartz Health Solutions, Inc. ("Quartz") and Physicians Plus Insurance Corporation, a Wisconsin stock insurance corporation ("PPIC").

### RECITALS

- A. Quartz wishes, pursuant to the terms and conditions contained in this Agreement, to lease substantially all of the employees employed by PPIC from PPIC, whom Quartz shall then utilize to provide services to PPIC under the Management Agreement between PPIC and Quartz, dated the date hereof (the "PPIC Management Agreement"), the Amended and Restated Management Agreement between Unity Health Plans Insurance Corporation ("Unity") and Quartz, dated the date hereof (the "Unity Management Agreement"), and the Amended and Restated Management Agreement between Gundersen Health Plan, Inc., a Wisconsin nonstock corporation ("GHP") and Quartz, dated the date hereof (the "GHP Management Agreement", and together with the Unity Management Agreement and the PPIC Management Agreement, the "Management Agreement").
- B. Pursuant to the terms and conditions outlined in this Agreement, PPIC is willing to lease all such employees to Quartz.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, it is hereby agreed as follows:

### AGREEMENT

1. Lease. PPIC hereby leases all of its employees to Quartz other than, for the duration of the Transition Period, the Transition Period Officers and PPIC's Medical Affairs Staff (in each case as such terms are defined or described in that certain Exchange Agreement, dated April \_\_, 2017, by and among Gundersen Lutheran Health System, Inc., a Wisconsin non-profit corporation, University Health Care, Inc., a Wisconsin non-profit member corporation and Iowa Health System d/b/a UnityPoint Health, an Iowa non-profit corporation). All employees leased from PPIC to Quartz under this Agreement are referred to as "Leased Employees." Quartz shall utilize the Leased Employees to provide services to PPIC, Unity and GHP under the Management Agreement.
2. Direction and Control of Leased Employees. Quartz shall direct and control the day-to-day activities of all Leased Employees, including but not limited to assigning work and supervising them. Quartz also has the right to discipline and promote Leased Employees, and to hire and terminate Leased Employees for and on behalf of PPIC. In the event that Quartz hires or terminates a Leased Employee, such employee shall be hired by or terminated from PPIC. Quartz shall not assign Leased Employees to any activities nor subject them to working conditions which violate or in violation of any local, state or federal

law, ordinance, statute, regulation or Executive Order, including but not limited to workplace safety or discrimination laws.

3. Office Space and Equipment. PPIC hereby leases to Quartz the office space owned, leased, or subleased, as applicable, by PPIC and all furniture, equipment, computers, telephones, or other information systems that is/are owned or leased by PPIC and, immediately prior to the Effective Date, was/were being utilized by PPIC's employees who shall, on the Effective Date, become Leased Employees, for Quartz to perform the services under the Management Agreement. PPIC shall also be responsible for purchasing or replacing any such furniture, equipment, computers, telephones, and other information systems that exist as of the Effective Date of this Agreement but that become obsolete or need to be replaced during the term of this Agreement.
4. PPIC's Payment of Leased Employees and Provision of Benefits. PPIC shall pay all wages, salaries and/or bonuses to the Leased Employees, for their work during the term of this Agreement, as well as all taxes on such amounts. PPIC shall also provide the Leased Employees with insurance and fringe benefits, which shall be substantially similar to the benefits that PPIC provided to such employees immediately prior to the Effective Date. PPIC shall provide worker's compensation insurance for Leased Employees. PPIC shall pay any severance amounts due to a PPIC employee as a result of termination of such employee in 2017. PPIC shall not advance funds to Quartz pursuant to this Agreement except to pay for services defined in this Agreement. Any funds or invested assets of PPIC held by Quartz are the exclusive property of PPIC, are held for the benefit of PPIC, and are subject to the control of PPIC.
5. Payment. Quartz shall pay PPIC the following amounts to lease the Leased Employees and the above-described furniture, equipment, computers, telephones, and other information systems from PPIC, on a monthly basis:
  - (a) The wages, salaries, and bonuses PPIC paid to all Leased Employees in the previous month (except for any severance amount due as a result of termination of a Leased Employee in 2017);
  - (b) The cost of any and all benefits paid by PPIC for the Leased Employees;
  - (c) The cost of any worker's compensation insurance premiums paid by PPIC related to the Leased Employees;
  - (d) The taxes paid by PPIC related to all payments made by PPIC to the Leased Employees; and
  - (e) Any other amounts paid by PPIC related to employment of the Leased Employees (except for any severance amount due as a result of termination of a Leased Employee in 2017).
6. Books and Records. All books and records of PPIC are and remain the property of PPIC and are subject to control of PPIC. In this Agreement, the books and records of PPIC are defined to include all books and records developed or maintained under or related to the Agreement.

7. Compliance. Both parties shall comply with applicable state and federal laws and regulations including but not limited to the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder, laws and rules governing the provision of health care and payment therefor, the Occupational Safety and Health Administration regulations, and legal standards relating to the interaction of personnel in the workplace. The parties shall be in compliance with the requirements in the NAIC Accounting Practices and Procedures Manual as it relates to this Agreement.
8. Indemnification. Except as otherwise provided herein, each party shall be responsible for its own acts and omissions and shall not be responsible for the acts and omissions of the other party. Additionally, each party shall indemnify and hold harmless the other for the party's own acts or omissions.
9. Delinquency Proceedings. If PPIC is placed in delinquency proceedings or seized by the Commissioner of Insurance (the "Commissioner") under chapter 645 of the Wisconsin Statutes:
  - (1) All of the rights of PPIC under the Agreement extend to the receiver or Commissioner;
  - (2) All books and records of PPIC will immediately be made available to the receiver or the Commissioner, and shall be turned over to the receiver or Commissioner immediately upon the receiver or the Commissioner's request; and
  - (3) Quartz will continue to maintain any systems, programs, or other infrastructure notwithstanding such proceeding or seizure, and will make them available to the receiver for so long as Quartz continues to receive timely payment for services.
10. Term. Except as otherwise provided herein, this Agreement shall continue in effect from the Effective Date until December 31, 2017. Either party may terminate this Agreement immediately upon written notice if the other party breaches a material term or condition of this Agreement and such breach is not cured within thirty (30) days after the terminating party gives the other party written notice thereof. Quartz has no automatic right to terminate this Agreement if PPIC is placed in receivership pursuant to chapter 645 of the Wisconsin Statutes.
11. Notices. All notices required or permitted under this Agreement shall be made in writing and delivered (a) personally or (b) by registered or certified mail, postage prepaid, return receipt requested, or (c) by a recognized courier service. Notice to a party shall be addressed to the address(es) listed in this Section or at such other address(es) that a party may designate by like notice from time to time. Notice shall be effective when received if delivered by hand, or on the date shown on the return receipt if by certified mail or courier service.

**If to Quartz:**

Quartz Health Solutions, Inc.  
Attention: President

840 Carolina Street  
Sauk City, WI 53583

**If to PPIC:**

Physicians Plus Insurance Corporation  
Attention: CEO  
2650 Novation Parkway  
Madison, WI 53713

12. Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Wisconsin, without giving effect to any choice or conflict of law rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Wisconsin to apply.
13. Venue and Personal Jurisdiction. The parties hereby consent to venue and personal jurisdiction in the Dane County Circuit Court. If the Dane County Circuit Court cannot adjudicate an action because it lacks subject matter jurisdiction, the parties alternatively consent to venue and personal jurisdiction in the federal district court for the Western District of Wisconsin.
14. No Assignment. Neither party may assign this Agreement without the prior written consent of the other.
15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.
16. Entire Agreement. This Agreement, including any exhibits, attachments, or addenda which are incorporated by reference herein and attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, representations and understandings of the parties.
17. Amendment. No amendment to this Agreement shall be effective unless in writing and signed by both parties.
18. Consent to Amendment. The parties agree to amend this Agreement as necessary to comply with any changes in applicable laws and regulations. If a party refuses to enter into such an amendment, the other party may immediately terminate this Agreement upon providing written notice of termination.

19. No Waiver. The waiver by either party of a breach of any provision of this Agreement will not be deemed a waiver of any subsequent breach of the same or any other provision. All of the rights and remedies provided herein are cumulative and additional to any rights or remedies the parties may have at law.
20. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
21. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and to their permitted successors and assigns.
22. Section Headings. Section headings are provided solely for the convenience of the parties and shall not affect the interpretation of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the Effective Date set forth above.

**Quartz Health Solutions, Inc.**

**Physicians Plus Insurance Corporation**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print name:

Print name:

Title:

Title:

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