

ADMINISTRATION AND SERVICES AGREEMENT

This Administration and Services Agreement (this “Agreement”), dated as of the ____ day of _____, 2020, is entered into by and between Southern Life and Health Insurance Company, a Wisconsin stock life company (“Southern”), and Universal Fidelity Life Insurance Company, an Oklahoma corporation (“UFL”). Southern and UFL are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

WITNESSETH:

WHEREAS, Southern is engaged in the life and health insurance business and is in need of third-party administration services, and certain other services, including, but not limited to, management, administration, consulting, investments, accounting and electronic data processing, pertaining to Southern’s business operations, including, but not limited to, insurance policies and annuities issued and heretofore administered by Southern; and

WHEREAS, UFL holds a third-party administrator license in each state that requires such a license, has expertise in third-party administration of various insurance products and has expertise in performing the other services needed by Southern pertaining to Southern’s business operations; and

WHEREAS, the Parties believe it to be mutually advantageous for UFL to provide the services described in this Agreement subject to the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE I
APPOINTMENT OF UFL**

Section 1.01. Appointment. Subject to the terms, conditions and agreements hereinafter set forth, Southern hereby appoints UFL to provide the services described herein for the purpose of managing, administering and performing home office functions for Southern with respect to insurance policies and annuities issued and heretofore administered by Southern.

Section 1.02. Reservation of Rights. Nothing herein shall be construed to constitute a delegation of the authority or rights to UFL’s Board of Directors to provide management and oversight of Southern’s operations and conduct to the exclusion of Southern’s Board of Directors.

ARTICLE II DUTIES OF UFL

Section 2.01. Duties. Pursuant to the terms and conditions of this Agreement, subject to the direction or ratification by Southern's Board of Directors, UFL shall provide or cause to be provided the following services for or on behalf of Southern:

- (A) Administration of Southern's insurance business, including adjudication of claims and collection of premiums;
- (B) Management of Southern's insurance business and recommendations to Southern's Board of Director's concerning Southern's business operations;
- (C) Management of Southern's assets and reserves and the utilization and investment thereof;
- (D) Consultation with Southern's Board of Directors on all aspects of the administration of Southern's insurance business;
- (E) Product development, including filing products with and obtaining approval thereof from the appropriate regulatory authorities;
- (F) Actuarial services;
- (G) Marketing any insurance products that Southern may issue;
- (H) Underwriting applications for insurance;
- (I) General accounting functions of Southern, including preparation and filing of financial statements and tax returns;
- (J) Underwriting applications for insurance;
- (K) Issuance of policies and certificates;
- (L) Policyholder service, including responding to questions and inquiries;
- (M) Electronic data processing and information technology services;
- (N) Maintenance of policy files and records;
- (O) Responding to insurance department correspondence and inquiries;
- (P) Maintenance of appropriate records regarding retention limits so that reinsurance due and owing to Southern can be recovered;
- (Q) Preparation of financial reports on a monthly basis (or for such other periodic basis as the parties shall agree) and delivery thereof to Southern's Board of Directors;
- (R) Provide offices, materials and appropriate home office functions relating to the operation of a third-party administrator providing life, accident, health insurance and annuity administration, including, but not limited to, payment of rent,

providing telephones, supplies, postage, equipment and letterhead necessary for Southern's operations; and

- (S) Any other services or materials the Parties may agree is reasonable or necessary for the appropriate administration and operation of Southern's insurance business.

Section 2.02. Claims Services. UFL shall provide home office insurance policy and annuity claims services for Southern, subject to the terms and provisions of the applicable policy, contract or plan document, which shall include, but not be limited to:

- (A) Providing claim forms to insureds when requested;
- (B) Investigating each submitted claim in accordance with the standards and procedures prescribed by the applicable policy, contract or plan document and applicable law;
- (C) Subject to Section 2.03 hereof, settlement, including reasonable compromise settlements, of claims and the preparation of all appropriate approval and denial forms, and checks in payment to insureds or third-party providers of services; and Communications of claims approvals or denials to insureds or beneficiaries, as applicable.

Section 2.03. Adjudication of Claims. All claims administered under this Agreement shall be adjudicated in accordance with the terms and conditions of the applicable policy, contract or plan document, subject to Southern's right to approve or reasonably reject any decision concerning approval, settlement or denial of any claim in accordance with the terms and conditions of such policy, contract or plan document.

Section 2.04. Reports. UFL shall provide to Southern on a monthly basis (or for such other periodic basis as the parties shall agree), together with year-to-date information, in a form acceptable to Southern, reports as Southern may require, including, but not limited to the following information:

- (A) Premium transactions;
- (B) New Business written;
- (C) Claims paid;
- (D) Claims incurred, but not yet paid;
- (E) Reinsurance payments;
- (F) Reinsurance recoveries;
- (G) Reserves and funding; and
- (H) Monthly or other periodic income, expense and statement of condition reports.

Section 2.05. Notice to Southern. UFL shall promptly notify Southern of the following:

- (A) UFL's receipt of any inquiries or complaints from regulatory authorities concerning Southern or any insurance policy or annuity administered by UFL for Southern;
- (B) UFL's receipt of any inquiries or complaints from insureds, beneficiaries or claimants, as applicable, or their authorized representatives, concerning Southern or any insurance policy or annuity administered by UFL for Southern; and
- (C) Any litigation concerning matters arising from this Agreement, any of the services provided by UFL to Southern pursuant to this Agreement or any insurance policy or annuity administered by UFL for Southern.

Section 2.06. Compliance. UFL shall comply with all applicable laws, regulations and pronouncements by regulatory authorities governing Southern and UFL concerning the operation, administration and conduct of the insurance business. UFL shall at all times comply with all applicable rules, directives, instructions and guidelines not in conflict with this Agreement as Southern may, from time to time, and at any time, promulgate for its operation or conduct of its business. UFL has no authority to bind Southern in contravention of any such applicable rules, directives, instructions or guidelines.

Section 2.07. Payment of Taxes and Other Obligations. Southern shall be responsible for the direct payment of all applicable taxes and other obligations directly attributable to the conduct of Southern's business, including, but not limited to, those that are or relate to licenses and applications therefor, fees and assessments.

ARTICLE III FEE

Section 3.01. Administration and Management Fee. In consideration for the services to be provided by UFL for or on behalf of Southern under the terms and conditions of this Agreement, Southern shall pay UFL a monthly fee in the amount shown on Exhibit A attached hereto. Said fee shall be subject to an annual inflation increase of up to 2%, as determined by UFL. Any such increase shall be effective on the anniversary date of the effective date of this Agreement.

Section 3.02. Payment of Administration and Management Fee. The monthly fee provided in Section 3.01 hereof shall commence for the month in which this Agreement is effective and shall be payable on the last business day of each month during the term of this Agreement and shall be paid on or before the fifteenth (15th) day of the following month.

ARTICLE IV AUDIT

Section 4.01. Audit. Southern or its authorized representatives shall have the authority to inspect and audit the books and records of UFL or its contracted administrative entity(ies) concerning the business of Southern, including, but not limited to, policy files, premiums, claims and losses, at any time during reasonable business hours, and they may make copies or extracts of any such books and records.

ARTICLE V CONFIDENTIALITY AND PRIVACY

Section 5.01. Confidentiality. Any information furnished by one Party to the other Party is not to be used by the non-disclosing Party for any purpose other than its performance under this Agreement. Each Party shall treat such information with no less than the same care it affords its own confidential information or the care a reasonably prudent insurance company would reasonably afford such information. Upon termination of this Agreement, and upon a Party's request the other Party shall return or verify the destruction of such information within a reasonable period of time following its receipt of such request.

Section 5.02. Both Parties represent and agree that they will comply with the applicable provisions of all privacy laws and regulations thereunder applicable to Southern's insurance policies and annuities administered by UFL, including, but not limited to, to the extent applicable, the Gramm-Leach-Bliley Act, as amended ("GLBA"), and the Health Insurance Portability and Accountability Act of 1996, as amended ("GLBA"). The Parties will enter into a separate HIPAA business associate agreement and a separate GLBA agreement, to the extent applicable, with respect to Southern's insurance policies and annuities administered by UFL.

ARTICLE VI TERM OF AGREEMENT

Section 6.01. Term. This Agreement shall become effective on the date shown above and shall, subject to regulatory approval, continue in full force and effect for a period of thirty-six (36) months and thereafter, subject to regulatory re-approval to the extent and within the time period required by applicable law, regulations or regulatory guidelines, for each successive twelve (12) month period until terminated as provided in Section 6.02 hereof.

Section 6.02. Termination. Any provision of Section 6.01 hereof notwithstanding, the following events will result in the termination of this Agreement, subject to regulatory approval to the extent and within the time period required by applicable law, regulations or regulatory guidelines:

- (A) Either Party giving the other Party ninety (90) days' advance written notice of termination for any or no reason;
- (B) Either Party giving the other Party written notice of the other Party's breach of any material provision of this Agreement and such breach continues uncured for sixty (60) days after the delivery of such notice, upon which time the non-breaching Party shall have the right to immediately terminate this Agreement after giving written notice thereof to the breaching Party; or
- (C) Either or both Parties failing to receive regulatory approval or re-approval of this Agreement to the extent and within the time period required by applicable law, upon which time this Agreement shall immediately terminate.

ARTICLE VII REGULATORY MATTERS

Section 7.01. Advancement of Funds by Southern. In no event shall Southern advance funds to UFL except to pay the fee discussed in Article III in consideration for the services to be provided by UFL for or on behalf of Southern under this Agreement; provided, however, that nothing in this Section 7.01 shall prohibit any loan or capital transaction involving UFL and Southern that are otherwise permitted by applicable statute or rule.

Section 7.02. Oversight by Southern. Southern will maintain oversight for functions provided to Southern by UFL under this Agreement. Southern will monitor such services annually for quality assurance.

Section 7.03. Southern Books and Records. All books and records developed or maintained by Southern or UFL under or related to this Agreement shall be treated by Southern and UFL as books and records of Southern. All books and records of Southern are and shall remain the property of Southern, and shall remain subject to the control of Southern.

Section 7.04. Southern Funds. Any funds and invested assets of Southern are and shall remain the exclusive property of Southern. To the extent that UFL holds any such funds or invested assets of Southern in connection with UFL's provision of services for or on behalf of Southern under this Agreement, such funds or invested assets shall be held by UFL for the benefit of Southern, and shall remain subject to the control of Southern.

Section 7.05. Indemnification by UFL. UFL shall indemnify, defend, and hold Southern harmless from and against any and all claims, actions, suits, demands, assessments, judgments, losses, liabilities, damages, costs, and expenses (including, without limitations, interest, penalties, reasonable attorneys' fees to the extent permitted by law, reasonable accounting fees, and reasonable investigation costs) that may be incurred by Southern resulting or arising from the gross negligence or willful misconduct of UFL in providing the services to be provided by UFL for or on behalf of Southern under this Agreement.

Section 7.06. Delinquency Proceedings. In the event that Southern is placed in delinquency proceedings or seized by the Commissioner of Insurance of the State of Wisconsin (the "Commissioner") under Wis. Stat. ch. 645:

- (A) All of the rights of Southern under this Agreement shall extend to the receiver or Commissioner.
- (B) All books and records developed or maintained by Southern or UFL under or related to this Agreement shall be immediately 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.
- (C) UFL shall have no automatic right to terminate this Agreement if Southern is placed in receivership pursuant to Wis. Stat. ch. 645.
- (D) UFL will continue to maintain any systems, programs, or other infrastructure maintained by UFL in providing the services to be provided by UFL for or on behalf of Southern under this Agreement notwithstanding such delinquency proceeding or seizure, and will make the same available to the receiver, for so long as UFL continues to receive timely payment in accordance with the terms and conditions of this Agreement for the services to be provided by UFL for or on behalf of Southern under this Agreement.

ARTICLE VIII GENERAL PROVISIONS

Section 8.01. Governing Law. The laws of the State of Oklahoma (without giving effect to its conflict or laws principles) will govern all matters arising out of or relating to this Agreement and the transactions and matters it contemplates, including, without limitation, its interpretation, construction, performance and enforcement.

Section 8.02. Relationship of the Parties. The Parties agree that this Agreement does not create an agency relationship and shall not be deemed or considered a joint venture or partnership. The relationship of UFL and Southern shall be that of independent contractors. Each Party shall be free to select the methods, times and places of performance of its duties hereunder, and consistent with the reasonable business, management and regulatory requirements of each Party. Each Party shall be responsible for the payment of its own expenses. Each Party shall remain under the control, direction and authority of its Board of Directors.

Section 8.02. Notices.

- (A) **Requirement of Writing; Permitted Methods of Delivery.** Each party giving or making any notice, request, demand or other communication (each, a "Notice")

pursuant to this Agreement shall give such Notice in writing and use one of the following Methods of delivery: (i) personal delivery; (ii) registered or certified mail (in each case, return receipt requested and postage prepaid); (iii) nationally recognized overnight courier (with all fees prepaid); or (iv) facsimile.

- (B) **Addressees and Addresses.** Any party giving a Notice shall address the Notice to the appropriate person at the receiving party (the “Addressee”) at the address listed on the signature page of this Agreement or to another Addressee or another address as designated by a party in a Notice given pursuant to this Section 8.02.
- (C) **Effectiveness of a Notice.** A Notice is effective only if the party giving the Notice has complied with Sections 8.02 (A) and (B) of this Agreement and if the Addressee has received the Notice. A Notice shall be deemed to have been received as follows:
- (1) if a Notice is delivered in person, (then upon delivery to the recipient 's address;
 - (2) if a Notice is sent by registered or certified U.S. Mail or nationally recognized overnight carrier, three (3) business days after being mailed or delivered to such carrier;
 - (3) if a Notice is sent by facsimile, upon receipt by the Party giving the Notice of an acknowledgment or transmission report generated by the machine from which the facsimile was sent in its entirety to the addressee’s facsimile number; or
 - (4) if the addressee rejects or otherwise refuses to accept the Notice, or if the Notice cannot be delivered because of a change in address for which no Notice was given, then upon the rejection, refusal or inability to deliver the Notice.

Section 8.03. Arbitration. All controversies and claims arising under or relating to this Agreement, or the relationships or transactions contemplated hereby, are to be resolved by arbitration in accordance with the rules of the American Arbitration Association before a panel of three (3) arbitrators selected in accordance with those rules. Any such arbitration is to be conducted in Oklahoma City, Oklahoma. Such arbitrators are to apply the laws or the State of Oklahoma, without regard to its conflict of laws principles. Each party shall submit to any court of competent jurisdiction for purposes of enforcing any award, order or judgment. Any award, order or judgment pursuant to the arbitration is final and may be entered and enforced exclusively in any Oklahoma state or federal court of competent jurisdiction. The arbitration specified in this Section 8.03 is intended to be the exclusive remedy available to each such Party to this Agreement.

Section 8.04. Amendments. The parties hereto may amend this Agreement only by a written Agreement of all the parties hereto that identifies itself as an amendment to this Agreement.

Section 8.05. Waivers.

- (A) **No Oral Waivers.** The parties hereto may waive this Agreement or any part hereof only by a writing executed by the party or parties against whom the waiver is sought to be enforced.
- (B) **Effect of Failure, Delay or Course or Dealing.** No failure or delay (1) in exercising any right or remedy, or (2) in requiring the satisfaction of any condition, under this Agreement, and no act, omission or course of dealing between the parties shall operate as a waiver or estoppel of any right, remedy or condition.
- (C) **Each Waiver a Specific Purpose.** A waiver made in writing on one occasion shall be effective only in that instance and only for the purpose stated therein. A waiver once given shall not be construed as a waiver or any future occasion.

Section 8.06. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, so long as the essential terms and conditions of this Agreement for each party hereto remain valid, binding and enforceable.

Section 8.07. Entire Agreement. Except as expressly stated in this Agreement: (1) this Agreement constitutes the final agreement among the parties hereto; (2) it is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement; (3) all prior and contemporaneous negotiations and agreements among and between the parties on the matters contained in this Agreement are hereby expressly merged into and superseded by this Agreement; (4) the provisions of this Agreement may not be explained, supplemented or qualified through evidence of trade usage or a prior course of dealings; (5) in entering into this Agreement, neither party hereto has relied upon any statement, representation, warranty or agreement of the other party; and (6) there are no conditions precedent to the effectiveness of this Agreement.

Section 8.08. Counterparts. The Parties hereto may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile is as effective as executing and delivering this Agreement in the presence of the other parties to this Agreement. This Agreement is effective upon delivery of one executed counterpart from each party hereto to each other party.

Section 8.09. Third-Party Beneficiaries. Other than as expressly stated herein, this Agreement does not, and is not intended to, confer any rights or remedies upon any person other than the signatories.

Section 8.10. Assignment. This Agreement may not be assigned by either Party, except upon prior written consent of the other Party and subject to regulatory approval of each assignment. This Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors and assigns.

[Signature page follows.]

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, have executed this Agreement as of the date first set forth above.

UNIVERSAL FIDELITY LIFE
INSURANCE COMPANY

SOUTHERN LIFE AND HEALTH
INSURANCE COMPANY

By: _____

By: _____

Name: C. Brent Haggard

Name: _____

Title: President and CEO

Title: _____

Address: 13931 Quail Pointe Dr.
Oklahoma City, OK 73134

Address: _____

Exhibit A

Policy Maintenance Expenses –

Life: per Policy per year: [REDACTED];
per Death: \$ [REDACTED]; and
per Lapse: \$ [REDACTED]

SPDA: per Policy per year: \$ [REDACTED];
per Death: \$ [REDACTED]; and
per Lapse: \$ [REDACTED]

SPIA: per Policy per year: \$ [REDACTED]
per Death: not applicable
per Lapse: not applicable

Company Management and Administration – \$ [REDACTED] per month