

CONFIDENTIALITY AND USE AGREEMENT

This CONFIDENTIALITY AND USE AGREEMENT (“Agreement”) is entered into by Mr. Mark Shaw (“Mr. Shaw”), Senior Consulting Actuary with United Health Actuarial Services and the D.C. Department of Insurance, Securities and Banking (“DISB”).

- I. Mr. Shaw will work with the DISB and its affiliates, employees, and independent contractors to develop and apply a methodology for use in analyzing the surplus level of Group Hospitalization and Medical Services, Inc. (“GHMSI”) and assist in DISB’s review of GHMSI’s surplus pursuant to the Medical Insurance Empowerment Amendment Act of 2008 (MIEAA), D.C. Code § 31-3505.1 *et seq.*
- II. Pursuant to these duties, Mr. Shaw will be allowed access to all materials made available to Rector & Associates and the DISB, including Confidential Information.
- III. Use of confidential information is limited to DISB’s review of GHMSI’s December 31, 2011 surplus and any future reviews of GHMSI’s surplus pursuant to MIEAA, including any associated judicial review proceedings.
- IV. Except as necessary in the performance of duties in furtherance of any agreement, for a period of three (3) years from the date of this Agreement, Mr. Shaw will not:
 - (i) Reveal, divulge, or publicize any Confidential Information dealt with in the performance of his work.
 - (ii) Disseminate any oral or written Confidential obtained as a result of execution of this Agreement or performance of work hereunder.
- V. Mr. Shaw shall be entitled to disclose Confidential Information to his employees, agents and independent contractors, having a need to know such Confidential Information. Mr. Shaw shall be liable for any unauthorized disclosures by him or his employees, agents or independent contractors to whom he provided access. Moreover, Mr. Shaw shall have no obligation of confidence or non-disclosure and may disclose Confidential Information to the extent required, ordered or compelled to be disclosed by a court of competent jurisdiction, a governmental agency or under subpoena; provided, however, that: (i) when legally permissible, Mr. Shaw provides DISB reasonable notice of the required disclosure; (ii) Mr. Shaw cooperates with DISB on reasonable request with DISB’s efforts to obtain a protective order to prevent or otherwise limit the required disclosure; and (iii) as soon as reasonably possible and when legally permissible, Mr. Shaw provides to DISB an opinion letter from legal counsel confirming that disclosure of such Confidential Information is, in legal counsel’s reasonable determination, required.

- VI. Mr. Shaw shall promptly inform DISB of any unauthorized disclosures of information that come to his attention, and shall endeavor to prevent the harmful effects of any such unauthorized disclosures.
- VII. As used and referred to herein, "Confidential Information" shall mean and include, but not necessarily be limited to, any and all material, information or know-how, including information relating to GHMSI's finances, business operations and affairs, research, development, marketing, trade secrets, products, vendor or customer relationships, or any other information maintained in confidence by GHMSI or treated as confidential and/or proprietary, and all tangible embodiments of such information, used in or relating to the business of the GHMSI, that is received by Mr. Shaw, in any form.
- VIII. Notwithstanding the foregoing, Confidential Information shall not include information which Mr. Shaw can demonstrate:
- (i) was previously known by or lawfully in the possession of Mr. Shaw prior to its receipt from DISB;
 - (ii) is or hereafter becomes part of the public domain, or is or becomes readily ascertainable by the public, through no fault or wrongful action of Mr. Shaw;
 - (iii) is independently developed by or on behalf of Mr. Shaw with no reliance upon or usage of information disclosed to it by Disclosing Party;
 - (iv) that he received from a third party owing no obligation of confidentiality to DISB or if Mr. Shaw is unaware of any restrictions on the disclosure of such information; or
 - (v) was disclosed by DISB to a third party without restrictions on disclosure similar to those set forth herein.
- IX. All materials provided to Mr. Shaw by DISB in furtherance of the performance of the GHMSI surplus review, including any copies, notes or working papers derived or produced therefrom, are the property of DISB. Upon written request by DISB, Mr. Shaw will promptly surrender such materials and any derived copies, notes and/or working papers which are in its custody or control. Further, at its election, DISB may direct that Mr. Shaw destroy such materials and any derived copies, notes or working papers.
- X. Any claim arising under this Agreement will be barred and unenforceable unless the party asserting such claim files an action on such claim within one (1) year after the moving party knew or should have known of the grounds for such claim. District of Columbia law shall govern the interpretation and enforcement of this Agreement.
- XI. Either party may terminate this Agreement with or without cause upon written notice delivered to the other party. Notwithstanding the foregoing, Mr. Shaw's confidentiality and other obligations which, by the terms contained herein, survive beyond termination of this Agreement, shall remain in effect as described herein.

XII. In accordance with any agreement or contractual provisions, this confidentiality and use agreement may be formally modified or changed by the parties in those instances in which specific circumstances dictate such a modification or change.

The Parties have executed this Agreement on this day of ___ of _____, 2012.