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**PLEASE RESPOND TO:**  
KINGSPORT OFFICE

WRITER'S DIRECT DIAL NUMBER:  
(423) 378-8858

WRITER'S E-MAIL ADDRESS:  
bovender@hsdlaw.com

July 9, 2015

*VIA EMAIL & US MAIL*

AMEP/z.91261

ATTN: Sharla Dillon, Dockets & Records Manager  
Tennessee Regulatory Authority  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for  
Approval of Home Warranty Programs; Docket No.: 15-00064

Dear Sharla:

We submit herewith by email the public, redacted versions of the supplementary responses to Data Request Staff 1-001 and 1-008.

By U.S. Mail, we are submitting the CONFIDENTIAL INFORMATION versions in a sealed envelope to be separately maintained in this Docket No. 15-00064 pursuant to Section 6 of the Protective Order which reads as follows:

"6. Any papers filed in this proceeding that contain, quote, paraphrase, compile or otherwise disclose documents covered by the terms of this Order, or any information contained therein, shall be filed with the TRA in sealed envelopes labeled "CONFIDENTIAL." The filing party shall also include with the filing a public version of the papers with any CONFIDENTIAL INFORMATION redacted. Only the redacted public version may be placed in the TRA's public file and/or posted on the TRA website. Each sealed envelope shall be labeled to reflect the style and docket number of this proceeding and to identify the subject matter of the content of the sealed envelope. The envelopes shall be maintained in a locked filing cabinet. The envelopes shall not be opened or their contents reviewed by anyone except upon order by the TRA, Hearing Officer, or Administrative Law Judge after due notice to counsel of record. Notwithstanding the foregoing, the Directors and the staff of the TRA may review any paper filed as CONFIDENTIAL INFORMATION and labeled "CONFIDENTIAL" without obtaining an order of the TRA, Hearing Officer, or Administrative Law Judge, provided the Directors and staff maintain the confidentiality of the paper in accordance with the terms of this Order."

Mr. Herb Hilliard, Chairman

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July 9, 2015

By separate mailing to the Consumer Advocate, we are providing copies of the public and confidential versions of these Responses to Data Request Staff 1-001 and 1-008.

Should there be any questions, please contact us.

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**

A handwritten signature in dark ink, appearing to read 'W. Bovender', is written over the firm name.

William C. Bovender

Counsel for Appalachian Power Company

Enclosures

c: Erin Merrick, Esq.  
David Foster  
Hector Garcia, Esq.  
James R. Bacha, Esq.  
William Castle  
Eric Morris  
Mark Coleman  
Larry Foust

**TENNESSEE REGULATORY AUTHORITY  
PETITION OF KINGSPORT POWER COMPANY  
DOCKET NO. 15-00064  
Data Requests and Requests for the Production  
of Documents by the TRA Staff of the  
Tennessee Regulatory Authority (First Set)  
To Kingsport Power Company**

Data Request Staff 1-001:

A breakdown of all revenues provided to Kingsport relating to the Home Warranty Programs (include any percentage of revenues retained from the warranty programs and projected revenues, projected billing and collection revenues, and royalties received from HomeServe for being allowed to utilize AEP Appalachian Power's name in marketing).

Response Staff 1-001:

Response subject to entry of Protective Order.

**Supplemental Response 7/7/2015**

The information requested is confidential, and is being provided pursuant to the Protective Order entered by the TRA on June 29, 2015, in this case. Please see Staff 1-1 Confidential Attachment 1 for the requested information. Please see Staff 1-1 Attachment 2 for the public version of the information.

Kingsport will receive [REDACTED] of the gross revenues collected in regards to the Warranty Program. Revenues are forecasted to be \$15,000 in the first year and rise to \$50,000 during the 5th year as the market matures. Additionally, Kingsport is expected to receive a one-time set-up bonus of approximately [REDACTED] which should significantly offset the set-up costs in the first year.

**TENNESSEE REGULATORY AUTHORITY  
PETITION OF KINGSPORT POWER COMPANY  
DOCKET NO. 15-00064  
Data Requests and Requests for the Production  
of Documents by the TRA Staff of the  
Tennessee Regulatory Authority (First Set)  
To Kingsport Power Company**

Data Request Staff 1-008:

Provide copies of all contracts/service arrangements between HomeServe and AEP.

Response Staff 1-008:

Response subject to entry of Protective Order.

**Supplemental Response 7/7/2015**

Staff 1-8 Attachment 1 is a sample work authorization.

The information requested is confidential, and is being provided pursuant to the Protective Order entered by the TRA on June 29, 2015, in this case. Please see Staff 1-8 Confidential Attachment 2 for the Master Services agreement. Please see Staff 1-8 Attachment 3 for the public version of the Master Services agreement.

## HOMESERVE USA CORP. MASTER SERVICES AGREEMENT

This Master Services Agreement No. 027040870000X103 (the "Agreement"), is executed to be effective as of the last signature below ("Effective Date") by and between *HomeServe USA Corp.*, a Pennsylvania corporation ("HomeServe"), with its headquarters at 601 Merritt 7, Norwalk CT 06851 and *American Electric Power Service Corporation*, a New York corporation, ("AEP") for itself for the limited purposes herein and as agent for *each of the operating company subsidiaries of AEP* that agrees to be bound hereby by signing a Work Authorization (*each such operating company that signs a Work Authorization and thus becomes bound by this Agreement is referred to as "OPCo"*), and with headquarters at 1 Riverside Plaza, Columbus, Ohio 43215 (each, a "Party" and together "the Parties"). Except as specifically provided in this Agreement, AEP is not bound by or subject to this Agreement other than as the lawful agent for an OPCo.

HomeServe provides Products to consumers for the emergency repair of domestic infrastructure and related systems and has invested, and will in the future invest, significant resources in the development of the Program. Each OPCo, by signing a Work Authorization and through AEP, as agent for each such OPCo, wishes to engage HomeServe to offer such Products to its Customers. In consideration of the foregoing and the mutual covenants contained in this Agreement, the Parties agree as follows:

### 1. Definitions

"Commission Statement" means a statement produced by the Party collecting payments from Members which includes a reasonably detailed calculation of the Commission payable for the applicable month and is otherwise on such form and with such content as the Parties agree.

"Commission" means (i) [REDACTED] of Receipts if OPCo performs billing as provided in Section 8; (ii) [REDACTED] of Receipts if HomeServe performs billing as provided in Section 8; and (iii) [REDACTED] of Receipts during the Run-Off Period, but only if OPCo continues to perform billing services.

"Confidential Information" means any confidential or proprietary information, whether in written, oral, electronic, visual or other recorded form, whether or not it constitutes a trade secret under applicable law. "Confidential Information" includes, but is not limited to, business plans and methods; customer information; engineering, operating and technical data; and the dates of OPCo's outage schedule, information concerning the Program and Services, and OPCo's and HomeServe's activities. "Confidential Information" does not include information that (a) has become part of the public domain other than by acts or omissions of the recipient; (b) has been furnished or made known to the recipient by a third person as a matter of legal right and without restriction on use; (c) was in the recipient's possession prior to disclosure by the disclosing party without restriction on use; or (d) is independently developed by the recipient without access to the Confidential Information.

"Customer" means any person who is a homeowner or resident of a residential property to which OPCo supplies utility and/or other services.

"Customer Service" means (a) providing Customers with accurate information pertaining to the Program, HomeServe's toll free number and/or the relevant URL; (b) subject to mutual agreement by the parties, providing Customers with information about the Products, the relationship of the Parties, and billing services for the Products; and (c) if the STS Program is established per Section 3.3.2, providing Customers with such added information and services as

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agreed upon in connection with the STS Program.

"Customer Data" means the name, postal address, unique identifier for the Customer, and, if available, email address of Customers.

"Event of Insolvency" means circumstances in which a Party has a receiver or similar person appointed for its property, becomes insolvent, ceases to do business, makes an assignment for the benefit of its creditors or files a petition under (or is the subject of an involuntary petition in) bankruptcy (or undergoes a similar event).

"Force Majeure" means any cause beyond the reasonable control of the delayed or defaulting Party, including, but not limited to, acts of God including unusually adverse weather, fire, and epidemic; acts of public enemy including war, acts of terrorism, riot, and civil disturbance; and national labor strikes, which by exercise of due foresight such Party could not have been expected to avoid or overcome. HomeServe's inability to obtain adequate and sufficient labor in order to maintain progress of the Services shall not, in and of itself, constitute a Force Majeure Event.

"Law" means any federal, state or local law, statute or ordinance and also any rule, regulation or order issued by any governmental authority.

"Loss" and "Losses" means all damages, losses, claims, demands, suits, actions, expenses, costs and liabilities (including reasonable legal fees and expenses), however described or denominated but shall not include the portion of any such loss, liability, diminution in value, cost or expense that could have been avoided through commercially reasonable efforts to mitigate by the Party incurring the Loss.

"Mailing Date" means the date on which the first advertising or marketing material is mailed or published under this Agreement.

"Marketing Plan" means the marketing plan or plans agreed to in writing by HomeServe and OPCo outlining the specific plan for marketing the Products in the OPCo's specific Territory for each year during the Term of this Agreement.

"Member" means any Customer to whom a Service Agreement is issued.

"Member Data" means the name, address, residential phone number of a Member and all other information about a Member obtained by or through HomeServe under this Agreement.

"Products" means those of HomeServe's products to be marketed and sold with the use of the Marks and that are listed on Exhibit A and any other HomeServe products, as determined by mutual agreement of the Parties from time to time and that will be added to Exhibit A (except that HomeServe may at any time delete a "Product" from Exhibit A if it no longer offers that product generally in the marketplace).

"Program" means the marketing, sale and administration by HomeServe of its complete suite of residential infrastructure emergency repair Products in the Territory to Customers and with the use of Marks and with the benefit of billing services provided by OPCo.

"Qualified Sale" means that the Service Agreement has been in effect for 90 consecutive days and the Member is current in payment of all amounts that are due on or before the end of that 90 day period.

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"Receipts" means payments actually received by HomeServe from Members under any new or renewing Service Agreement but after taking into account and deduction for sales tax, discounts, rebates, and refunds actually paid or given.

"Work Authorization" means an executed work authorization in the Form of Exhibit B, binding an OPCo to the terms of this Agreement.

"Renewal" means the renewal of a Service Agreement at the same price charged to the Member but where other terms and conditions of the Service Agreement may change upon that renewal.

"Run-Off Period" shall mean the five (5) year period following termination of this Agreement for any reason during which any Service Agreement issued and in force as at the date of termination remains in effect (and including all Renewals).

"Services" means the emergency repair service performed for a Member pursuant to a valid and in force Service Agreement.

"Service Agreement" means the agreement for a Product between HomeServe and Member, the terms of which shall be determined by HomeServe from time to time.

"Territory" means each OPCo's service area unless specifically stated otherwise in the applicable Marketing Plan as provided to HomeServe by the OPCo.

## 2. Exclusive Appointment.

OPCo grants to HomeServe the exclusive right during the Term (a) to market, advertise, sell and administer the Products to Customers in the Territory and (b) to otherwise administer and operate the Program in the Territory. In addition, during the Term, each OPCo shall not, itself or for itself with or through any other person in any manner, market, promote or sell any product or service to Customers which is the same as, comparable to, or which otherwise would compete with, the Products or the Program in the Territory. Except where the applicable Work Authorizations has been Terminated for Cause by OPCo, for a 24 consecutive month period following termination of this Agreement for any reason, OPCo shall not (itself or for itself through any other person) knowingly or intentionally market, advertise, sell or administer to or for any Member in the Territory any product or service which is the same as, comparable to, or which otherwise would compete with, the Products or the Program.

## 3. Certain Specific Obligations of the Parties.

3.1 OPCo Obligations. Unless a governmental or regulatory approval requires OPCo's compliance with a condition that unreasonably interferes with, or imposes commercially unreasonable restrictions on, the OPCo's business, OPCo shall provide support to HomeServe to facilitate the Program and the promotion, marketing and sale of the Products to Customers within the Territory. OPCo shall:

3.1.1 permit HomeServe to market and promote the Products using Marks as provided herein; and

3.1.2 assist HomeServe with the marketing, advertising and sale of the Products by providing Customer Service and by ensuring that OPCo's call center staff are properly trained and knowledgeable so as to provide Customer Service.



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3.2 HomeServe Obligations. HomeServe:

3.2.1 shall monitor compliance by its contractors and employees with HomeServe's regularly established service standards as in effect from time to time; and shall cause such persons to perform all Services to Members in a competent and courteous manner;

3.2.2 shall provide OPCo with a monthly performance summary as set out in Section 11 below (it being agreed that the Parties will cooperate in good faith to modify this to a quarterly requirement at an agreed time during the Term);

3.2.3 shall use commercially reasonable efforts to ensure that adequate financial and human resources are available for the operation of the Program;

3.2.4 shall conduct the Program, administer the Service Agreements and market,, promote, advertise and sell the Products in accordance with Law;

3.2.5 may engage subcontractors, outside vendors, insurers and consultants to perform any of HomeServe's obligations hereunder, including, but not limited to, claims handling. HomeServe shall be responsible for the acts and omissions of its subcontractors, outside vendors, insurers and consultants who perform services for HomeServe on its behalf under this Agreement. HomeServe shall be permitted to change the obligor for insurance purposes on the Service Agreements. All insurance policies shall be written with insurance companies licensed to do business in the state where the Program is being offered and rated no lower than A-8 in the most current edition of A.M. Best's Property-Casualty Key Rating Guide;

3.2.6 may, from time to time, adjust the rates charged Members for coverage under the Program (in accordance with Service Agreement terms and conditions); and HomeServe shall establish and may, in its sole discretion, change the terms and conditions of the Service Agreements;

3.2.7 shall comply with OPCo's NERC CIP Personnel Risk Assessment Requirements attached hereto as Exhibit C; and

3.2.8 will utilize a call center located within the continental United States during the Term and the Run-Off Period for this Program.

3.3. Additional Responsibilities of the Parties.

3.3.1 The Parties shall attend meetings as are agreed between the Parties from time to time and shall designate a management employee to serve as the contact person with the other Party for all activities under this Agreement.

3.3.2 OPCo and HomeServe may establish a full "sales through service" program ("STS Program") to be offered by OPCo's call center and subject to compliance with applicable Law (including insurance regulations). As part of this, if agreed by the Parties, OPCo may, through its call center, be permitted to transfer calls to HomeServe or a third party vendor and/or to conclude an actual sale of a Product and enter into of a Service Agreement (subject to compliance with HomeServe's Member intake policies and standards in existence from time to time).

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- 3.4 AEP shall not have any other direct obligations under this Agreement except that AEP shall, for itself in addition to on behalf of OPCo, comply with this Section 3.4, and the applicable provisions of Sections of 4.4, 7 and Section 9, 13, 14, 17 and 18.2 hereof.

**4. Intellectual Property: Customer Data; Member Data and Service Agreement Ownership.**

**4.1 Marks**

- 4.1.1 Limited License to HomeServe. Subject to (i) HomeServe's strict compliance with the material terms and conditions of this Agreement, and (ii) the termination provisions of this Agreement, OPCo grants HomeServe a limited, exclusive (to the extent specifically provided herein), non-sublicenseable license to use OPCo's Marks ("Marks") within the Territory during the Term for the advertisement, promotion and operation of the Program and the advertisement, marketing, sale and administration of the Products, subject to the prior written approval of OPCo in each instance (except that approval for one use of a Mark shall mean ongoing and continued approval for all future uses of that same Mark in the exact same format and manner and for the same purpose (such as direct mail)). "Marks" shall mean OPCo's and AEP's customer facing service marks, lettering, trade dress, color schemes, logos, trademarks, word marks, symbols, emblems, trademark designs, indicia or source, identification, sponsorship or affiliation, that are used by AEP and OPCo in the Territory from time to time.
- 4.1.2 Quality Control. HomeServe shall (i) use and display the Marks in such form and manner as are approved in writing by OPCo, and (ii) agree to use such other legends, markings, and notices in connection with the Marks as OPCo may require. HomeServe shall not make any changes to the approved form and manner of the Marks without OPCo's written approval. All uses of the Marks by HomeServe shall be by HomeServe in accordance with (1) OPCo's quality standards and in a manner consistent with the reputation and prestige of the Marks (it being agreed that approval of use of Marks by OPCo shall constitute compliance with this clause (1)), and (2) all Applicable Laws. OPCo shall have the right to cause HomeServe to suspend use of the Marks for reasons as provided in Section 5.7
- 4.1.3 Representations and Warranties. OPCo represents and warrants that it or AEP have all right, title and interest in and to the Marks and that OPCo has the authority to grant the limited license to HomeServe. OPCo further represents and warrants that to its knowledge none of the Marks infringe the intellectual property or other proprietary rights of any third party.
- 4.1.4 Reservation of Rights. All rights in and to the Marks not expressly granted to HomeServe under the Agreement are reserved exclusively to OPCo. HomeServe shall not have any implied rights in or to the use of the Marks or any other trademarks, trade names, trade dress, logos or other designations of origin owned by OPCo, nor shall HomeServe shall have the right to use any of the Marks on any products, except as permitted hereunder. Other than the limited license granted herein, nothing in the Agreement confers any right, title, or interest in the Marks to HomeServe. OPCo or AEP own and shall continue to own all rights in and to the Marks, and all use of the Marks will inure to the benefit of OPCo and AEP. HomeServe agrees that it will not, during the Term or at any time thereafter, directly or indirectly attack or question their

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ownership of the Marks.

- 4.1.5 Territory. Nothing herein shall be construed as conferring on HomeServe any right to use Marks in areas outside of the Territory, except that HomeServe may use Marks on websites and other media that are intended primarily for Customers residing within the Territory even though such website or other media may be accessible to individuals residing outside the Territory.
- 4.1.6 End of Term. Upon expiration or termination of the Agreement for any reason, HomeServe will immediately cease any and all use of the Marks, and will promptly destroy or return to OPCo, at HomeServe's option, any materials in its possession bearing or incorporating any of the Marks (other than archival copies for internal use and as required by Law); provided, however, that HomeServe shall not be required to recall or amend any Service Agreements or marketing material in circulation at the termination of this Agreement to remove references to OPCo, AEP or Marks.
- 4.1.7 Approval Process. Wherever under this Agreement the approval by OPCo is required for use of Marks or for any other use of marketing materials then OPCo shall make reasonable efforts to respond in writing within 20 business days of receipt of the request for approval from HomeServe and if OPCo is rejecting use of the Marks or use of the marketing material then the response shall include reasons therefor.
- 4.2 All documentation (and any related intellectual property) relating to the Products and the Program is the sole property of HomeServe.
- 4.3 To the extent doing so does not conflict with applicable Law, regulatory requirements nor with OPCo's applicable privacy policies, OPCo shall provide Customer Data, to HomeServe for use by HomeServe in accordance with the applicable Marketing Plan. Customer Data will be provided at such times and in such format as the Parties shall agree upon from time to time. OPCo represents and warrants that (i) Customer Data it provides to HomeServe has been collected in compliance with Law and (ii) it is legally permitted (and permitted by any applicable privacy policy) to provide Customer Data to HomeServe. Customer Data (to the extent it does not become Member Data) is the exclusive property of OPCo. HomeServe shall use Customer Data in compliance with Law. OPCo agrees that should its privacy and/or other policies and rules change in the future in a manner that would restrict HomeServe's right to obtain and use Customer Data as contemplated by this Agreement then, in such event, HomeServe may request one or more amendments to the financial or other terms of this Agreement to reflect the impact of such changes in rules or policies and if the Parties are unable to reach agreement on those amendments then either Party may terminate this Agreement upon reasonable prior notice to the other.
- 4.4 Member Data, to the extent it is not Customer Data, is the sole and exclusive property of HomeServe. HomeServe shall be under no obligation to provide Member Data to OPCo or AEP. AEP and OPCo have no rights in Member Data (to the extent it is not Customer Data) or any obligation to perform services under this Agreement that require access or knowledge of Member Data. Only HomeServe shall be entitled to use the Member Data, including to offer a renewal (or comparable product) on expiry of each Service Agreement. Service Agreements are the sole and exclusive property of HomeServe and AEP and OPCo have no rights therein.
5. Marketing. HomeServe will develop one or more marketing plans from time to time for each year during the Term of this Agreement and shall present each such marketing plan to OPCo for negotiation and written agreement. The Parties will use their respective good faith

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commercially reasonable efforts to agree upon the particular marketing plan and any amendments thereto that may be proposed by HomeServe from time to time. No amendments to the Marketing Plan shall be implemented unless mutually agreed by the Parties. Once approved by OPCo, the Marketing Plan shall become part of the rights and obligations of this Agreement and the Parties shall comply with the requirements thereof. There may be attached to each Work Authorization as agreed by OPCo and HomeServe samples of how HomeServe may use the Marks ("Marketing Samples").

If agreed to as part of a particular Marketing Plan it is expected that the Parties shall commit to the following:

- 5.1 HomeServe may be permitted to dispatch at least 5 direct mailings per year to Customers and up to 6 cross-selling direct mailings to Members in any 12 month period during the Term. HomeServe may also be permitted to distribute marketing materials via direct mail, "occupant" addressed mailings and other OPCo approved means. Inbound and outbound telesales to Members by HomeServe may be permitted to the extent permitted by applicable Law. OPCo may permit HomeServe, to include marketing materials in up to 2 "inserts" per year per Customer. In addition, in a manner as set forth in the Marketing Plan, HomeServe may be permitted to advertise, market and sell Products in the Territory through digital advertising and through the use of links to and from AEP's and OPCo's web site. OPCo may consider in good faith advertising and marketing of the Products by emails to Customers. Without limiting the foregoing, HomeServe may also be permitted to (A) build and manage a templated e-commerce environment showcasing the Program and all Products; (B) have advertising and merchandising of the Program and Products on the web site for the OPCo), to the extent such advertising and merchandising can be delivered within our standards and design, for the purpose of driving Customers to the HomeServe e-commerce environment (this to include banner ads, text links, and content promoting the offering(s); and (C) to advertise on OPCo's behalf not limited to and including geographically targeted display advertising on OPCo approved third-party sites/ad networks and directories, search engine marketing, and social network promotion.
- 5.2 To the extent set forth in a Marketing Plan, OPCo shall assist in the promotion and marketing of the Products and the Program. Such promotion and marketing may occur in various ways, including: (i) by inserting marketing literature with mail to Customers; and (ii) by including marketing materials with its new home and home movers pack (if any).
- 5.3 Marketing materials that use Marks by HomeServe and the use of Marks in specific marketing/sales channels require approval by OPCo (subject to the approval process in Section 4.1.1, 4.1.2 and 4.1.7 and the other provisions of this Agreement).
- 5.4 HomeServe agrees to reimburse OPCo for the reasonable costs it incurs in providing assistance pursuant to Section 5.2 above.
- 5.5 HomeServe shall be entitled to use the Marks, as provided in Section 4.1 and this Section 5.
- 5.6 OPCo or AEP will own any domain incorporating any of the Marks in the domain name itself.
- 5.7 In the event that there is an order, final ruling, or regulation promulgated by a

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governmental agency or any change in applicable Law, that requires a Party's compliance with a condition or action that unreasonably interferes with, or imposes commercially unreasonable restrictions on, a Party's business if the Party complies with the Marketing Plan then the Parties shall be relieved of their obligation to comply with the Marketing Plan, and/or the applicable provisions of this Agreement and, if applicable, the provisions of Section 17.3 shall apply.

- 5.8 In the event that OPCo receives a material number of complaints from Customers about the advertising, marketing, sale or administration of the Program or the Products and OPCo has determined in good faith that there is a reasonable risk of material harm to OPCo's business or its reputation and goodwill in the community then, in such event, OPCo may notify HomeServe of such event (including a reasonable description thereof) ("Suspension Notice") and may require in that Suspension Notice that HomeServe suspend marketing and advertising of the Products and the Program (although other requirements of this Agreement and the applicable Work Authorization shall continue in effect to the extent not impacted by the complaints, such as billing). Upon such suspension, the Parties will discuss in good faith (through senior management and by telephone and/or in person meetings) a plan whereby HomeServe will address the concerns raised in the Suspension Notice (both to remedy any complaints and minimize the risk of future complaints). In all events, the Parties will work together so that marketing and sales of Products may commence as soon as practicable. If the Parties are unable to agree on a plan as described above or if HomeServe is unable to implement the agreed upon plan then, at the request of either Party, the financial and other terms of this Agreement will be subject to mutually agreed upon amendments so as to reflect the change in the economics of this transaction and the relative positions of the Parties caused by the suspension of marketing, advertising and sales efforts. Failing agreed upon amendments after good faith efforts by the Parties, either Party may terminate this Agreement on reasonable notice to the other (designed to minimize disruption to consumers).

6. Network and Data Security; and NERC CIP Personnel Risk Assessment Requirements

- 6.1 HomeServe shall comply with Exhibit D – "IT Security Provision for Purchase of Labor and Services" and Exhibit C – "NERC CIP Personnel Risk Assessment Requirements".
- 6.2 OPCo reserves the right to request HomeServe remove any personnel on the reasonable suspicion of drug or alcohol use.

7. Compensation To OPCo and AEP.

- 7.1 HomeServe shall pay AEP an initial set-up fee hereunder of [REDACTED] ("First Set-Up Fee"), which will be paid within 5 business days following the Mailing Date. The First Set-Up Fee is an aggregate payment for all Work Authorizations and all OPCos and shall be allocated among the OPCos and AEP as shall be determined by AEP and HomeServe shall have no liability in any way for that allocation.
- 7.2 HomeServe shall pay AEP a second set-up fee hereunder of up to [REDACTED] ("Second Set-Up Fee"), which will be paid on the 10<sup>th</sup> business day following the first anniversary of the Mailing Date ("Anniversary Date"). The Second Set-Up Fee shall equal [REDACTED] only if, as at the first anniversary of the Mailing Date, there are not

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fewer than an aggregate of 3,500,000 Customer households in the Territory that are fully available to HomeServe for marketing and sales activity under the Program. The amount of the Second Set-Up Fee shall be adjusted downward on a pro rata basis to the extent there are fewer than 3,500,000 Customer households that are fully available to HomeServe for marketing and sales activity under the Program (as determined in good faith by HomeServe). In addition, if an OPCo is not or has not participated in the Program as of the Anniversary Date, the Second Set-Up Fee will be reduced by the percentage of residential customers in that OPCo. Within 5 business days of the Anniversary Date (and monthly thereafter), AEP shall deliver to HomeServe reasonable documentation showing the actual number of Customers as of the Anniversary Date. The Second Set-Up Fee is an aggregate payment for all Work Authorizations and all OPCOs and shall be allocated among the OPCOs and AEP as shall be determined by AEP and HomeServe shall have no liability in any way for that allocation (and that allocation shall have no impact on the adjustment provided above).

7.3 In addition to the provisions of Section 7.2 and 18:

7.3.1 In the event that any OPCo does not actively and fully participate in the Program for the complete 12 consecutive month period from and after the Anniversary Date ("Test Date") then, in such event, a portion of the Second Set-up Fee shall be refunded by the percentage of Customers for that OPCo.

7.4 The Party performing billing services (OPCo or HomeServe) will pay the Commission to AEP. The Commission shall be paid as to all periods during the Term and, if OPCo performs billing services as provided in Section 8.2, then it shall also be paid during the Run-Off Period.

7.5 If the Parties implement a STS Program by an OPCo, then HomeServe shall pay to OPCo a "STS Fee" as follows:

7.5.1 If a Customer calls the OPCo call center inquiring as to the purchase of a new Product and/or Service Agreement and the call is at that time forwarded to HomeServe for action and if HomeServe concludes a sale of a new Service Agreement and Product at that time and the sale becomes a Qualified Sale then, in such event, HomeServe shall pay to OPCo a one-time ■■■ STS Fee for that transaction. Payment shall be made at the same time as the Commission for the month in which it became a Qualified Sale; and

7.5.2 If OPCo concludes a sale of a new Product and Service Agreement with a Customer solely through the OPCo's call center and the sale becomes a Qualified Sale then, in such event, HomeServe shall pay to OPCo a one time ■■■ STS Fee for that transaction. Payment shall be made at the same time as the Commission for the month in which it became a Qualified Sale.

8. Member Billing and Payment Responsibilities

8.1 If OPCo does not provide billing services for one of the reasons described in Section 8.2 below, HomeServe shall bill Members under Service Agreements in accordance with HomeServe normal practices. On or before the 15<sup>th</sup> day of each calendar month, HomeServe shall submit a Commission Statement to OPCo, which shall be accompanied by payment of the Commissions to OPCo due for the prior month. Payment by HomeServe shall, where necessary, be subject to audit and adjustment.

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8.2 Unless OPCo is prohibited by applicable Law from doing so or unless such failure to provide billing services is due a governmental or regulatory approval that requires OPCo's compliance with a condition that unreasonably interferes with, or imposes unreasonable restrictions on, OPCo's business, then OPCo shall bill Members for Service Agreement fees on the monthly bill. OPCo shall provide such billing services on behalf of HomeServe and shall bill amounts as instructed by HomeServe, including sales tax. OPCo shall make no determination as to the taxability of Products provided under the Program. HomeServe shall be responsible for all federal, state, and local tax filings related to the Program and shall indemnify OPCo for any and all taxes and related costs and/or fees that may be assessed on OPCo, with the exclusion of properly payable income tax or gross receipts tax on the Commission received by OPCo. For purposes of Ohio Commercial Activity Tax (R.C. §5751.01(F)(@)(I) and §5751.01(P), OPCo is working as an agent of the principal, HomeServe, and will receive total payments from purchasers on behalf of the principal, HomeServe. OPCo is compensated for its agency services as defined in Section 7 of this Agreement. Unless otherwise required by Law, the ordering of amounts collected by OPCo shall be first applied to amounts billed by OPCo on its behalf and then the remaining amounts collected shall be applied to amounts billed on behalf of Home Serve. OPCo shall advise HomeServe of Members who do not make payment by the OPCo bill due date. On or before the 15<sup>th</sup> day of each calendar month OPCo shall provide a Commission Statement to HomeServe, which shall be accompanied by payment to HomeServe of an amount equal to the actual amounts collected by OPCo on behalf of HomeServe as determined pursuant to the ordering indicated above, less the Commission due for the prior month. OPCo shall perform billing services during the Term and during the Run-Off Period for any Service Agreements that are in effect as of termination.

8.3 HomeServe shall bear the risk of non-payment by Members and HomeServe may employ payment collection practices as it deems appropriate in accordance with its normal collection policies (the current collection practices employed by HomeServe are set forth on Exhibit E). Any material change in HomeServe's collection practices require prior approval by OPCo, which will not be unreasonably withheld or delayed.

9. Confidential Information. Each Party agrees (a) to protect the Confidential Information of the other with at least the same degree of care used to protect its own Confidential Information; (b) not to use (except for the purpose described herein), publish or disclose to third parties such Confidential Information; and (c) upon the request of the disclosing Party, to promptly destroy all recorded copies of its Confidential Information. Notwithstanding the foregoing, a recipient shall be entitled to disclose Confidential Information to its officers, employees, affiliates (including any joint ventures of which recipient or any of its affiliates are a member and the other members of such joint ventures), agents, lenders, attorneys and other advisors (collectively, "Representatives"), provided that the Representatives shall be informed of the confidentiality obligations provided herein and recipient shall be responsible for its Representatives' compliance with this Section 9.

9.1 If either Party is required pursuant to applicable law or otherwise becomes legally compelled to disclose any of the Confidential Information, such Party shall promptly advise the disclosing Party in order that the disclosing Party may seek a protective order or such other remedy as the disclosing Party may consider appropriate in the circumstances. In any event, the compelled Party may disclose only that portion of the Confidential Information which such Party is legally required to disclose in the judgment of the Party's legal counsel without any liability to the disclosing Party hereunder and such disclosure shall not be a breach of this Section.

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- 9.2 HomeServe shall require its contractors, if any, to expressly comply with the confidentiality provisions as set forth herein.
- 9.3 All documents prepared by a Party for delivery to the other Party during the Term that incorporate, in whole or in part, information owned or provided by that other Party (other than marketing materials) shall not be marked or designated in any way as the confidential or proprietary information of preparing Party without also stating that other Party has rights in such documents. A Party shall have the right to question the designation of such materials as Confidential Information by the other Party and such other Party agrees to provide reasonable cooperation in explaining such designation.

#### 10. Performance Standards.

- 10.1 Call Center: HomeServe agrees to meet the following monthly minimum service level requirement, measured monthly:

- 10.1.1. Answers 80% of the calls within 30 seconds; and

- 10.1.2. Abandonment rate of 5.0% or less.

- 10.2 Other Performance Metrics: HomeServe agrees to meet the following monthly minimum service level requirements, monthly:

- 10.2.1 HomeServe shall attempt to contact via telephone 25% of all Members within 4 weeks of a completed emergency and/or non-emergency repair; and

- 10.2.2 Satisfaction rate for the follow up calls referenced above in 10.2.1 is no less than 95%.

- 10.3 If HomeServe fails to meet the performance standards set out in 10.1 or 10.2 above for any OPCo for two consecutive measurement periods then, in such event, HomeServe will (within 10 business days) provide OPCo with an explanation of the failure and the reasons therefor and with a summary of the plan to correct the failure. If the failure to meet that same performance standard then continues for the next 3 consecutive months then HomeServe's senior management will meet with OPCo in person at AEP's headquarters to describe HomeServe's plan to correct the failure and otherwise provide assurances as to how HomeServe will be able to meet the performance standards.

#### 11. Reporting.

- 11.1 Call Center Reporting: HomeServe agrees to provide OPCo with a report generated on a weekly basis that provides daily offered calls, handled calls, average speed of answer, and abandonment rate (by OPCo). Reports are due to OPCo no later than 9:00am of the first business day of the next week. The Parties will use their good faith efforts to move this to a monthly reporting requirement as soon as practicable.

- 11.2 Monthly report information by OPCo: monthly offered calls, handled calls, average speed of answer, and abandonment rate; combined monthly complaint report (used for calculation of complaint rate); conversion statistics; and conversion percentage. HomeServe will provide OPCo with a report generated on a monthly basis that provides the information set out in this Section 11.2 below for the reporting month (reports are due to OPCo no later than the 5<sup>th</sup> business day of the following month). The Parties will use their good faith efforts to move this to a quarterly reporting requirement as soon as practicable



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**12. Quality Monitoring.**

HomeServe agrees to allow OPCo to monitor or record HomeServe's live answering and processing of calls utilizing HomeServe's call monitoring system, at no cost to OPCo. Alternatively, HomeServe agrees to provide a file of live calls randomly selected by OPCo's quality assurance team or by a process agreed by the Parties. HomeServe further agrees to actively monitor live queues using ACD software and call center display boards.

**13. Records Retention and Examination of Information, Books and Record.**

- 13.1 OPCo reserves the right to audit records, upon at least 10 days prior notice and during normal business hours, at its cost, necessary to permit evaluation and verification of (i) HomeServe's compliance, in the performance of this Agreement, and its dealing with OPCo, with Agreement requirements, and (ii) billing and payment records in the event HomeServe performs billing services. OPCo agrees that any audit and inspection will be done by AEP at a single time on its behalf and on behalf of all other OPCOs who have signed a Work Authorization so as to minimize disruption to HomeServe's business unless circumstances require an individual audit or inspection for a particular OPCo.
- 13.2 HomeServe shall have the right, upon at least 10 days prior notice and during normal business hours, at its cost, to audit and inspect OPCo's (and AEP's as agent) records relating to billing and payment made pursuant to this Agreement and otherwise relating to OPCo's and AEP's compliance with this Agreement.
- 13.3 The Parties shall cooperate with each other and provide each other with information and records pertaining to the Program as requested by governmental agencies, municipalities and courts of law.
- 13.4 Each Party shall retain for a period of three years all information relating to the Program (except that emails may be deleted after 2 years). The other Party may (at its cost) audit and copy such information at the Party's premises during regular business hours.

**14. Representations and Warranties.** Each Party represents and warrants to the other (and in this instance with AEP representing and warranting on its behalf as to its own performance hereunder and as "agent") that (i) it has the full power and authority to enter into and perform under this Agreement; and (ii) to its knowledge at the time, there are no agreements or commitments or Law that would prevent it from carrying out its obligations.

Except as provided herein and to the fullest extent permitted by law, neither Party makes any warranty regarding the Products or the Program, or its performance under this Agreement and any implied warranty is expressly disclaimed. The only warranties are as specifically provided herein.

HomeServe warrants that it will implement the Program and perform the Services in accordance with the accepted standards of care and competence found in the applicable profession as such standards and that the Services shall conform to the requirements of the Agreement.

Each Party shall give the other notice of any breach of the above representations and warranties within a reasonable time after the discovery of the breach.

**15. Indemnification.** With respect to matters involving Members or Customers, the laws of the

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state where the Program and Services giving rise to the claim is performed shall apply to this Section 15 (and if it applies to the relationship between the Parties then Section 21.5 applies).

15.1 TO THE EXTENT PERMITTED BY LAW, HOMESERVE SHALL INDEMNIFY, DEFEND AT ITS EXPENSE, AND SAVE OPCO HARMLESS FROM LIABILITIES, COSTS AND CLAIMS BROUGHT, INCURRED OR ALLEGED BY THIRD PARTIES, INCLUDING JUDGMENTS RENDERED AGAINST, AND FINES AND PENALTIES IMPOSED UPON, OPCO AND REASONABLE ATTORNEYS' FEES AND ALL OTHER REASONABLE COSTS OF LITIGATION (COLLECTIVELY, "LIABILITIES"), AND INCLUDING INJURIES, DISEASE OR DEATH TO PERSONS, OR DAMAGE TO PROPERTY, AND ENVIRONMENTAL CLAIMS AND LIABILITIES, THAT ARE CAUSED BY HOMESERVE, ITS EMPLOYEES, AGENTS, OR SUBCONTRACTORS IN CONNECTION WITH HOMESERVE'S PERFORMANCE OF THIS AGREEMENT (EXCEPT TO THE EXTENT ATTRIBUTABLE TO THE INTENTIONAL ACTS OR NEGLIGENCE OF OPCO).

15.2 WITH RESPECT TO CLAIMS AGAINST OPCO BY HOMESERVE'S EMPLOYEES, HOMESERVE UNDERSTANDS AND AGREES THAT THIS INDEMNIFICATION OBLIGATION SHALL NOT BE LIMITED IN ANY WAY BY, AND HOMESERVE EXPRESSLY WAIVES, ITS IMMUNITY AS A COMPLYING EMPLOYER UNDER ANY APPLICABLE WORKERS' COMPENSATION LAW, BUT ONLY TO THE EXTENT THAT SUCH IMMUNITY WOULD BAR OR AFFECT RECOVERY UNDER OR ENFORCEMENT OF THIS INDEMNIFICATION OBLIGATION. With respect to the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Rev. Code Section 4123.74.

15.3 HOMESERVE SHALL BE LIABLE FOR REASONABLE ATTORNEYS' FEES AND ALL COSTS OF LITIGATION ASSOCIATED WITH ENFORCEMENT FOR ALL INDEMNITY OBLIGATIONS SET FORTH IN THIS AGREEMENT.

15.4 ANY INDEMNIFICATION OF OPCO SHALL TO THE SAME EXTENT APPLY TO OPCO'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND AFFILIATED COMPANIES AND THE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS THEREOF.

16. Disclaimer: Limitation of Liability. EXCEPT FOR HOMESERVE'S INDEMNIFICATION OBLIGATIONS, CLAIMS ARISING FROM INTELLECTUAL PROPERTY INFRINGEMENT, BODILY INJURY, DEATH OR PROPERTY DAMAGE, THE MAXIMUM AGGREGATE LIABILITY OF HOMESERVE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT WHETHER FOR NEGLIGENCE, BREACH OF CONTRACT OR OTHERWISE SHALL BE TWO MILLION DOLLARS. NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INCIDENTAL DAMAGES, INCLUDING LOST REVENUES OR LOST PROFITS HOWSOEVER CAUSED. FOR THE AVOIDANCE OF DOUBT, NO PARTY TO THIS AGREEMENT PROVIDES ANY INDEMNITY UNDER THIS AGREEMENT FOR BREACH OF CONTRACT AND ANY SUCH CLAIM SHALL BE BROUGHT UNDER APPLICABLE LAW.

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17. Term and Termination.

17.1 Term. This Agreement shall commence as of the Effective Date and shall continue for a period of 5 years from the Effective Date ("Initial Term") and this Agreement shall, automatically renew for successive 5 year renewal terms (each, a "Renewal Term" and, with the Initial Term, the "Term") unless terminated in accordance with this Section 17. Notwithstanding the foregoing, either Party may terminate this Agreement as of the end of the Initial Term or any Renewal Term by providing the other with notice of non-renewal not fewer than 6 months prior to the end of the Initial Term or applicable Renewal Term.

17.2 Termination. In addition to the provisions of Section 4.3 and 5.8 which allow for termination, either Party may terminate this Agreement as follows:

17.2.1 At any time for convenience so long as it is not then in breach of this Agreement, to be effective upon not fewer than 6 months prior written notice to the other Party ("Convenience" termination);

17.2.2 Effective upon notice where: (i) the other Party commits a material breach of the Agreement which is either incapable of remedy or, where capable of remedy, the Party in breach fails to remedy that breach within 30 days of being notified of it ("Cause" termination); or (ii) the other Party experiences an Event of Insolvency, the acts or omissions of the other Party (or its affiliates, employees, agents or subcontractors) cause the Party to suffer any fine or other disciplinary process from any regulatory authority or cause material harm to the reputation or goodwill of the Party in the industry or community or if, due to the imposition of any rule or regulation by a regulatory authority, the continued operation of the Program would unreasonably interfere with or impose unreasonable restrictions on, the Party's business (any termination pursuant to this clause (iii) being referred to as a "Regulatory Termination").

17.3 Obligations of the Parties in the Event of Regulatory Concerns and Threatened Regulatory Termination.

In the event a Party believes in good faith that an event that would permit a Regulatory Termination is expected to occur or has occurred or in the event that a regulatory authority has stated that any provision of this Agreement (or activity hereunder) violates applicable law or is against public policy ("Regulatory Concerns") then, in any such event, all activities under this Agreement that are the subject of the Regulatory Concerns shall be suspended. In addition, (A) the Parties shall promptly meet and discuss in good faith appropriate amendments to this Agreement so as to address the regulatory Concerns and use commercially reasonable efforts to reach agreement as to those amendments (which amendments may include the financial terms of this Agreement); and (B) the Parties will in good faith consider modifications to their conduct under this Agreement that can be achieved without amending this Agreement and without adversely affecting the Parties. Neither Party is obligated to agree to any amendment or to any modification of conduct. If, following such efforts as described in this section, the Parties are unable to agree upon a way to continue this Agreement then either Party may terminate this Agreement ("Regulatory Termination") effective upon notice to the other Party (provided that any Regulatory Termination shall be implemented in a manner that is intended to minimize inconvenience to and disruption of Service to

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Customers and Members and in all events in compliance with law). A Regulatory Termination shall not be considered a Convenience termination.

17.4 HomeServe agrees that as part of each Marketing Plan with an OPCo, in each 12 consecutive month period, it will commit to 4 direct mail solus mailings to Customers and 2 direct mail cross sell windows to Members, within the Territory for the applicable OPCo. The OPCo, by signing the Work Authorization, agrees to permit and cooperate in the completion of those mailings in each such 12 month period (the "Minimum Marketing"). If the Minimum Marketing is not completed by HomeServe and (a) is not due to or caused by breach of this Agreement or the applicable Work Authorization by the OPCo or AEP; (b) is not at the request of AEP or that OPCo; (c) is not as a result of or in response to any Force Majeure Event; (d) is not as a result of or in compliance with Sections 5.7, 5.8 or 17.3; and (e) is not provided for in an agreed upon Marketing Plan, then, in such event and as AEP's and OPCo's sole remedy therefor: (a) the exclusivity provisions of Section 2 hereof shall no longer apply to that OPCo; (b) that OPCo may, on 20 days prior notice to HomeServe elect to terminate the Work Authorization without liability; and (c) should AEP then elect at any time to terminate the entire Agreement for convenience under Section 17.2.1 then the portion of the First Set Up Fee and Second Set Up Fee that is allocable to that OPCo shall not be refunded to HomeServe.

18. Effect of Termination.

18.1 Upon termination of this Agreement: (i) each Party shall destroy, (and provide a written declaration of such action), all materials bearing the Marks and Confidential Information of the other Party; (ii) neither Party shall hold itself out as being associated with the other; and (iii) subject to Section 17.3, the Parties shall continue as to billing and payment to the extent provided in this Agreement for the Run Off Period. Termination shall be without prejudice to the rights and obligations of the Parties accrued prior to termination and shall not affect the operation of any provision of this Agreement which is intended to survive termination.

18.2 In addition to any other rights and obligations under this Agreement, in the event that AEP terminates this Agreement for Convenience (or in the event that all OPCo's have terminated Releases for Convenience) prior to the end of the Initial Term then in such event AEP shall, within 5 business days: (a) refund the First Set Up Fee and the Second Set Up Fee (to the extent paid) in full.

19. Insurance.

19.1 HomeServe shall, at its sole expense, procure and maintain throughout the term of this Agreement except as set forth in Section 17.5, the following types of insurance with the following, minimum limits:

19.1.1 Workers' compensation insurance in accordance with all jurisdictions where HomeServe has operations including where the Program is marketed and Service is to be performed. If HomeServe is a non-subscriber to workers' compensation, evidence of insurance equivalent to workers' compensation must be provided.

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- 19.1.2 Employer's liability in an amount not less than \$1,000,000.
- 19.1.3 Business automobile insurance covering all owned, non-owned and hired autos in an amount not less than \$5,000,000 per occurrence.
- 19.1.4 Commercial general liability insurance covering claims of bodily injury and property damage in an amount not less than \$5,000,000 per occurrence.
- 19.1.5 "All risk" property insurance covering the full replacement cost of HomeServe's personal property.
- 19.2 HomeServe shall cause its subcontractors and outside vendors performing work on behalf of HomeServe under this Agreement, to procure and maintain, throughout the term of this Agreement the following types of insurance with the following, minimum limits:
  - 19.2.1 Workers' compensation insurance in accordance with all jurisdictions where the subcontractor and/or outside vendor has operations including where the work is to be performed. If subcontractor and/or outside vendor is a non-subscriber to workers' compensation evidence of insurance equivalent to workers' compensation must be provided.
  - 19.2.3 Employer's liability in an amount not less than \$100,000.00.
  - 19.2.4 Business automobile insurance covering all Owned, Non-owned and Hired Autos in an amount not less than \$1,000,000 per occurrence.
  - 19.2.5 Commercial general liability insurance covering claims of bodily injury and property damage in an amount not less than \$1,000,000 per occurrence.
  - 19.2.6 "All risk" property insurance covering the full replacement cost of Contractor's personal property.
- 19.3 To the extent permitted by law, HomeServe shall waive, and shall cause each of its insurers to waive, any and all rights of recovery, by subrogation or otherwise, against OPCo and its affiliates, officers, directors, employees, agents and assigns of any type. Each of HomeServe's insurance policies shall be primary to and non-contributory with any insurance or self-insurance of OPCo.
- 19.4 The Commercial General Liability and the Business Automobile shall include each of HomeServe and HomeServe USA Repair Management Corporation as an additional insured. Such coverage shall also include blanket contractual coverage and contain no exclusion for explosion, collapse, or underground property damage (XCU coverage).
- 19.5 The insurance required by this Section 19 is in addition to and separate from any other obligations contained in the Agreement.
- 19.6 If any of the policies indicated above are placed on a "claims-made" basis, such coverage shall be maintained for a period of not less than five (5) years following the completion of the Program and Services, including any Run-Off Period. Products and/or completed operations coverage shall be maintained for a period of five (5) years after the completion of the Program and Services, including any Run-Off Period.
- 19.7 Any deductibles or retentions on any of the policies required herein shall be the sole responsibility of the HomeServe.

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19.8 The above referenced limit requirements may be met by any combination of umbrella or excess and primary policies so long as the total limit of insurance requirement is met. The required coverages referred to herein shall in no way affect, nor are they intended as a limitation of, HomeServe's liability with respect to its performance of the Program and Services. The limits of insurance indicated herein are minimum requirements and are in no way intended to limit HomeServe's liability.

## 20. Notices

The representatives of the Parties for the receipt of notices are (subject to change at any time by notice properly given):

For AEP or OPCo:

American Electric Power  
1 Riverside Plaza  
Columbus, Ohio 43215  
Attn: Eric B. Morris  
Customer Programs Manager  
[ebmorris@aep.com](mailto:ebmorris@aep.com)

*With a required copy to:*

American Electric Power  
700 Morrison Road  
Gahanna, Ohio 43230  
Attn: Jennifer Downey, Procurement  
[jldowney@aep.com](mailto:jldowney@aep.com)

For HomeServe:

HomeServe USA Corp.  
601 Merritt 750  
Norwalk CT 06851  
Attention: Chief Executive Officer  
Email:

*With a required copy to:*

HomeServe USA Corp.  
601 Merritt 750  
Norwalk CT 06851  
Attention: Divisional Counsel  
Email:

## 21. Miscellaneous.

- 21.1 The Parties shall be independent contractors and neither party has the right to incur any liability or obligation (express or implied) or act in the name of the other.
- 21.2 Neither Party shall assign the benefit, or delegate the obligations, of this Agreement to any third party without the prior written consent of the other.
- 21.3 No failure or delay to exercise rights hereunder shall operate as a waiver and no single or partial exercise of such rights shall preclude any other or further exercise thereof. This Agreement (which term includes all Exhibits) is the entire agreement between the

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Parties and supersedes any previous agreements between the Parties relating to the same.

- 21.4 If a provision of this Agreement is held by any court or competent authority to be illegal or void (in whole or in part), then such provision shall be excluded, and the remaining provisions shall be interpreted as if such provision were excluded.
- 21.5 This Agreement, and the rights and obligations hereunder, shall be governed by the laws of New York. The Parties submit to the exclusive jurisdiction of the federal and state courts located in New York City, NY to resolve all disputes under this Agreement and consent to service of process in any manner permitted by those courts. Notwithstanding this, prior to commencing any proceedings in any such court, the Parties shall use their good faith efforts to resolve any dispute under this Agreement by negotiation for a period of at least 30 days. Notwithstanding this, neither Party shall be precluded from immediately applying for injunctive or other equitable relief and nothing herein shall affect a Party's right to properly terminate this Agreement as provided herein.
- 21.6 All communications that are to be given under this Agreement shall be in writing and shall be delivered to the Parties at the addresses in Section 20 above. Delivery is proper if sent by United States registered or certified mail with all fees/postage paid or by pre-paid overnight delivery with a nationally recognized, reputable courier or by electronic communication ("e-mail").
- 21.7 A Party shall not be held to be in breach of this Agreement where such breach is caused by reason of a Force Majeure Event. The nonperforming Party shall be excused from performance while the event continues provided that it takes all reasonable steps to resume full performance as soon as is practicable. Force Majeure shall not entitle a party to withhold or delay payment.
- 21.8 This Agreement may be varied, modified or altered only by written agreement signed by the Parties. This Agreement may be executed in counterparts.

*[Signature page follows immediately hereafter]*

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IN WITNESS WHEREOF, the parties hereby enter into this Agreement as of the Effective Date as a legally binding agreement.

AMERICAN ELECTRIC POWER  
SERVICE CORPORATION FOR ITSELF  
FOR THE LIMITED PURPOSES STATED  
HEREIN AND AS AGENT FOR THE  
PARTICIPATING OPERATING  
COMPANIES OF THE AMERICAN  
ELECTRIC POWER  
SYSTEM

By: 

Name/Title: MARK A. COLEMAN / Dir

Date: 4/1/2014

HOMESERVE USA CORP.

By: 

Name/Title: Thomas J. Brown / CEO

Date: 3/18/14



# EXHIBIT A

Exhibit A - Products

Product Name	Monthly Pricing (\$ / month)	Coverage (per year)
Exterior Electrical Line	4.99	Exterior Electrical \$3,000 unlimited calls, incl. new coverage
Interior Electrical Line	4.99	Interior Electrical \$2,500 unlimited calls
Heating System	10.50	Heating \$1,750 unlimited calls
Cooling System	10.99	Cooling \$1,750 unlimited calls
Water Heater Repair and Replacement Plan	7.99	Water Heater(Rep/Rplce) - \$850 coverage unlimited calls
Exterior Water Service Line	4.99	Water Service Line \$10,000 unlimited calls
Exterior Sewer/Septic Line	8.99	Sewer/Septic Line \$10,000 unlimited calls
Interior Plumbing and Drainage System	10.49	IPD 2 calls @ \$2,500

*Handwritten signature*

# EXHIBIT B

**EXHIBIT B**

**WORK AUTHORIZATION NO.** \_\_\_\_\_

This Work Authorization between \_\_\_\_\_, a(n) \_\_\_\_\_ corporation ("Owner" or "\_\_\_\_\_"), and HomeServe USA Corp. ("Contractor" or "HomeServe"), is subject to, and the parties are bound by, the provisions of the Master Marketing Agreement No. 027040870000X103 with Effective Date of March \_\_ 2014 ("Agreement").

Terms used herein as defined terms that are not defined shall have the meanings used in the Agreement.

**A. Effective Date**

This Work Authorization is effective \_\_\_\_\_.

**B. Term**

The term of this Work Authorization begins on \_\_\_\_\_ and expires/terminates as provided in Section 17 of the Agreement.

**C. Scope of Services**

Contractor and \_\_\_\_\_ agree that Contractor shall market the Products in the Territory during the Term of this Work Authorization in accordance with the Work Authorization Documents.

**D. Work Authorization Documents**

This Work Authorization consists of the following documents, which are attached hereto unless otherwise indicated, incorporated herein and made a part hereof:

- a. This Work Authorization No. \_\_\_\_\_
- b. The \_\_\_\_\_ Marketing Plan, which may be modified from time to time
- c. The Product List

**E. Payments**

In the event that Contractor conducts billing services, all payments to \_\_\_\_\_ shall be made to:

PO Box 24424  
Canton, Ohio 44701-4424

**F. Contacts**

For Owner:

[insert contact information]

With a required copy to:

American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, Ohio 43215  
Attn: Eric Morris

American Electric Power Service Corporation  
700 Morrison Road  
Gahanna, Ohio 43230  
Attn: Jennifer Downey

For Contractor: As per the Agreement

\_\_\_\_\_

HomeServe USA Corp.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
date

\_\_\_\_\_  
date

# EXHIBIT C

## EXHIBIT C

### North American Electric Reliability Corporation Critical Infrastructure Protection

#### NERC CIP Personnel Risk Assessment Requirements

- A.0 If required by Utility, HomeServe must meet certain security criteria set forth herein.
- A.1 HomeServe has submitted to Utility a copy of its background investigation process for Utility's review and file (and a copy is attached to this Exhibit \_\_). HomeServe will not materially change that process without Utility's prior approval and all changes to the process shall be provided to Utility in advance of implementation.
- A.2 If any background investigation reveals or indicates that an individual has been convicted of a felony crime, then the HomeServe must notify the Utility prior to the individual commencing Work. Utility in its sole discretion shall have the option of barring from any Work Site any individual who has a reported felony conviction. Utility may audit or review specific HomeServe screening files to ensure compliance with this Contract.
- A.3 If an employee or agent of HomeServe requires unescorted access to Utility's critical cyber assets, then Utility will conduct its own background investigation, which will include a Social Security Number verification. Additional specific provisions or requirements related to any Utility conducted background investigation pursuant to this Section will be communicated to HomeServe prior to implementation of such background investigation.
- A.4 HomeServe and Utility shall not perform any screening activities that violate the federal Fair Credit Reporting Act, Title VII of the Civil Rights Act of 1964 or any other applicable law in any circumstances. HomeServe and Utility shall each ensure that the substance and manner of any and all background investigations performed by it conform fully to applicable law.
- B.0 "Personally Identifiable Information" or "PII" means any information to which HomeServe is provided access by Utility pursuant to the Marketing Agreement ("Contract") that could identify a Customer of Utility either directly or indirectly including, without limitation to, the individual's name, credit card numbers, social security number, biometric, bank account numbers, passport numbers, computer passwords or health, financial or employment information and other individual confidential information.
- B.1 To the extent that services under the Contract requires HomeServe to be given access to PII gathered and/or maintained by or on behalf of Utility, or in the event HomeServe acquires access to or encounters any PII during performance of the obligations under the Contract, HomeServe shall after receipt thereof, treat such PII as confidential and safeguard such PII from unauthorized use and disclosure. Upon request of Utility, HomeServe shall have its employees execute a confidentiality agreement protecting PII or shall otherwise ensure that the employees are bound by confidentiality. HomeServe agrees not to appropriate such PII for its own use or to disclose such PII to third parties unless specifically authorized by Utility in writing per the Contract. HomeServe shall ensure that its employees will not discuss, divulge or disclose any such PII to any person or entity except those persons directly concerned with and only to the extent necessary to complete the performance of the Work. HomeServe shall access, use and process PII and other data on behalf of Utility only for the purposes specified in the Contract.

- B.2 HomeServe shall comply with (i) NERC Reliability Standards as applicable, including without limitation, those relating to Critical Infrastructure Protection, (ii) Utility's security standards, and (iii) such further instructions as Utility may provide regarding the processing of such PII. HomeServe shall inform Utility promptly if it has reason to believe that applicable law (or changes in applicable law) prevents HomeServe from fulfilling the obligations relating to treatment of PII or other data under Utility's security standards and/or the Contract.
- B.3 To the extent permitted by law, HomeServe shall notify Utility promptly upon (and shall coordinate and discuss with Utility any response regarding): (a) receiving any request for disclosure of PII or other data by law enforcement or other governmental authority; (b) receiving any request by law enforcement or other governmental authority for information concerning the processing of PII or other data in connection with the Contract; or (c) receiving any request received directly from an individual concerning his/her PII.
- B.4 HomeServe may not store PII, on computers, mobile devices, including but not limited to a cellular telephones and/or personal digital assistants, servers and/or storage devices including removable media (any of which, hereinafter known as a "Computer"), unless required for the performance of the Contract. Any such information must be deleted from a Computer, in a manner that ensures that it cannot be accessed or read, as soon as such storage is no longer required for the performance of Work.
- B.5 Upon termination of the Contract or upon Utility's request (but subject to the terms of the Contract), HomeServe must promptly (a) return all PII in written form to Utility, and (b) delete all PII in HomeServe's possession or control (on computer or in whatever other form or media) in a manner that ensures that this information cannot be accessed or read.
- B.6 HomeServe shall administer a monitoring process to ensure compliance with this Section and the related subsections hereof, promptly report any breaches to Utility, and implement immediate, appropriate corrective actions to contain and prevent recurrence. HomeServe shall report to Utility immediately upon discovery of a real or suspected loss of PII. In the event of a breach of this provision or the occurrence of any other event regarding PII that requires notification under applicable law, HomeServe agrees to assume responsibility for informing all such individuals in accordance with applicable law.
- B.6 In addition to any remedy available to Utility under the Contract, HomeServe acknowledges that any breach of this Section or the related subsections hereof by HomeServe or its SubHomeServes may subject HomeServe to civil and criminal penalties. HomeServe shall include the full text of this Section and the related subsections in all appropriate subcontracts. However, including such provision in the subcontracts shall not relieve HomeServe of its obligation to ensure compliance with the provisions of this Section and the related subsections.




# EXHIBIT D

**IT SECURITY PROVISION  
FOR  
PURCHASE OF LABOR AND SERVICES**

- 1.0 Security.** HomeServe shall agree to maximize the security of the Customer Data throughout the Term according to general industry standards including but not limited to the following terms and conditions.

HomeServe agrees that the terms of this Supplemental Provision shall apply to HomeServe's employees and agents, as well as to third party contractors and subcontractors that will be employed by HomeServe for fulfillment of the Supplemental Provision.

- 1.1 Personnel.** HomeServe shall identify in writing a person, group or role responsible for overall security of the solution development, management, and update processes, with who Utility may make direct contact in the event of an issue or incident, throughout the Supplemental Provision period. The entity identified shall have specialized knowledge in the specific area of responsibility to which assigned, with a preference that at least one contact carry an industry recognized certification in the field. The designated entity shall provide written documentation of the activities performed to ensure the confidentiality, integrity and availability of Solution.
- 1.2** Within 24 hours of termination of employment of contract personnel, Utility shall be notified of the termination.
- 1.3 Security Training.** HomeServe shall certify in writing that all members of the project team with direct responsibility for delivery of the solution have been successfully trained in general security knowledge and where applicable specific knowledge as it relates to the secure development of the Deliverable.
- 1.3.1.** Security training shall be conducted upon hire with an annual requirement for refresher training.
- 1.3.2.** For personnel responsible for development of software or firmware products training shall include secure coding practices and vulnerability identification and remediation
- 1.3.3.** For personnel responsible for development of hardware solutions training shall include hardware security configuration practices
- 1.3.4.** Upon request by Utility, HomeServe shall document the process, including training courses, which their personnel have taken prior to taking part in the design, development, deployment or management of the solution being provided.
- 1.3.5.** Upon request by Utility, HomeServe shall certify to Utility that only personnel who have received an appropriate level of formal training on security topics, to include but not limited to secure application
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development, secure device configuration, and vulnerability identification and remediation shall be involved in the Supplemental Provision.

- 2.0 Security Breach Response and Reporting.** If HomeServe becomes aware of a possible breach which may lead to an impact to the confidentiality, integrity or availability of Utility information during the term of this Supplemental Provision, Utility shall be notified of the breach within 24 hours. The notification should include the impact of that breach on any services covered by this Supplemental Provision; any mitigation plans that impact the code and if the source code has been accessed due to the breach.
- 2.1 Investigating Security Issues.** After acceptance, if security issues are discovered or reasonably suspected, by any party, impacting Utility, HomeServe shall assist Utility in performing an investigation to determine the nature of the issue, potential impact on Utility and remediation process.
- 3.0 Third Party Participation Disclosure.** Upon execution of this Supplemental Provision HomeServe shall document in writing to Utility all third party participation in the solution development. Included shall be identification of all Third-party developed libraries, frameworks, components, and other products used, whether commercial, free, open-source, or closed-source.
- 3.1** Disclosure shall also include nature of participation and country from which third party is providing the service.
- 4.0 Third Party Compliance.** HomeServe shall use their best effort to ensure that third party participation meets all the terms of this Supplemental Provision.
- 5.0 Network Usage Rules.** All users of Utility information assets must comply with Utility requirements which are summarized below. Users found to be in violation of these policies and standards may be refused access to information assets and may be subject to appropriate disciplinary action.
- 5.1** All Utility provided information and communications technology, systems and services, as well as all electronic media, files, data, and information, created, sent, received and/or stored are company assets intended for authorized business use. Use of Utility information assets cannot be assumed to be confidential.
- 5.2** Using Utility information and communications technology, systems, and services, to view, send, store or print pornography or other offensive materials is prohibited.
- 5.3** Sending, storing or discussing Utility sensitive information on the Internet or through other electronic means without prior authorization and assurance of effective security measures is prohibited.
- 5.4** Users must not place any Utility intellectual property on the Internet without prior authorization and appropriate security measures. Utility intellectual property includes, but is not limited to, technological developments and designs, computer software, trade secrets, copyrighted materials, strategic plans, operation drawings or diagrams, or information providing concepts or details of applications or information security architectures.

- 5.5 Use of webmail and third party email systems, without prior authorization and appropriate security measures, regardless of access method is not allowed using Utility information assets.
- 5.6 Non-Utility owned or managed assets shall not be connected to the Utility corporate network without proper authorization by Utility management. Utility provides a wireless network for non-Utility assets, which requires submission and approval of an access request by Utility management.
- 6.0 **User Rules.** All personnel utilizing Utility information assets:
- 6.1 are responsible for maintaining absolute confidentiality of their passwords at all times,
- 6.2 must never divulge their passwords to others,
- 6.3 must never use another person's user ID,
- 6.4 are responsible for all electronic information processing activities performed under their user ID,
- 6.5 will be held responsible for any violations of rules and changes incurred for computer usage under their user ID and
- 6.6 must sign this Supplemental Provision indicating they have read and understood this document
- 6.7 All equipment provided by Utility to any third-party remains the property of Utility and shall be returned upon termination of the services covered under this Supplemental Provision.
- 7.0 **Access Management.** The following requirements shall be followed by all persons using or accessing Utility information Assets:
- 7.1 Utility computer systems prompt users to change their password. Users must change their passwords when prompted or whenever they have reason to believe their passwords have become known to others. In the event the user forgets their password, only the users themselves or their manager may request "IT Service Desk", 1 Riverside Plaza, extension 1-866-835-3050 to reset their password.
- 7.2 Passwords must meet Utility password complexity requirements
- 7.3 Users must never write their passwords down where they can be seen by others.
- 7.4 Users must never use their initials or names as passwords and must not choose passwords that are obvious or could be easily guessed.
- 7.5 Users must activate their screen saver or logoff:
- when away from their systems for any length of time,
  - when turning over their systems to others, and
  - at the end of the day.
- 7.6 Users must never attempt to sign on to a system that they are not authorized to access.

- 7.7 Unless an exception is granted by AEP Cyber Security Engineering and Standards, the use of Peer-to-peer (P2P) software and connections is prohibited. If a P2P network exception request has been granted to users by Cyber Security Engineering and Standards:
- Workstations used to connect to Peer-to-peer (P2P) networks must run the current versions of Utility's Host Intrusion Prevention software and firewall programs.
  - Users granted an exception to connect to Peer-to-peer (P2P) networks must not have administrator rights to the workstation or sign on the workstation with an administrator account.
  - All material downloaded by users with approved exceptions for Peer-to-peer (P2P) networks must be scanned with the Utility anti-malware software before execution.
- 7.8 Users should report all problems/failures encountered with hardware and software directly to the "IT Service Desk" at: 1-866-835-3050. The "IT Service Desk" can also be reached through the online service at: <http://it/report/>.
- 7.9 Software programs, data, and information in use on Utility information assets are to be considered property of Utility. Only employees and HomeServes having a need to do their assigned functions will be permitted access to these information assets.
- 7.10 Utility may monitor any activity or communication on the system and retrieve any information stored within the system. By accessing and using Utility systems, you are consenting to such monitoring and information retrieval for law enforcement and other purposes. Users should have no expectation of privacy as to any communication on or information stored within and Utility system, including information stored locally on the hard drive or other electronic media in use with these systems.
- 7.11 Remote access to Utility networks by non-Utility must be requested and approved by an Utility authorized person.
- 7.11.1. All systems remotely accessing the Utility network must have at a minimum malware protection and a personal firewall.
  - 7.11.2. All restrictions imposed on Utility network use in this document shall apply to any remote access.

# EXHIBIT E

**Explanation of the of the collections/arrears process:**

- AEP will be providing 2 sets of arrearage information.
  - o The first set will include arrears information for customers that are in arrears with the utility company and Homeserve.
  - o The second set will include arrears information for customers that are in arrears with Homeserve only.
- The general reason why we are receiving 2 sets of arrears information is because of the payment hierarchy; the possibility exists that a customer will be fully paid up on their utility bill while their HomeServe charges remain unpaid. AEP will not send out collection notices if the only outstanding arrears amount is for Homeserve charges.
- In the case where a customer is in arrears on their utility bill and Homeserve charges, Homeserve needs to follow the AEP process so the customers will receive the required number of notification letters before they are cancelled.
- AEP is in multiple states and follows different processes dependent on the requirements within the state that they are operating. Because of the different processes, AEP is providing Homeserve with specific flags to indicate AEP's different touch points with the customer. This will allow Homeserve to follow the same collection timeline as AEP.
- If the customer is only in arrears with the Homeserve charges, the Homeserve Arrears Indicator will be used to determine required letters to be sent out.

**Overall Homeserve arrears process:**

- Policy is suspended at X number of days in arrears and suspense letter notification is sent to the customer.
- Pre-Cancellation letter is sent 20 days after suspense letter was sent out if customer has not come current.
- Policy is cancelled 10 days after pre-cancellation was sent out if customer has not come current.

Collection Status	Value	Value	Value	Value	Value	Value	Value
Disconnect Date	"N"	"Y"	"N"	"Y"	"N"	"Y"	"N"
Disconnect Status	<Blank>	<Blank>	<Non Blank>	<Non Blank>	<Blank>	<Non Blank>	<Non Blank>
HS Arrears	"N"	"N"	"N"	"N"	"Y"	"Y"	"Y"
Rule	0,1,2,3,4	N/A	N/A	N/A	N/A	N/A	N/A
	C	A	B	B	REJECT-RECORD	A	B

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Rule	Description	Details
A	Collection Status	<ul style="list-style-type: none"> <li>o Suspend the customer's account if it is active ("c" or "g").</li> <li>o If the customer's policy is suspended ("k") or cancelled ("z") do nothing.</li> <li>o If the policy was active and was moved to a "suspend" status, check if the customer has received a suspense letter within x number of days. <ul style="list-style-type: none"> <li>▪ If the customer has not received a suspense letter within the last x number of days, create a suspense letter for the customer, this letter should be picked up by the standard letter process (letprint) and send a "05" notification to the partner in the enrollment file. These files will be picked up and sent to the external print vendor. No file format or field changes required.</li> <li>▪ If the customer has received a suspense letter within the last x number of days (customer should not receive more than 1 suspense letter within x number of days), do not create a suspense letter for the customer and do not send a "05" notification to AEP.</li> </ul> </li> <li>o If the disconnect date is &gt; than 15 days (user configurable) from today (when the report is processed) check if the policy is suspended. <ul style="list-style-type: none"> <li>▪ If the policy is in active status ("c", "g"), suspend the policy.</li> <li>▪ If the customer has not received a suspense letter within the last x number of days (customer should not receive more than 1 suspense letter within x number of days), create a suspense letter for the customer, this letter should be picked up by the standard letter process (letprint) and send a "05" notification to the partner in the enrollment file. No file format or field changes required.</li> <li>▪ If the customer has received a suspense letter within the last x number of days, do not create a suspense letter for the customer and do not send a "05" notification to AEP.</li> </ul> </li> <li>o If the policy is in suspended ("k") or cancelled ("z") status do nothing.</li> </ul>
B	Disconnect Date	<ul style="list-style-type: none"> <li>o If the disconnect date is &lt; or = to 15 days (user configurable) from today (when report is processed) check if policy is suspended and if a suspense letter was sent within x number of days. <ul style="list-style-type: none"> <li>▪ If policy is in active status ("c" or "g"), suspend policy.</li> <li>▪ If the policy is in suspended ("k") or cancelled status ("z") do nothing.</li> <li>▪ If suspense letter was sent within x number of days, send out pre-cancellation letter, this letter should be picked up by the standard letter process (letprint) and send a pre-cancellation notification "06" in the enrollment file to AEP. No file format or field changes required.</li> <li>▪ If suspense letter was not sent within x number of days, send out suspense letter and "05" notification to AEP instead of the pre-cancellation letter and "06" notification to AEP.</li> </ul> </li> </ul>
C	HS ARREARS	<ul style="list-style-type: none"> <li>o If the indicator = 0 "Current" <ul style="list-style-type: none"> <li>▪ Check the policy status <ul style="list-style-type: none"> <li>• If the policy status is active ("c", "g") do nothing.</li> <li>• If the policy status is suspended ("k") un-suspend the policy.</li> <li>• If the policy is cancelled ("z") do nothing.</li> </ul> </li> </ul> </li> <li>o If the indicator = 1 "0-30 days in arrears" <ul style="list-style-type: none"> <li>▪ Check the policy status <ul style="list-style-type: none"> <li>• If the policy status is active ("c", "g") do nothing.</li> <li>• If the policy status is suspended ("k") un-suspend the policy.</li> <li>• If the policy is cancelled ("z") do nothing.</li> </ul> </li> </ul> </li> <li>o If the indicator = 2 "30-60 days in arrears"</li> </ul>

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- \* Suspend the customer's account if it is active ("c" or "g").
- \* If the policy was active and was moved to a "suspense" status, check if the customer has received a suspense letter within x number of days.
  - If the customer has not received a suspense letter within the last x number of days, create a suspense letter for the customer, this letter should be picked up by the standard letter process (letprint) and send a "05" notification to the partner in the enrolment file.
  - If the customer has received a suspense letter within the last x number of days, do not create a suspense letter for the customer and do not send a "05" notification to AEP.
- o If the indicator = 3 "60-90 days in arrears"
  - If policy is in active status ("c" or "g"), suspend policy.
  - If the policy is in suspend status ("k"), do nothing.
  - If the policy is in cancelled status ("z") do nothing.
  - If suspense letter was sent within x number of days, send out pre-cancellation letter, this letter should be picked up by the standard letter process (letprint) and send a pre-cancellation notification "06" in the enrolment file to AEP.
- o If the indicator = 4 "90 or more days in arrears"
  - If suspense letter was not sent within x number of days, send out suspense letter instead of the pre-cancellation letter and send a suspense notification "05" in the enrolment file to AEP.
  - Check if the customer was sent a pre-cancellation letter within x number of days.
    - If the customer was sent a pre-cancellation letter, if status is "k", "c" or "g" send an "04" cancellation transaction in the enrolment file to AEP. If the customer's account is already in cancel status "z", do nothing.
- \* If the customer was not sent a pre-cancellation letter:
  - Check policy status:
    - o If the policy is in active status ("c", "g") suspend policy.
    - o If the policy is in cancelled status ("z") do nothing.
    - o If the policy is in suspend status ("k") do nothing.
  - Check if customer was sent a suspense letter.
    - o If the customer was sent a suspense letter in x number of days, send the customer a pre-cancellation letter, this letter should be picked up by the standard letter process (letprint) and send a pre-cancellation notification "06" in the enrolment file to AEP.
    - o If the customer was not sent a suspense letter in x number of days, send the customer a suspense letter (follow MDU process to add record to the Polprint report) and send a suspense letter notification "05" in the enrolment file to AEP.

Note: AEP will not send a "0" Arrears Indicator as AEP considers accounts current if they are 0-30 days in arrears. An Arrears indicator of "1" will be received for all accounts that are current/0-30 days in arrears.