

HEALTH CARE MUTUAL CAPTIVE INSURANCE COMPANY

POLICYHOLDER AGREEMENT

THIS POLICYHOLDER AGREEMENT (the "Agreement") is made as of January 1, 2001 (or such later date as the Member, defined below, shall have been first issued an insurance policy by the Company, defined below), by and between Health Care Mutual Captive Insurance Company, a Georgia mutual association captive insurance company (the "Company"), and the undersigned employer located in the State of Georgia (the "Member"). In consideration of the mutual covenants and premises herein contained, the Company and the Member hereby agree as follows:

1. Scope and Term. The Company, or, at the direction of the Company, the administrator of the Company's insurance program(s), shall provide the Member with risk management services and insurance coverage(s) pursuant to any policy or policies of insurance between the Member and the Company. In consideration of such services and coverage, the Member shall pay the premiums and make or maintain the capital contributions as provided under this Agreement, and any policies and shall comply with all applicable rules, regulations, policies and procedures of the Company. This Agreement shall commence on the date hereof and continue in force from said date until terminated in accordance with this Agreement.

2. Representations, Covenants and Warranties. The Member represents, warrants, covenants and acknowledges as follows: that it is duly organized, validly existing and in good standing under the laws of the State of Georgia; that it has the full power and authority to carry on its business in the places and as it is now being conducted; that it has the capacity and authority to execute and deliver this Agreement and to perform its obligations hereunder; that it has taken all requisite actions to authorize the execution, delivery and performance of this Agreement; as of the date hereof, and continuously throughout the term of this Agreement, that it is and will remain a member in good standing of the one of the associations to whose members the Company is permitted under Georgia law to issue workers' compensation insurance policies; that it will abide by the Bylaws of the Company in effect from time to time and any other rules, regulations, policies and procedures adopted by the Company; that the Company has assumed, as of January 1, 2001, all of the liabilities and obligations of the Workers' Compensation Fund for Health Care, including without limitation the liability to pay claims with respect to all policy years of the Fund ending on or prior to December 31, 2000, and that, with respect to Fund years ending on or prior to December 31, 2000, during which the Member was a member of the Fund, the Member will continue to be jointly and severally liable, together with all other members of the Fund during such Fund years, for the payment of claims with respect to such Fund years; that the Member shall furnish to the Company prior to the date on which coverage is to be provided an annual estimated payroll by job classification; that this estimate shall be adjusted annually at the end of each policy year to reflect the actual payroll on the books of the Member from time to time during the policy year; that the Company shall have the right to conduct an annual audit, or cause its designee to conduct an annual audit, of the payroll records of the Member, at the expense of the Company, and that the Member hereby agrees to submit to such annual audit when requested to do so by the Company; and that the Member will comply with all terms and conditions of any policy issued by the Company to the Member.

3. Premiums. The Member shall pay to the Company all premium obligations due for each policy year. The Member understands that interim rate adjustments to premium may be required and agrees to pay any resulting additional premiums. The Member also shall pay, promptly upon receipt of an invoice from the Company, any additional premium resulting from the annual adjustment of payroll and payroll classification in accordance with Section 2 above. The Member authorizes, and will execute any necessary authorization forms to permit, the Company or its designee to obtain information and data required in determining the experience modification factor for the Member; and the Member authorizes the Company or its designee to file with the appropriate authorities loss and payroll data pertaining to the Member to be used in developing the Member's experience modification factor. In the event that the Member fails to pay

any premium when due, the Company shall have the right (i) to seek all appropriate equitable or monetary relief, including without limitation the right of set-off against any amount owed by the Company hereunder, (ii) to collect by all lawful means the amount of premium owed, together with interest, compounded monthly, at the maximum legal rate, and all costs, including attorney's fees, incurred in connection with efforts to collect the premium, and (iii) to cancel the policy in accordance with its terms.

4. Appointment of Proxy. The Member hereby appoints and grants to the President, and in his absence the Vice President, and in his absence the Secretary, of the Company, its revocable proxy to vote its membership interest at any annual or special meeting of the members at which the member does not attend or otherwise exercise in writing its proxy prior to the commencement of such meeting. The duration of such proxy shall be for a period of ten years from the date hereof, provided, however, that no such appointment shall extend beyond the date of termination of all policies of insurance between the Member and the Company.

5. Termination of this Agreement. This Agreement shall terminate automatically upon the termination of all insurance policies between the Member and the Company. This Agreement may be terminated by the Company for failure of the Member to comply with the terms of any insurance policy, this Agreement, or the Bylaws, rules, regulations, or procedures of the Company. In the event any policy is canceled as a result of a default by the Member, the Member shall pay to the Company on the termination date an amount equal to the portion of the balance of the unpaid estimated annual premium and any other amounts due for the policy year.

6. General. This Agreement shall be construed under and governed by the laws of the State of Georgia. This Agreement may not be assigned by the Member without the prior written consent of the Company. Failure of either party to enforce any right hereunder shall not act as a waiver of such right or of the ability to assert such right at a later date or to terminate this Agreement on the basis of any subsequent default or breach.

IN WITNESS WHEREOF, the undersigned Member agrees to be bound hereby, and the parties hereby execute this Agreement by their duly authorized representatives as of the date first set forth above.

MEMBER:

HEALTH CARE MUTUAL CAPTIVE
INSURANCE COMPANY

By:

By:

Name:

Name: Freda M. Smith

Title:

Title: President