



AHCP
America's Health Care Plan

Discover the
DIFFERENCE
with AHCP



AGENT INFORMATION

Legal Name: _____

Last

First

MI

Address: _____
Street Address Apartment/ Unit #

City

State

Zip Code

Home Phone: _____ Business Phone: _____

Email Address: _____

SSN: _____ Tax ID: _____ Date of Birth: _____

UPLINE & COMMISSION

Direct Up-line/ Manager: _____ DP: _____

Commission Level: _____ (Unsure? Contact your up-line)

How did you hear about AHCP?

☐ Online ☐ Job Posting ☐ Drip Marketing ☐ Referral _____
(Name of Referral)

Advance Options: ☐ Earned Commission

APPOINTMENT INSTRUCTIONS

Appointment Checklist for: **Anthem CO/ NV**

- ☐ Page 1 AHCP Appointment Coversheet (this page)
- ☐ Page 2-4 Personal Data Sheet
- ☐ Page 5-17 Individual, Senior and Small Group Broker Agreement
- ☐ Page 18-28 Business Associate Agreement
- ☐ Page 29-37 Medicare Advantage and Part D Broker Contract Addendum
- ☐ Page 38-50 SubAgent Agreement
- ☐ Page 51 Direct Deposit Authorization (Commissions paid by AHCP)
- ☐ Page 52 W9
- ☐ Page 53-56 AHCP Producer Agreement

Additional Requirements

- ☐ Copy of Licenses
- ☐ Copy of E&O Insurance Certificate
- ☐ Supporting documentation for any "Yes" answers to background questions

RETURN INSTRUCTIONS

Scan Email Option: Send to contracting@ahcpsales.com

Fax Option: 888-781-0586

Mailing Address: 1100 NW Compton Dr. 2nd Floor Beaverton, OR 97006

Personal Data Sheet



Instructions:

1. Complete all sections of the Personal Data Sheet. **A form will need to be completed for each individual or corporation who will receive commissions.**
2. Attach a copy of your current resident license. Attach a copy of any non-resident license in which you are requesting appointment. If commissions are to be paid to a corporation, include a copy of both the individual and corporate license.
3. Send completed Personal Data Sheet, state required form, if any, and copy of current license to appropriate Anthem affiliate.

For Office Use Only

Producer number	Other
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Applicant Information

Agent name	Social Security number	Date of birth	
Business address	City	State	ZIP code
Business county	Business phone number (include area code)		
Business fax number (include area code) state	Currently licensed to sell life business? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, list resident state
Currently licensed to sell health business? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, list resident state		
Resident address	City	State	ZIP code
E:mail address	Resident county	Resident phone (include area code)	

1. Have you ever been known by any name other than that noted as agent name? *If yes, please list on back of the form.* ☐ Yes ☐ No
2. Is your primary source of income from Life & Health Insurance Sales? *If no, explain on back of the form.* ☐ Yes ☐ No
3. Are you now working full time in the insurance business? ☐ Yes ☐ No
4. Have you ever been fined, censured or reprimanded by any insurance regulatory body?
If yes, explain fully, including the date, state and nature of the infraction on the back of the form. ☐ Yes ☐ No
5. Has your agent license ever been suspended or revoked by any insurance regulatory body?
If yes, explain fully, including the date, state and why on the back of the form. ☐ Yes ☐ No
6. Have you ever been named as party to a lawsuit as a result of a policy of insurance you sold or has any company you sold been named in a lawsuit as a result of a policy you sold? *If yes, give complete details, including the outcome of the suit on the back of the form.* ☐ Yes ☐ No
7. Has a customer ever filed a complaint against you with any insurance regulatory body?
If Yes, please list state, nature of complaint and what the eventual outcome was on the back of the form. ☐ Yes ☐ No
8. Have you ever been required to submit a statement to any insurance regulatory body or any insurance Company regarding your sale of insurance to a particular individual? *If yes, how many times? _____ List details on the back of the form.* ☐ Yes ☐ No
9. How many years have you been in the insurance business? _____
10. Have you ever filed for or been declared bankrupt or insolvent, either personally or in business?
If yes, please list date and explanation on back of the form. ☐ Yes ☐ No
11. Have you ever been convicted of a crime under 18 U.S.C. 1033 involving fraud and/or dishonesty in the sale of insurance? ☐ Yes ☐ No
12. Have you ever been convicted of a felony or misdemeanor under any other federal law? ☐ Yes ☐ No
13. Have you ever been convicted of a felony or misdemeanor in any state court? ☐ Yes ☐ No
14. Do you carry an Errors & Omissions Policy? *If yes, list policy number: _____*
Carrier's name and phone number: _____
Limit of Liability: Per occurrence: _____ and Per Aggregate: _____
15. Does any Insurance Company claim you owe any balance of commissions or premium? ☐ Yes ☐ No
If yes, list companies and amounts: _____

If commissions are to be paid to a firm or corporation, please complete information below. (Also complete PDS for principal officer.)

Corporation name	
IRS number	Is corporation currently licensed? If yes, attach a copy of license. <input type="checkbox"/> Yes <input type="checkbox"/> No

(Please complete reverse side)

The undersigned has reviewed the attached application(s) for licensing/appointment from the above and attests to its truthfulness. A copy of the agent/agency license is attached.

Signature of Broker/Agency Principal 	Date
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Anthem[®]Life



Anthem[®]
BlueCross BlueShield



Individual, Senior and Small Group BROKER AGREEMENT

Anthem Blue Cross and Blue Shield is the trade name of Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc. Life and Disability products underwritten by Anthem Life Insurance Company. Independent licensees of the Blue Cross and Blue Shield Association. ® ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

THIS Broker Agreement, together with the Schedules and other attachments thereto (the "Agreement"), is made effective this ____ day of _____, 201_, by and between Rocky Mountain Hospital and Medical Service, Inc., d/b/a Anthem Blue Cross & Blue Shield, HMO Colorado, Inc., and Anthem Life Insurance Company (collectively the "Company") and _____ ("Broker"). To the extent an agency is identified as the Broker, Broker shall also be defined for purposes of this Agreement to include all agents within the agency.

In consideration of the mutual covenants and consideration recited herein, the sufficiency of which is acknowledged, the Company and Broker agree to the terms of this Agreement as set forth below:

SECTION 1 – DESIGNATION AND AUTHORITY

- 1.1 Authorization. Subject to the terms of this Agreement, Company hereby authorizes Broker, to solicit, at Broker's own expense, new applications and renewal applications for insurance or other benefit plan contracts sold through Company ("Policy" or "Policies") and to collect the initial month's premiums thereon, in the manner set forth herein. The Broker relationship established by this Agreement is nonexclusive and Company retains the right to designate general agents, subagents and other agents in the same territory as Broker. Broker shall solicit applications for Policies only in those states where Broker is licensed and authorized by Company and only for those products which are approved by Company for sale in the state of solicitation. Broker hereby accepts the foregoing authorization and agrees to only solicit applications for Policies in accordance with this Agreement.
- 1.2 Authority. Broker shall have no authority to act as an agent of Company, other than the authority expressly granted in this Agreement; no forbearance or neglect on the part of either Broker or Company shall be construed to waive any of the terms of this Agreement or to imply the existence of any authority not expressly given in this Agreement.

Notwithstanding any other provision of this Agreement to the contrary, Broker is not authorized to:

- (a) issue any Policy or alter, amend, waive or extend any rates, conditions or provisions thereof;
- (b) waive or extend the time of payment of any premium for any Policy;
- (c) waive any breach, violation or misrepresentation on the part of any group or subscriber or proposed group or proposed subscriber or any rights or remedies of Company;
- (d) enter into any contract or incur any expense or obligation of any character involving Company, except as expressly provided herein;
- (e) represent itself to be, or act or hold itself out as, a spokesperson for Company in any proceeding before any court or governmental or regulatory authority;
- (f) make any promise or representation to any group or subscriber in connection with payment of any claim; or
- (g) do any other act not expressly authorized by this Agreement.

SECTION 2 – RESPONSIBILITIES OF BROKER

- 2.1 Agents of Broker not Associated with Agency. Broker shall not, without the express written permission of Company, contract with, engage or otherwise enter into a relationship with a particular agent not associated with Broker's agency to sell any Policies. Company reserves the right to require Broker to pay authorization fees, if any, of such agents that Broker recommends be authorized by Company. Such agents, among other things, would have to complete and submit a copy of this Agreement to Company for approval prior to the agent actually selling or soliciting insurance on behalf of Company. Company reserves the right to require Broker to provide names and other identifying information relating to its agents upon execution of this Agreement and thereafter as requested by Company. Broker shall ensure that its agents understand and comply with the terms of this Agreement.
- 2.2 Licensing. Broker represents that it is duly licensed under the laws of the state or states in which it acts as an insurance agent and agrees to keep the license in full force and effect during the term of this Agreement and to notify Company in writing immediately of any termination, qualification, suspension or expiration of such license. Such notification shall include the effective date of the termination and the reason(s) for termination. Broker shall strictly comply with the laws

and regulations of the state(s) in which Broker conducts business. Broker shall maintain in good standing, at no cost to Company, all licenses required by all applicable statutes and regulations. Broker shall provide copy(ies) of its current license(s) to Company. Upon Broker's loss of or failure to procure and maintain any of its licenses as may be required by law, this Agreement shall terminate for cause pursuant to Section 8.2(d) hereof.

- 2.3 Underwriting and Actuarial Standards. As set forth in writing by Company, Broker shall comply with Company underwriting and actuarial standards. As instructed by Company, Broker shall implement any adjustments to such standards. Broker may not waive any provisions of Company underwriting and actuarial standards without Company's express prior written authorization. Broker further shall comply with Company rules and regulations relating to the preparation of proposals and the completion and submission of applications for Policies. As a material part of the consideration for the making of this Agreement by Company, Broker agrees that it shall make no representations whatsoever with respect to the nature or scope of the Policies sold, except as may be contained in the written material prepared and furnished to Broker for that purpose by Company or approved in writing by Company prior to use. Broker agrees to forward any and all questions about Company underwriting and actuarial standards to Company. Broker understands and agrees that Company, at its sole discretion, may change at any time its underwriting and actuarial standards or its rules, regulations, practices and instructions relating to the preparation of proposals and the completion and submission of applications, including the right to limit, restrict or discontinue entirely the acceptance or writing of any Policies or products.
- 2.4 Applications. Broker represents and warrants that Broker shall review each application for a Policy to ensure that the facts set forth by each group or subscriber are true and correct, and that Broker or its agents shall fully inform each group that the group shall not be accepted for coverage until and unless its application is reviewed and approved by Company and the group receives a written notice from Company setting forth the terms of the coverage. Broker warrants that it shall not submit to Company any information that the Broker knows or should reasonably know to be false or misleading.
- 2.5 Adverse Effect. Broker shall not conduct its business in such a manner as to adversely affect the business, good standing or reputation of Company.
- 2.6 Receipt of Funds. Broker shall not receive any funds due to Company, except that Broker may collect the initial month's premium from an applicant by a check made payable to "Anthem Blue Cross and Blue Shield" or "Anthem Life Insurance". Broker shall hold any and all such payments in a fiduciary capacity and shall hold and transmit such funds in accordance with instructions from Company.
- 2.7 Independent Contractors. Broker shall act solely as an independent contractor in relation to Company and, as such, shall control its time and effort in the placement of the Policies offered hereunder. Nothing herein contained shall be construed to create the relationship of employer/employee or create a partnership or joint venture between Broker and Company.
- 2.8 Errors & Omissions Insurance. Broker shall maintain during the entire term of this Agreement, and for two years following the termination of this Agreement, errors and omissions insurance in such amounts as may be determined from time to time by Company, at its sole discretion, but not less than Five Hundred Thousand Dollars (\$500,000). Broker shall immediately give written notice to Company of any change or deletion with respect to such insurance coverage detailing such change or deletion. In addition, Broker shall provide proof of errors and omissions insurance upon written request.
- 2.9 Reporting. Broker shall promptly prepare and transmit to Company, in a format acceptable to Company, such reports as Company may reasonably require from time to time, including reports of all information necessary for Company to comply with all applicable laws, rules, regulations, rulings, policies, and guidelines or to manage its business. Such reports of information are to be limited to information readily available in Broker's files and records.
- 2.10 Compliance. Broker shall be responsible for ensuring that the backgrounds of all agents have been thoroughly checked and that Broker complies with all applicable federal laws, including without limitation, laws relating to confidentiality, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Violent Crime Control and Law Enforcement Act of 1994, and with all applicable state laws. Further, Broker shall comply with all applicable current policies and guidelines of Company including, without limitation, policies relating to electronic commerce, confidentiality and account reporting.
- 2.11 Other Duties. Broker shall perform such other reasonable duties as Company may from time to time require.

- 2.12 Training. At its own expense, Broker shall attend such training, including, without limitation, compliance and ethics training, as Company, in its discretion, may require, or as otherwise provided by law.
- 2.13 Audits. Broker shall cooperate with Company in the event that Company is audited by federal, state or local governmental authorities.
- 2.14 Policy Cancellation. Broker shall not cancel any Policy issued by Company.
- 2.15 Business Conduct. Broker has received and read the Standards of Business Conduct provided by the Company and agrees to abide by all applicable terms thereof.
- 2.16 Proprietary Information. Beginning from the inception of this Agreement and continuing in perpetuity, Broker agrees not to divulge any information which Company considers to be proprietary and which Broker has obtained by reason of its association with Company.
- 2.17 Disclosure. Broker shall assure to the best of its ability that it properly discloses to prospective insureds all exclusions, limitations, and reductions contained in Policies through the use of materials furnished to Broker by Company, and refrains from making any representations whatsoever with respect to the nature or scope of benefits of the Policy, except by means of said material.

SECTION 3 – COMPENSATION

- 3.1 Compensation. Subject to the terms and conditions of this Agreement and the Schedules, Company shall pay Commission, as that term is defined in the Schedules hereto, and other compensation (including bonuses, overrides and any other form of payment to the Broker), as provided on the Schedules hereto, any other Broker compensation program, or any individually negotiated single case agreements (collectively, “Compensation”), to Broker on premiums which are actually due and paid to Company. Payment of Compensation is subject to any adjustment or aggregation of premiums by Company, provided however, that Compensation shall not be paid on fees collected from groups or individuals including, without limitation, billing fees, late fees, reinstatement fees, surcharges or other fees charged by Company from time to time. “Surcharge” shall mean any additional sum charged on a policy/plan in addition to the rate or premium. This shall include any surcharge applied pursuant to state or federal law, including without limitation any law regarding the issuance of policies to children under the age of 19. Surcharges applied to a plan/policy are not considered premium for purposes of determining Compensation under this Agreement. The terms of payment of Compensation payable by Company shall be as set forth in the Schedules or any individually negotiated single case agreements.
- 3.2 Changes to Compensation. Notwithstanding any other provision of this Agreement (including the Schedules), Company reserves the right to modify or discontinue any program or practice of the Company under the terms of which Broker is paid Compensation of any kind, including but not limited to commission, bonus Compensation and override related to either future or in-force business. Company shall give Broker at least thirty (30) days advance written notice of such change, unless the law dictates otherwise. Upon such notice, the Company may change the Schedules by deletion, substitution or addition of new Schedules. Company reserves the right to modify or discontinue any form of Compensation as follows:
- (a) As determined in its sole and absolute discretion, Company may modify, amend, replace or cancel any Compensation paid pursuant to any Schedule(s) or programs upon 30 days prior written notice to Broker, and such modified, amended, replacement or cancelled Schedule(s) or programs shall apply to all affected policies as of the effective date of such modification; or
 - (b) As determined in its sole and absolute discretion, Company may modify, amend, replace or cancel any Compensation paid pursuant to any Schedule(s) or programs upon 30 days prior written notice to Broker. Such right to modify, amend, replace or cancel any form of Compensation includes, but is not limited to, the right to terminate the payment of any and all Compensation. In the event Company modifies, amends, replaces or cancels any Compensation paid pursuant to any Schedule(s) or programs, the change to Compensation shall apply to all or any portion of Broker’s business with Company, as designated by Company in its sole discretion, regardless of the original effective dates of the policies constituting the business. This change in Compensation expressly applies to both new and renewal commissions as well as all other forms of Compensation. However, this Section 3.2(b) only applies to new business having an effective date on or after January 1, 2011. This

Section 3.2(b) shall not apply to Broker's existing book of business with Company that was effective prior to January 1, 2011; or

(c) Company may discontinue the payment of all Compensation without advance notice, should the law require.

3.3 Refunds. Broker shall refund ratably to Company any Compensation canceled or rescinded coverage and on reductions or refunds in premiums at the same rate at which such Compensation was originally paid to Broker. All such refunds shall be paid to Company no later than sixty (60) days after request for payment is made by the Company. Company may first offset such amounts to be refunded against sums owing to Broker by Company, pursuant to Section 5.2 below.

3.4 Limitation on Payment. Subject to the rights of Company set forth in Section 3.2 hereof, Compensation shall be payable as follows:

- (a) Unless otherwise provided in the Agreement, Compensation shall be payable only for so long as (1) At least six (6) individual subscribers and/or one (1) Small Group written by the Broker remain in effect; and (2) Broker remains the "Agent of Record" for the group or subscriber as recognized by the group, the subscriber and Company; and (3) Broker maintains active licensure to the extent required in the appropriate state.
- (b) Unless otherwise provided in the Agreement, if this Agreement is terminated without cause, pursuant to Section 8.1, Compensation shall continue to be paid subsequent to the date of termination, provided the requirements of Section 3.4(a) are met.
- (c) If this Agreement is terminated pursuant to Section 8.2(a) hereof, any Compensation that has been processed through the commission system as of the date of termination shall be paid to the executor or administrator of Broker's estate, or to the assigns of Broker, as applicable. No Compensation shall accrue to the benefit of Broker or Broker's estate after the date of termination.
- (d) If this Agreement is terminated pursuant to Section 8.2(b) hereof, any Compensation due and payable to Broker on this date of termination or thereafter shall be paid to the trustee in bankruptcy or to the receiver. No Compensation shall accrue to the benefit of Broker after the date of termination.
- (e) Notwithstanding any other provision of this Agreement, termination of this Agreement pursuant to any of Sections 8.2(c) through (bb) hereof, regardless of when Company learns of such acts or breaches, may, at the option of Company, result in forfeiture of all Compensation which may be due under this Agreement on the date of termination or which may become due thereafter. Further, in the event that any of the acts enumerated in Sections 8.2 (c) through (bb) occur after this Agreement has been terminated, or any such act occurs while this Agreement is in force but is not discovered by Company until after this Agreement has been terminated, such act may, at the option of Company, result in forfeiture of any further Compensation otherwise payable under this Agreement. Notwithstanding the foregoing, Company may unilaterally decide to void future commissions. If Company so elects, that decision will be captured in the Schedules reflecting Compensation attached hereto.
- (f) Except as may be specifically permitted by the terms of this Agreement and applicable law, Broker shall not assign, transfer, promise or pay all or any portion of any Compensation, or make or promise any payment in respect thereof, to any person who is not an agent or employee of Broker.

3.5 Errors. Notwithstanding the terms of Section 5 below, in the event that an error is made in the calculation and/or payment of Compensation under this Agreement, regardless of who made the error or the reason for the error, the parties agree that the correction of the error requiring payments to Broker or recovery of payments from Broker shall be made retroactively for a maximum of twelve (12) months for all policies except Medicare Advantage and/or Part D products (which shall be a maximum of twenty-four (24) months) from the date the error was discovered by Company. This section shall not limit in any way Company's right to collect any indebtedness of Broker to Company, through offset of Compensation or otherwise, for reasons other than error in calculations or payments.

3.6 Broker Responsibility. Broker shall bear all expenses necessary to the performance of its duties and obligations pursuant to this Agreement including, but not limited to, all federal, state, local and municipal fees, taxes or other charges (including occupational and privilege taxes) imposed upon Broker. Additionally, at Company's sole discretion, Broker shall bear fees or charges (including but not limited to appointment or processing fees) charged by Company to Broker in connection with this Agreement. Broker shall be solely responsible for compensating its agents and employees.

3.7 Disclosure. Broker shall accurately and fully disclose to each new group or individual insured, the existence and nature of compensation (whether in the form of commissions, bonuses, trips/prizes or otherwise) which Broker is or may be entitled to from Company. Broker shall disclose the actual (or if not known, estimated) amount of such compensation

that Broker will or may receive as a result of, or in connection with, the sale of Company products to that new insured. Broker further agrees to comply with any applicable legal obligation regarding the disclosure of compensation or fees.

SECTION 4 – RIGHTS RESERVED TO COMPANY

Company reserves the right, in its sole discretion, to do the following:

- 4.1 Reject Applications. Reject any and all applications submitted by Broker, in a manner consistent with applicable state and federal law.
- 4.2 Cancel Policy or Discontinued Products. Cancel or non-renew any Policy, consistent with applicable state or federal law, by giving the group or subscriber written notice thereof. In addition, Company shall have the right to change the name or carrier of a product or discontinue offering certain products in its sole discretion.
- 4.3 Filings. Make all product, marketing and rate filings with the applicable department of insurance or regulatory agency, at Company expense.
- 4.4 Continuation. Upon termination of this Agreement, continue to provide insurance services to any or all groups or subscribers.
- 4.5 Communication. Communicate directly with any group or subscriber whenever it deems it necessary or appropriate.
- 4.6 Recognition and Authorization. Refuse to authorize any agent or do business with Broker or refuse to recognize an Agent of Record letter from anyone for any reason.
- 4.7 Business Segments. Determine the initial placement and ongoing treatment of a group or subscriber within one of the Company's business segments and calculate the Compensation on the basis thereof in the manner and at the times as Company deems appropriate in its sole discretion.
- 4.8 Determining Lapse of Coverage; New Versus Renewal Business. Company reserves the right to determine, in its sole and absolute discretion, for purposes of calculating Compensation hereunder or otherwise, whether group or individual business is new or renewal business. A group or individual must have a lapse of Company coverage for at least three consecutive months in order for the group or individual to be eligible for consideration for new, or first year Compensation hereunder. When there is a lapse in coverage of less than three consecutive months, the group or individual business may be eligible for renewal commissions, subject to the terms herein.

In exercising its discretion hereunder, Company shall generally consider the following situations to represent a new contract, as opposed to simply a change in coverage, even if there has been no lapse in coverage from the prior coverage:

- a. **Overage Dependent** – If an overage dependent utilizes a new broker to submit an application and health statement (proof of insurability), and only if the application is approved by Company. In such an event, the Broker who was utilized in submitting the new application shall be eligible for first-year Compensation hereunder; if however the new application was submitted or the overage dependent enrolled through a Company-automated system, the Broker of record for the prior coverage shall be eligible for renewal Compensation with respect to the new contract of the overage dependent.
- b. **Divorced Spouse** – If a new application, other than for a conversion product, is submitted by the new broker and approved by the Company. In such an event, the new broker will be eligible for first-year Compensation hereunder; if however the new application was submitted or the divorced spouse enrolled through a Company-automated system or into a conversion product, the Broker of record for the prior coverage shall be eligible for renewal Compensation with respect to the new contract of the divorced spouse.

Company shall generally consider the following situations as changes of coverage and not as new contracts:

- a. **Switching Plans** – If a member changes from one plan, which is issued or underwritten by Company or any Company affiliate, to a Company plan, even if a new broker is utilized in submitting the application to the Company. In such an event, the writing Broker of record shall be eligible for renewal Compensation hereunder.
- b. **Switching Subscribers** – If a contract written under one name is rewritten using the spouse's name or social security number as the Subscriber of the rewritten contract. In such an event, the writing Broker shall be eligible for renewal Compensation hereunder.

- c. **Splitting Contracts** – If there is a family contract on a specific plan and one or more members of the family covered under the family contract submit a new application for coverage under a separate contract. In such an event, the writing Broker shall be eligible for renewal Compensation hereunder.

Nothing herein shall limit Company's discretion in determining what constitutes a lapse of coverage, or new versus renewal business, or obligate the Company to apply the same rule with respect to every product or circumstance.

- 4.9 **Broker Level.** Determine whether Broker has fulfilled the criteria for placement within one of Company's Broker levels, if applicable, and assign Broker from one Broker level to another, as Company deems appropriate. Compensation shall be based upon the Schedule applicable to the Broker level in which Broker is placed or assigned.
- 4.10 **Discontinuation.** Discontinue its practice of authorizing Brokers for any or all business segments of Company at any time, at its sole discretion, and terminate some or all Broker agreements and change or terminate the payment of Compensation as provided in Section 3.2
- 4.11 **Changes.** Amend, restate, cancel or otherwise modify, without prior notice to Broker, any or all of its rules, policies, procedures or guidelines.
- 4.12 **Aggregating Business.** Determine, in the Company's sole discretion, whether a Broker can aggregate its business for any purpose under this Agreement, including without limitation cases where a Broker has merged its business into another, has formed a general or limited partnership or has entered into a joint venture.

SECTION 5 – INDEBTEDNESS; LIEN; OFFSET

- 5.1 **Indebtedness.** Any advance, loan extension of credit, debt, liability or other obligation of any kind whatsoever, which the Broker secures from the Company shall constitute an indebtedness of Broker to the Company. Without limiting the foregoing, if any check or draft of the Broker used to transfer moneys to the Company is dishonored upon presentation for payment, the amount thereof, plus any fees assessed to Company as a result thereof, shall constitute an indebtedness of the Broker to the Company.
- 5.2 **Lien/Offset.** Any indebtedness of Broker to Company is due and payable on demand and shall create a first lien on all Compensation paid or payable from Company or any of its affiliates in the future to Broker to secure such indebtedness of Broker to Company. Any such indebtedness not fully paid when due shall vest Company with the authority and power to offset such indebtedness against Compensation due Broker and seek all legal and equitable remedies against Broker. Broker shall be responsible for any costs, including reasonable attorney fees and other collection expenses, incurred by the Company in connection with the recovery from Broker for any indebtedness of Broker to Company that is authorized by Broker.

SECTION 6 – ADVERTISING, POLICY FORMS AND SERVICE MARKS

- 6.1 **Materials.** Company shall prescribe all Policy forms and rates to be used in connection with performance under this Agreement and Broker agrees to use only those materials, applications, forms and rates provided or approved in writing before use by Company. "Materials" shall include, but not be limited to: advertising in all forms (whether print or electronic); websites and banner ads; promotional materials; enrollment and billing forms; and sales collateral. Broker shall not alter, modify or amend any promotional materials, applications, Policy forms or rates provided by Company. In addition, no circular, advertisement, letterhead, telephone directory advertisement or other matter or material that includes the name of or refers to the Company or the Marks, as defined below, shall be printed, published or used in any way by Broker unless Company has given advance written approval thereof.
- 6.2 **Service Marks.** Broker understands and agrees that the names "Blue Cross", "Blue Shield", "Anthem Life" and "Anthem" and the Blue Cross and Blue Shield symbols and marks and all right, title and interest therein, including without limitation any service marks, copyright, patent, trademark or other intellectual property rights therein (collectively the "Marks") are the property of or licensed to Company. Broker further acknowledges that Broker receives no rights, title or interest in or to the Marks except as expressly set forth herein. Broker shall not (i) use, modify or alter the Marks (including any advertisement, website or any other material) or (ii) alter, destroy or otherwise remove any proprietary notices or labels containing the Marks, in any manner, without the prior written consent of Company. Broker agrees to not make use of any advertisement, website or any other communication issued by the Broker which could be mistaken for an advertisement, website or any other communication issued by Company. Broker agrees to promptly cooperate with Company's reasonable requests to amend new or previously approved materials as necessary, in the

Company's sole discretion, to comply with the requirements of the Company and/or the Blue Cross Blue Shield Association. Broker agrees not to use any of the Marks in the URL (domain name) of any website or internet "redirect" owned, controlled or used by Broker.

- 6.3 No License to Use Marks. Broker has no license to use the Marks and nothing in this Agreement shall be deemed to grant a license to Broker to use the Marks. Broker agrees to comply with all Blue Cross Blue Shield Association Brand Regulations applicable to Broker as communicated to Broker by Company and as may be amended from time to time. Any references to the Marks made by Broker in its own materials are subject to review and approval by Company. Broker agrees to promptly cooperate with Company's reasonable requests to amend new or previously approved materials as necessary, in Company's sole discretion, to comply with the aforementioned Brand Regulations or Company's requirements.
- 6.4 Liquidated Damages. Broker agrees that any unauthorized use of the Marks will injure Company, although the amount of damage would be difficult to determine. Therefore, Broker agrees to pay Company, as liquidated damages and not as a penalty, \$5,000.00 for each use of Company's Marks without Company's prior written consent plus \$50.00 for each day of each such unauthorized use. For the purpose of assessing the \$50.00 per day per use damages, each individual unauthorized appearance of the Marks shall be a separate unauthorized use. For example, and not limiting the generality of the foregoing, each individual copy of a newspaper advertisement containing an unauthorized use published on any one day shall be a separate unauthorized use and each individual copy of any edition of a telephone directory containing an unauthorized use on each day between the initial distribution of that edition and its replacement with another edition shall be a separate unauthorized use.

SECTION 7 – ASSIGNMENT

- 7.1 Assignment Rights. The following assignment rights apply only to Individual Enrollment Plan Programs and Medicare Supplement Plan programs.
- a) If all the following conditions are satisfied, Broker may assign any or all business written under this Agreement to another licensed agent:
 - i) The assignment must be in writing, permanent and irrevocable, notarized and in a form acceptable to the Company, and
 - ii) The terms of the assignment must be determined by Company not to prejudice the interests of the Company, and
 - iii) Under the terms of the assignment, the Broker to whom the business is assigned must expressly agree to assume all Broker's obligations and responsibilities to Company with respect to business assigned, and
 - iv) The Broker to whom the business would be assigned either has an Individual and Small Group Company Broker Agreement in force and good standing, or is acceptable to Company and qualifies for and enters into an Individual and Small Group Company Broker Agreement, and
 - v) At the time of assignment, at least six (6) individual Company subscribers written by Broker are in force in Broker's book of business
 - b) Since any Broker to whom Broker's business may be assigned would represent the interests of Company with respect to said business, Company reserves the right to decline to approve, in its sole and absolute discretion, any assignment.
- 7.2 This Agreement is a personal services contract. As such, except as stated in Section 7.1 above and subject to those terms, no assignment or other transfer of any rights, title or interest in or to this Agreement, or of any benefit accruing under this Agreement (including the assignment of Compensation to another broker), in whole or part, by Broker shall be valid and any such attempted assignment or transfer shall be void without the prior written consent of Company. Company reserves the right to cancel any consent to an assignment previously given, upon notice to the assignor and the assignee. Company reserves the right to assign its rights, title or interest in this Agreement, or any benefit accruing hereunder, in whole or in part, without Broker's consent. Any assignee of right or benefits under this Agreement shall be subject to all of the terms and provisions of this Agreement.

SECTION 8 – TERMINATION

- 8.1 Without Cause. Except as otherwise provided, either party hereto may terminate this Agreement without cause by providing thirty (30) days prior written notice of termination to the other party.

8.2 For Cause. This Agreement may be terminated by Company for cause without giving prior written notice to Broker for any of the following occurrences with respect to Broker and/or its agents:

- (a) If Broker is a natural person, the death or total disability of Broker;
- (b) Commencement of bankruptcy proceedings by Broker, adjudication of bankruptcy, or assignment for the benefit of creditors by Broker without the prior written consent of Company, or if a receiver is appointed for Broker;
- (c) Breach of any of the terms of this Agreement;
- (d) Violation of any rule, policy, procedure or guideline of Company;
- (e) If Broker is a corporation, the dissolution, sale transfer, merger, consolidation, or other transfer of control of Broker without the prior written consent of the Company;
- (f) Commission of a fraudulent, illegal, deceitful or dishonest act as determined by Company, including, but not limited to, failing to provide truthful, accurate and relevant medical information obtained with respect to an applicant for insurance;
- (g) Threatening or acting in an abusive manner toward Company or any of its associates, agents or representatives, or any group or individual subscriber or prospective group or individual subscriber;
- (h) Intentionally or systematically inducing a group to terminate or cancel a Policy or Policies;
- (i) Failing to attend any training required by Company;
- (j) Commission of a fraudulent, illegal, deceitful or dishonest act as determined by Company, including, but not limited to, failing to provide truthful, accurate and relevant medical information obtained with respect to an applicant for insurance;
- (k) Failure to meet any production standard(s) set by Company;
- (l) Paying any reimbursement, or portion thereof, received by Broker from Company to a non-Company appointed and approved broker or agent;
- (m) Any incorrect, misleading, incomplete, or materially untrue information in the license application;
- (n) Any cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner of Insurance at the time of issuance;
- (o) Violation of, or noncompliance with, any insurance law, or violation of any lawful rule, order, or subpoena of the Commissioner or of the insurance department of any state;
- (p) Obtaining or attempting to obtain any such license through misrepresentation or fraud;
- (q) Improperly withholding, misappropriating, or converting to the Broker's own use any monies or property belonging to policyholders, insurers, beneficiaries, or others received in the course of the business of insurance;
- (r) Misrepresentation of the terms of any actual or proposed insurance contract or application for insurance;
- (s) Conviction of a felony or misdemeanor involving moral turpitude. Moral turpitude shall include any sexual offense against a child as defined in § 18-3-411, C.R.S.;
- (t) Commission of any unfair trade practice or fraud;
- (u) The use of fraudulent, coercive, or dishonest practices or demonstrating incompetence, unworthiness, or financial irresponsibility in this state or elsewhere;
- (v) Suspension, revocation, or denial of an insurance license of broker and/or any of its agents in this or any other state, province, district, or territory;
- (w) Forgery of another's name to an application for insurance or to any document related to insurance transaction;
- (x) Cheating on an examination, including, but not limited to, improperly using notes or any other reference material to complete an examination for an insurance license;
- (y) Failure to fully meet the licensing requirements;
- (z) Knowingly accepting insurance business from a person who is not licensed;
- (aa) Failing to comply with an administrative or court order imposing child support obligation; or
- (bb) Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

Any such termination shall be effective as of the date indicated in such notice. Termination for cause shall not be Company's exclusive remedy, but shall be cumulative with all other remedies available by law or in equity. A failure to terminate this Agreement for cause shall not constitute a waiver, election or estoppel of the right to do so with respect to any past, current, or future default.

In the event (i) any Nevada licensed Broker is terminated with or without cause, and/or (ii) any Colorado licensed Broker is terminated for cause as enumerated in Section 8.2(m-bb), the Company shall notify the appropriate Division of Insurance within 30 days of the effective date of the termination.

8.3 Effect. Termination of this Agreement shall not affect any duties, obligations or liabilities incurred prior to termination, except as otherwise provided in this Agreement. Neither party shall, solely by reason of its rightful termination of this

Agreement, be liable to the other for any damages of any nature, whether direct, incidental, consequential, punitive or otherwise.

- 8.4 Action Upon Termination. In the event of any termination of this Agreement for cause or without cause, Broker shall, unless otherwise directed by Company:
- (a) immediately cease all marketing activities provided for hereunder, including soliciting applications for Policies;
 - (b) within thirty (30) days after termination of this Agreement, transfer to Company, at Broker's expense, all property belonging to Company and all materials, books, accounts, correspondence, and records relating to this Agreement, including, without limitation, sales brochures and other items bearing any of the Marks and any copies thereof; and
- 8.5 Survival. The provisions of Sections 2.7, 3.4, 3.6, 3.7, 4.4, 4.9, 6, 7, 8, 9.2, 9.3, 10.1, 10.2 and 11 of this Agreement shall survive the termination of this Agreement.

SECTION 9 – RECORDS

- 9.1 Maintenance. Broker shall maintain at its principal office, files and records concerning this Agreement and books and records of all transactions between itself, its agents, Company and the groups and subscribers. These books and records shall be maintained in accordance with prudent standards of insurance record keeping. Company acknowledges that it accepts automated or electronic copies of files in lieu of hard copy files.
- 9.2 Retention. Broker shall maintain and may not destroy any and all books, accounts and records of Broker related to Company's Policies and the same shall be subject to a audit and inspection by Company or its duly authorized representative at all times while this Agreement is in force and for six (6) consecutive years after termination of this Agreement. Company may at any time make copies of or take extracts from such books, accounts and records as it may deem necessary.
- 9.3 Audits. Broker shall fully cooperate with any audit or examination by any department of insurance or other authorized agencies and shall allow access to books and records maintained by Broker pursuant to this Agreement. Broker shall notify Company within one (1) business day of any such audit or examination subject to this Agreement. Company shall have the right to audit Broker during the term of this Agreement and for a three (3) year period thereafter.
- 9.4 Company Property. All unused policies, forms, applications, sales literature and other unused Company supplies; all underwriting manuals and guidelines, Compensation schedules, and other Company rules, policies, procedures and guidelines; all Company computer hardware and software; and all other Company property of any kind or type whatsoever, delivered and/or otherwise made available by the Company to the Broker hereunder shall be and remain the sole and exclusive property of the Company, subject at all times to its control. All such Company property (including all copies thereof) shall be returned to Company upon its written request. If Broker's ability to perform under this Agreement shall be affected by the return of such property, Broker shall not be held in breach for its failure to perform resulting from such return. Except as provided in Section 6, Broker may not duplicate Company property or use it in any way other than as authorized by Company, and shall secure Company approval prior to releasing any information contained in these materials to parties outside this Agreement.

SECTION 10 – INDEMNITY RIGHTS

- 10.1 Broker. Broker agrees to indemnify, defend and hold harmless Company, and its directors, officers, and employees, from and against any and all claims, actions, suits and other proceedings, whether civil, criminal, administrative, investigative or otherwise, together with all judgments, damages, fines, costs, expenses and other amounts, including reasonable attorney's fees arising or alleged to have arisen out of or in connection with any act, error, omission or statement of Broker, its agents or employees, including without limitation, any negligent, unauthorized, dishonest or fraudulent act, error, omission or statement or breach of any provision of this Agreement or any representation or warranty herein.
- 10.2 Company. Company agrees to indemnify, defend and hold harmless Broker, and its directors, officers and employees, from and against any and all claims, actions, suits, and other proceedings, whether civil, criminal, administrative, investigative or otherwise, together with all judgments, damages, fines, costs, expenses and other amounts, including reasonable attorney's fees arising or alleged to have arisen out of or in connection with any act, error, omission or statement of Company, its agents or employees, including, without limitation, any negligent, unauthorized, dishonest or fraudulent act, error, omission or statement or breach of any provision of this Agreement or any representation or warranty herein.

SECTION 11 – CONFIDENTIALITY

- 11.1 Broker. Broker recognizes that, in the performance of its obligations under this Agreement, it may be in possession of confidential information about individuals or groups covered by the Policies. Broker agrees that, among other items of information, the identity of, and all other information regarding or relating to, any such individual(s) is confidential and may not be used or disclosed by Broker, its employees or agents without Company or such individual's consent. Information that identifies an individual covered by a Policy or Policies is confidential, as are claims of the individuals. Broker shall take all reasonable precautions to prevent disclosure or use of the information for a purpose unrelated to administration of insurance benefits, consistent with policies of Company and with state and federal laws and regulations. As well, advertising materials, prospect lists and leads provided by Company to Broker shall be treated as confidential and proprietary information of the Company and shall not be released to any third party without the Company's prior written consent, during or after the term of this Agreement. The Broker agrees that all confidential information shall be promptly returned to the Company upon request.
- 11.2 Employees and Agents. Broker shall ensure that its employees and agents understand the confidential nature of the material and information described in this Section and abide the terms set forth regarding protection of such information and material, including without limitation, Company policies with respect to confidentiality and account reporting and other policies that Company may adopt from time to time.

SECTION 12 – NOTICES

All notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be delivered, sent by facsimile or mailed to the other party at the address indicated in this Agreement or at such other address as that party may have designated in writing. Any such notice shall be deemed to have been given on the date of deposit in the United States mail with postage prepaid, or, in the case of delivery other than by mail, on the date of actual delivery at the appropriate address.

To Company at: Anthem Blue Cross and Blue Shield
Broker / Agent Licensing and Contracting
700 Broadway
Denver CO 80273-0002
Facsimile: 303-764-7292

To Broker at: _____

SECTION 13 – MISCELLANEOUS

- 13.1 Injunctive Relief. Should Broker or its affiliates, partners, employees, agents, agents or any other person or entity with which it is associated engage, before or after termination of this Agreement, in any act described in Sections 8.2(c) through (bb) of this Agreement or act in violation of Section 2 hereof, Broker agrees that such acts will result in irreparable injury to Company for which there may be no adequate remedy at law and Broker hereby agrees that Company is entitled to obtain injunctive relief enjoining any such act.
- 13.2 Prior Agreements. This Agreement (including all Schedules) supersedes, terminates, and otherwise renders null and void any and all previous Agreements (including all Schedules) and any and all prior representations and statements of Company, whether written, oral, or implied, and now constitutes the entire Agreement between the parties. Notwithstanding the foregoing, this Agreement (including all Schedules) does not affect any liability, obligation or indebtedness of Broker to Company or any liens created in connection therewith.
- 13.3 Headings. Headings of this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

- 13.4 Void Provisions. If any provision of this Agreement shall be held void, illegal, or unenforceable, the validity of the remaining portions shall not be affected thereby.
- 13.5 Language. Words denoting the singular shall include the plural and vice versa. Words importing one gender include all genders.
- 13.6 Binding. This Agreement shall be binding upon the administrators, executors, successors and permitted assigns of the parties hereto.
- 13.7 Waiver. The failure of any party to enforce or insist upon compliance with any provision of this Agreement shall not be construed as or constitute a waiver of the right to enforce or insist upon compliance with such provision or any other provision hereof, either currently or in the future.
- 13.8 Amendments. No additions, amendments, modifications or waivers of any of the provisions of this Agreement shall be valid unless in writing and signed by a duly authorized officer of Company.

Section 14 – ARBITRATION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by final and binding arbitration pursuant to the Commercial Arbitration Rules (“Rules”) of the American Arbitration Association (“AAA”). The arbitration shall be conducted in Denver, Colorado, with a single arbitrator selected by both parties in accordance with the AAA Rules. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The completion of binding arbitration shall be a condition precedent to the commencement of any civil action in any court of competent jurisdiction to enter the final decision of the arbitrator.

SECTION 15 - EFFECTIVE DATE AND STATE LAW. This Agreement, when duly executed by the Company shall become effective on the date cited in Page 1 above, and shall be construed in accordance with the law of the state in which the coverage is effective.

In Witness whereof the parties have duly executed this Agreement effective as of the day and year written above.

Broker

**Rocky Mountain Hospital and Medical
Service, Inc.**

By: _____
Printed Name: _____
Title: Agent _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

HMO Colorado, Inc.

Anthem Life Insurance Company

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

Commission Payable to:

Velapoint

Broker or Firm Name
1100 NW Compton Dr. 2nd Floor

Mailing Address
Beaverton, OR 97006

City, State, Zip Code
877-434-1904

Telephone Number

Fax Number
GGGMLPTLY

Broker License Number
20-5835314

Tax Identification Number
contracting@ahcpsales.com

Email Address

BUSINESS ASSOCIATE AGREEMENT

This agreement ("Agreement") is effective on the date executed by Business Associate and is between the Brokerage/Broker/ Agency/Agent named in the execution process of this Agreement ("Business Associate") and WellPoint, Inc. on behalf of its affiliates* who are Covered Entities or Business Associates and who have a business relationship with Business Associate, if any (hereinafter collectively "Company"). The purpose of this Agreement is to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-64), any applicable state privacy laws, any applicable state security laws, any applicable implementing regulations issued by the Insurance Commissioner or other regulatory authority having jurisdiction and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the "HITECH Act") and any regulations adopted or to be adopted pursuant to the HITECH Act that relate to the obligations of business associates. Business Associate recognizes and agrees it is obligated by law to meet the applicable provisions of the HITECH Act.

All capitalized terms in this Agreement that are not defined in this Agreement will have the meaning ascribed to those terms by 45 C.F.R. Parts 160-164, or applicable insurance regulations that are applicable to Company's relationship with Business Associate.

A. Privacy of Protected Health Information and Nonpublic Personal Financial Information.

1. **Permitted and Required Uses and Disclosures.** Business Associate is permitted or required to Use or disclose Protected Health Information ("PHI") it requests, creates or receives for or from Company (or another business associate of Company) only as follows:
 - a) **Functions and Activities on Company's Behalf.** Business Associate is permitted to request, Use and disclose PHI it creates or receives for or from Company (or another business associate of Company), consistent with the Privacy Rule and the HITECH Act, only as described in this Agreement, or other agreements during their term that may exist between Company and Business Associate.
 - b) **Business Associate's Operations.** Business Associate may Use PHI it creates or receives for or from Company as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities. Business Associate may disclose such PHI as necessary for Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities only if:
 - (i) The Disclosure is Required by Law; or
 - (ii) Business Associate obtains reasonable assurance evidenced by written contract, from any person or organization to which Business Associate will disclose such PHI that the person or organization will:
 - a. Hold such PHI in confidence and Use or further disclose it only for the purpose for which Business Associate disclosed it to the person or organization or as Required by Law; and
 - b. Notify Business Associate (who will in turn promptly notify Company) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.
 - c) **Data Aggregation Services.** If specifically directed by the Company, the Business Associate will provide Data Aggregation services relating to the Health Care Operations of the Company.

- d) Minimum Necessary and Limited Data Set. In any instance when Business Associate Uses, requests or discloses PHI under this Agreement or in accordance with other agreements that exist between Company and Business Associate, Business Associate shall utilize a Limited Data Set, if practicable. Otherwise, Business Associate may Use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose, except that Business Associate will not be obligated to comply with this minimum necessary limitation with respect to:
- (i) Disclosure to or request by a Health Care Provider for Treatment;
 - (ii) Use for or Disclosure to an Individual who is the subject of Company's PHI, or that Individual's Personal Representative;
 - (iii) Use or Disclosure made pursuant to an authorization compliant with 45 C.F.R. §164.508 that is signed by an Individual who is the subject of Company's PHI to be used or disclosed, or by that Individual's Personal Representative;
 - (iv) Disclosure to the United States Department of Health and Human Services ("HHS") in accordance with Section C(5) of this Agreement;
 - (v) Use or Disclosure that is Required by Law; or
 - (vi) Any other Use or Disclosure that is excepted from the Minimum Necessary limitation as specified in 45 C.F.R. §164.502(b)(2).
- e) Use by Workforce. Business Associate shall advise members of its workforce of their obligations to protect and safeguard PHI. Business Associate shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI in contravention of this Agreement.

2. **Prohibitions on Unauthorized Requests, Use or Disclosure.**

- a) Business Associate will neither Use nor disclose Company's PHI it creates or receives from Company or from another Business Associate of Company, except as permitted or required by this Agreement or as Required by Law or as otherwise permitted in writing by Company. This Agreement does not authorize Business Associate to request, Use, disclose, maintain or transmit PHI in a manner that will violate 45 C.F.R. Parts 160-164.
- b) Business Associate will not develop any list, description or other grouping of Individuals using PHI received from or on behalf of Company, except as permitted by this Agreement or in writing by Company. Business Associate will not request, Use or disclose any list, description or other grouping of Individuals that is derived using such PHI, except as permitted by this Agreement or in writing by Company.

3. **Sub-Contractors and Agents.** Business Associate will require any of its subcontractors and agents to provide reasonable assurance, evidenced by written contract, that subcontractor or agent will comply with the same privacy and security obligations as Business Associate with respect to such PHI, including the obligations described in Section 4 herein.

4. **Information Safeguards.** Business Associate must implement, maintain and use a written information security program that contains the necessary administrative, technical and physical safeguards that are appropriate in light of the Business Associate's size and complexity in order to achieve the safeguarding objectives as detailed in Social Security Act § 1173(d) (42 U.S.C. § 1320d-2(d)), 45 C.F.R. Part 164.530(c), the HITECH Act and any other implementing regulations issued by the U.S. Department of Health and Human Services, as such may be amended from time to time and as required by the WellPoint Information Security Program. Business Associate shall notify Company should Business Associate determine it is unable to comply with any such law, regulation or official guidance. Further, Business Associate shall comply with any applicable state data security law. In furtherance of compliance with such requirements, Business Associate shall:

1. Maintain a privacy policy and procedure for Business Associate's organization, which must identify an officer of the organization that is responsible for enforcement.
2. All employees of Business Associate that handle or access PHI must undergo ongoing training regarding the safeguarding of PHI.
3. Ensure that any third party that Business Associate contracts with or relies upon for the provision of services to WellPoint also maintains a framework for compliance with the HIPAA Privacy and Security rules.
4. Implement a contingency plan for responding to emergencies and/or disruptions in your business, to ensure, to the extent reasonable, that services provided to WellPoint are not interrupted and the integrity and safety of all PHI is maintained.
5. Establish and implement a data back up program that ensures Business Associates' ability to provide Company with retrievable, exact copies of PHI, upon Company's request.
6. Maintain and exercise an audit plan to respond to internal and external security threats and violations. The audit plan should document the scope and frequency of audits and the audit procedure.
7. Document how security breaches that are discovered will be addressed.
8. Maintain technology policies and procedures that ensure the protection of PHI on hardware and software utilized by Business Associate.
9. Maintain all PHI received or created in paper form in a secure location with restricted access.
10. Utilize encryption for the electronic transmission of PHI to Company and/or to any other third party, as directed by Company or as required for the provision of services to Company.
11. To the extent that Business Associate stores, processes and/or transmits cardholder data (e.g., credit card numbers and other related information, as such term is defined by the Payment Card Industry, (PCI) Data Security Standards), Business Associate shall comply with all PCI Data Security Standards.

Business Associate shall provide Company with information concerning the aforementioned safeguards and/or other information security practices as they pertain to the protection of Company's PHI, as Company may from time to time request. Upon reasonable advance request, Business Associate shall provide WellPoint access to Business Associate's facilities used for the maintenance or processing of PHI, and to its books, records, practices, policies and procedures concerning the Use and Disclosure of PHI, in order to determine Business Associate's compliance with this Agreement.

B. PHI Access, Amendment and Disclosure Accounting.

1. **Access.** Business Associate will promptly upon Company's request make available to Company or, at Company's direction, to the Individual (or the Individual's Personal Representative) for inspection and obtaining copies any PHI about the Individual which Business Associate created or received for or from Company and that is in Business Associate's custody or control, so that Company may meet its access obligations pursuant to and required by applicable law, including but not limited to 45 C.F.R. 164.524, and where applicable, the HITECH Act. Business Associate shall make such information available in electronic format where directed by the organization.
2. **Amendment.** Business Associate will, upon receipt of notice from Company, promptly amend or permit Company access to amend any portion of the PHI which Business Associate created or received for or from Company, pursuant to and required by applicable law, including but not limited to 45 C.F.R. Part 164.526.

Business Associate will not respond directly to an Individual's request for an amendment of their PHI held in the Business Associate's Designated Record Set. Business Associate will refer the Individual to Company so that Company can coordinate and prepare a timely response to the Individual.

3. **Disclosure Accounting.** So that Company may meet its Disclosure accounting obligations pursuant to and required by applicable law, including but not limited to 45 C.F.R. Part 164.528:

- a) **Disclosure Tracking.** Business Associate will promptly, but no later than within seven (7) days of the Disclosure, report to Company for each Disclosure, not excepted from Disclosure accounting under Section B.3(b) below, that Business Associate makes to Company or a third party of PHI that Business Associate creates or receives for or from Company, (i) the Disclosure date, (ii) the name and (if known) address of the person or entity to whom Business Associate made the Disclosure, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purpose of the Disclosure (items i-iv, collectively, the "disclosure information"). For repetitive Disclosures Business Associate makes to the same person or entity (including Company) for a single purpose, Business Associate may provide (x) the disclosure information for the first of these repetitive Disclosures, (y) the frequency, periodicity or number of these repetitive Disclosures and (z) the date of the last of these repetitive Disclosures. Business Associate further shall provide any additional information, to the extent required by the HITECH Act or any regulation adopted pursuant thereto.
- b) **Exceptions from Disclosure Tracking.** Business Associate need not report Disclosure of information or otherwise account for Disclosures of PHI that this Agreement or Company in writing permits or requires (i) for the purpose of Company's Treatment activities, Payment activities, or Health Care Operations (except where such recording or accounting is required by the HITECH Act), and as of the effective dates for any such requirements, (ii) to the Individual who is the subject of the PHI disclosed, to that Individual's Personal Representative or to another person or entity authorized by the Individual (iii) to persons involved in that Individual's Health Care or Payment for Health Care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to Law Enforcement Officials or Correctional Institutions regarding Inmates; or (vii) disclosed in a limited data set.

Business Associate need not report any Disclosure of PHI that was made before April 14, 2003.

- c) Except as provided below in subsection d) below, Business Associate will not respond directly to an Individual's request for an accounting of Disclosures. Business Associate will refer the Individual to Company so that Company can coordinate and prepare a timely accounting to the Individual.
 - d) **Disclosure through an Electronic Health Record.** However, when Business Associate is contacted directly by an individual based on information provided to the individual by Company, Business Associate shall make the accounting of disclosures available directly to the individual, but only if required by the HITECH Act or any related regulations.
4. **Confidential Communications and Restriction Agreements.** Business Associate will promptly, upon receipt of notice from Company, send an Individual's communications to the identified alternate address. Business Associate will comply with any agreement Company makes that restricts Use or Disclosure of Company's PHI pursuant to 45 C.F.R. §164.522(a), provided that Company notifies Business Associate in writing of the restriction obligations that Business Associate must follow. Company will promptly notify Business Associate in writing of the termination or modification of any confidential communication requirement or restriction agreement.

5. **Disclosure to U.S. Department of Health and Human Services.** Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of PHI received from Company (or created or received by Business Associate on behalf of Company) available to the Secretary of the United States Department of Health and Human Services, for purposes of determining Company's compliance with 45 C.F.R. Parts 160-164. Unless the Secretary directs otherwise, Business Associate shall promptly notify Company of Business Associate's receipt of such request, so that Company can assist in compliance with that request.

C. Breach of Privacy and Security Obligations.

1. **Reporting.** Business Associate will report to Company: (i) any Use or Disclosure of PHI (including Security Incidents) not permitted by this Agreement or in writing by Company; (ii) any Security Incident; (iii) any Breach, as defined in the HITECH Act; or (iv) any other breach of a security system, or the like, as such may be defined under applicable state law (collectively a "Breach"). Except as described in subparagraph "e)" below, Business Associate will, without unreasonable delay, but no later than within one business day after Business Associate's discovery of a Breach, make the report by sending a report to Business Associate's assigned service support unit or by such other reasonable means of reporting as may be communicated to Business Associate by Company, after Business Associate discovers such Breach. Business Associate shall cooperate with Company in investigating the Breach and in meeting Company's obligations under the HITECH Act, and any other security breach notification laws or regulatory obligations.
 - a) **Report Contents.** To the extent such information is available Business Associate's report will at least:
 - (i) Identify the nature of the non-permitted or prohibited access, Use or Disclosure, including the date of the Breach and the date of discovery of the Breach;
 - (ii) Identify the PHI accessed, used or disclosed, and provide an exact copy or replication of the PHI, as appropriate, in a format reasonably requested by Company, and to the extent available;
 - (iii) Identify who caused the Breach and who received the PHI;
 - (iv) Identify what corrective action Business Associate took or will take to prevent further Breaches;
 - (v) Identify what Business Associate did or will do to mitigate any deleterious effect of the Breach; and
 - (vi) Provide such other information, including a written report, as Company may reasonably request.
 - b) **Examples of Security Incidents.** Company requires prompt notification from Business Associate if Business Associate experiences any Security Incidents that impact the confidentiality, integrity or availability of Company data or information systems. Below are some examples:
 - (i) Business Associate's information systems are exposed to malicious code, such as a virus or worm, and such code could be transmitted to Company data or systems.
 - (ii) Unauthorized access is granted or obtained to servers or workstations that contain Company data or Business Associate discovers that Company data is being used, copied, or destroyed inappropriately.
 - (iii) Business Associate experiences an attack or the compromise of a server or workstation containing Company information requiring that it be taken offline.
 - (iv) Unauthorized access or disclosure has occurred involving Protected Health Information, which is an obligation under the HIPAA Privacy Rule.

- c) Unsuccessful Security Incidents. Except as noted in C. 1 (e) below, the parties acknowledge and agree that this section constitutes notice by Business Associate to Company of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to Company shall be required. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI.
 - d) Breach of Unsecured Protected Health Information. A Breach of Unsecured Protected Health Information includes any Breach as defined in the HITECH act or regulations adopted pursuant thereto.
 - e) Medicare Vendor Reporting Requirements –To the extent that Business Associate is subject to any Center for Medicare and Medicaid ("CMS") incident reporting requirements (including applicable timeframes for such reporting) as detailed in the services agreement between Company and Business Associate (including any amendments, exhibits or addenda), Business Associate shall comply with all such reporting requirements, in addition to those imposed hereby.
2. **Breach.** Without limiting the rights of the parties elsewhere set forth in the Agreement or available under applicable law, if Business Associate breaches its obligations under this Agreement, Company may, at its option:
- a) Exercise any of its rights of access and inspection under paragraph 4 of section A of this Agreement
 - b) Require Business Associate to submit to a plan of monitoring and reporting, as Company may determine appropriate to maintain compliance with this Agreement and Company shall retain the right to report to the Secretary of HHS any failure by Business Associate to comply with such monitoring and reporting; or
 - c) Immediately and unilaterally, terminate the Agreement, without penalty to Company or recourse to Business Associate, and with or without an opportunity to cure the breach. Company's remedies under this Section and set forth elsewhere in this Agreement or in any other agreement between the parties shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other. If for any reason Company determines that Business Associate has breached the terms of this Agreement and such breach has not been cured, but Company determines that termination of the Agreement is not feasible, Organization may report such breach to the U.S. Department of Health and Human Services.
3. **Mitigation.** Business Associate agrees to mitigate to the extent practicable, any harmful effect that is known to Business Associate of any security incident related to PHI or any use or disclosure of PHI by Business Associate in violation of the requirements of this BA Agreement. To the extent Company incurs any expense Company reasonably determines to be necessary to mitigate any Breach or any other non-permitted use or disclosure of Individually Identifiable Information, Business Associate shall reimburse Company for such expense.

D. Compliance with Standard Transactions.

1. If Business Associate conducts in whole or part Standard Transactions, for or on behalf of Company, Business Associate will comply, and will require any subcontractor or agent involved with the conduct of such Standard Transactions to comply, with each applicable requirement of 45 C.F.R. Part 162 for which HHS has established Standards. Business Associate will comply by a mutually agreed date, but no later than the date for compliance with all applicable final regulations, and will require any subcontractor or agent involved with the conduct of such Standard Transactions, to comply, with each applicable requirement of the Transaction Rule 45 C.F. R. Part 162. Business Associate agrees to demonstrate compliance with the Transactions by allowing Company to test the Transactions and content requirements upon a mutually agreeable date. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any trading partner agreement in connection with the conduct of Standard Transactions for or on behalf of Company that:
 - a) Changes the definition, data condition or use of a data element or segment in a Standard Transaction.
 - b) Adds any data elements or segments to the maximum defined data set;
 - c) Uses any code or data element that is marked "not used" in the Standard Transaction's Implementation Specification or is not in the Standard Transaction's Implementation Specification; or
 - d) Changes the meaning or intent of the Standard Transaction's Implementation Specification.
2. **Concurrence for Test Modification to Standard Transactions.** Business Associate agrees and understands that there exists the possibility that Company or others may request from HHS an exception from the uses of a Standard in the HHS Transaction Standards. If this request is granted by HHS, Business Associate agrees that it will participate in such test modification.
3. **Incorporation of Modifications to Standard Transactions** Business Associate agrees and understands that from time-to-time, HHS may modify and set compliance dates for the Transaction Standards. Business Associate agrees to incorporate by reference into this Agreement any such modifications or changes.
4. **Code Set Retention (Only for Plans).** Both parties understand and agree to keep open code sets being processed or used in the Agreement for at least the current billing period or any appeal period, whichever is longer.
5. **Guidelines and Requirements.** Business Associate further agrees to comply with any guidelines or requirements adopted by Company consistent with the requirements of HIPAA and any regulations promulgated thereunder, governing the exchange of information between Business Associate and the Company.

E. Obligations upon Termination.

1. **Return or Destruction.** Upon termination, cancellation, expiration or other conclusion of the Agreement, Business Associate will if feasible return to Company or destroy all PHI, in whatever form or medium (including in any electronic medium under Business Associate's custody or control), that Business Associate created or received for or from Company, including all copies of and any data or compilations derived from and allowing identification of any Individual who is a subject of the PHI. Business Associate will complete such return or destruction as promptly as possible, but not later than 30 days after the effective date of the termination, cancellation, expiration or other conclusion of Agreement. Business Associate will identify any PHI that Business Associate created or received for or from Company that cannot feasibly be returned to Company or destroyed, and will limit its further Use or Disclosure of that PHI to those purposes that make return or destruction of that PHI infeasible and will otherwise continue to protect the security any PHI that is maintained pursuant to the security provisions of this Agreement for so long as the PHI is maintained. Within such 30 days, Business Associate will certify in writing to Company that such return or destruction has been completed, will deliver to Company the identification of any PHI for which return or destruction is infeasible and, for that PHI, will certify that it will only Use or disclose such PHI for those purposes that make return or destruction infeasible.
2. **Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and security of the PHI it created or received for or from Company will be continuous and survive termination, cancellation, expiration or other conclusion of this Agreement, so long as the data is maintained.

F. General Provisions.

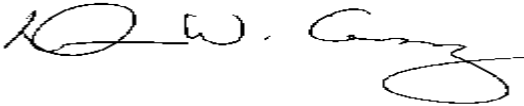


1. **Definitions.** The capitalized terms in this Agreement have the meanings set out in 45 C.F.R. Parts 160-164, as it may be amended from time to time. As of the execution date of this Agreement, the following are some of the relevant definitions set out in the Code of Federal Regulations.
 - a) **Disclosure** means the release, transfer, provision of, access to, or divulging in any other manner of information outside the entity holding the information.
 - b) **Electronic Media** means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines. Private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.
 - c) **Individual** means the person who is the subject of Protected Health Information.
 - d) **Individually Identifiable Health Information** means information that is a subset of Protected Health Information, including demographic information collected from an Individual; and
 - (i) is created or received by a Health Care Provider, Health Plan, Employer, or Health Care Clearinghouse; and
 - (ii) relates to the past, present or future physical or mental health condition of an Individual; the provision of Health Care to an Individual; or the past, present, or future payment for the provision of Health Care to an Individual; and

- a) that identifies the Individual; or
 - b) with respect to which there is a reasonable basis to believe the information can be used to identify the Individual.
- e) Protected Health Information ("PHI") means any information without regard to its form or medium, gathered by Business Associate in connection with Business Associate's relationship with Covered Entity that identifies an individual or that otherwise would be defined as Protected Health Information under HIPAA. :
- f) Security Incident means an attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system, involving Protected Health Information that is created, received maintained or transmitted by or on behalf of Company in electronic form.
- g) Use means, with respect to Individually Identifiable Health Information, the sharing, employment, application, utilization, examination, or analysis of such information with an entity that maintains such information.
2. **Amendment.** From time to time local, state or federal legislative bodies, boards, departments or agencies may enact or issue laws, rules, or regulations pertinent this Agreement. In such event, Business Associate agrees to immediately abide by all said pertinent laws, rules, or regulations and to cooperate with Company to carry out any responsibilities placed upon Company or Business Associate by said laws, rules, or regulations.
3. **Conflicts.** The terms and conditions of this Agreement will override and control any conflicting term or condition of any other agreement between the parties with respect to the subject matter herein. All non-conflicting terms and conditions of the said other agreement(s) remain in full force and effect.
4. **Owner of PHI.** Company is the exclusive owner of PHI generated or used under the terms of the Agreement.
5. **Subpoenas.** Business Associates agrees to relinquish to Company control over subpoenas Business Associates receives with regard to PHI belonging to Company.
6. **Disclosure of De-identified Data.** The process of converting PHI to De-identified Data (DID) is set forth in 45 C.F.R Part 164.514. In the event that Company provides Business Associate with DID, Business Associate shall not be given access to, nor shall Business Associate attempt to develop on its own, any keys or codes that can be used to re-identify the data. Business Associate shall only use DID as directed by Company.
7. **Creation of De-identified Data.** In the event Business Associate wishes to convert PHI to DID, it must first subject its proposed plan for accomplishing the conversion to Company for Company's approval, which shall not be unreasonably withheld provided such conversion meets the requirements of 45 C.F.R. Part 164.514. Business Associate may only use DID as directed or otherwise agreed to by Company.
8. **Assignment/Subcontract.** Company shall have the right to review and approve any proposed assignment or subcontracting of Business Associate's duties and responsibilities arising under the Agreement, as it relates to the Use or creation of PHI (or DID if applicable).

9. **Audit.** Company shall have the right to audit and monitor all applicable activities and records of Business Associate to determine Business Associate's compliance with the requirements relating to the creation or Use of PHI [and DID, if applicable] as it relates to the privacy and security sections of this Agreement.
10. **Intent.** The parties agree that there are no intended third party beneficiaries under this Agreement.
11. **Branding.** Business Associate understands and agrees that Business Associate may not use the WellPoint name or brand with the Blue names or brands in the implementation of this Agreement
12. **Indemnity.** Business Associate will indemnify and hold harmless Company and any Company affiliate, officer, director, employee or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted or prohibited Use or Disclosure of PHI or other breach of this Agreement by Business Associate or any subcontractor, agent, person or entity under Business Associate's control.
- a) Right to Tender or Undertake Defense. If Company is named a party in any judicial, administrative or other proceeding arising out of or in connection with any non-permitted or prohibited Use or Disclosure of PHI or other breach of this Agreement by Business Associate or any subcontractor, agent, person or entity under Business Associate's control, Company will have the option at any time either (i) to tender its defense to Business Associate, in which case Business Associate will provide qualified attorneys, consultants and other appropriate professionals to represent Company's interests at Business Associate's expense, or (ii) undertake its own defense, choosing the attorneys, consultants and other appropriate professionals to represent its interests, in which case Business Associate will be responsible for and pay the reasonable fees and expenses of such attorneys, consultants and other professionals.
- b) Right to Control Resolution. Company will have the sole right and discretion to settle, compromise or otherwise resolve any and all claims, causes of actions, liabilities or damages against it, notwithstanding that Company may have tendered its defense to Business Associate. Any such resolution will not relieve Business Associate of its obligation to indemnify Company under Section F.12 of this Agreement.

This agreement is between the Business Associate and the Company. The signature below acknowledges each party's acceptance of the Business Associate Agreement form number BKR0001, Revision October 2009. The parties acknowledge and agree that (i) the signature provided by the parties shall be enforceable, and (ii) these documents shall constitute "original" documents when printed from electronic files and records established and maintained by either party in the normal course of business.

IN WITNESS WHEREOF, the Business Associate and the Company, through their authorized representatives, execute this Agreement in multiple originals, all of which together shall constitute one and the same instrument, to be effective as of the date signed by the Business Associate below:

	WellPoint, Inc. on behalf of its affiliates*
Name of Business Associate Tax ID: _____ <i>I understand that by signing below will have a legally binding effect on me or the agency on whose behalf I am signing.</i>	Name of Company  Dennis Casey SVP & President, Local Group Business
Signature	
Printed Name Agent	Mary Floyd VP Sales, Individual Business
Title	
Date	Pam Kehaly President & GM, California

*Company affiliates include the following described companies:

Anthem Blue Cross in California is the trade name of Anthem Blue Cross Life and Health Insurance Company and Blue Cross of California; Anthem Blue Cross and Blue Shield is the trade name for the following companies in: Colorado: Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc.; Connecticut: Anthem Health Plans, Inc.; Georgia: Blue Cross and Blue Shield of Georgia, Inc. and Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.; Indiana: Anthem Insurance Companies, Inc.; Kentucky: Anthem Health Plans of Kentucky, Inc.; Maine: Anthem Health Plans of Maine, Inc.; Missouri (excluding 30 counties in the Kansas City area): RightCHOICE® Managed Care, Inc. (RIT), Healthy Alliance® Life Insurance Company (HALIC), and HMO Missouri, Inc. RIT and certain affiliates administer non-HMO benefits underwritten by HALIC and HMO benefits underwritten by HMO Missouri, Inc. RIT and certain affiliates only provide administrative services for self-funded plans and do not underwrite benefits; Nevada: Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc., dba HMO Nevada.; New Hampshire: Anthem Health Plans of New Hampshire, Inc.; Ohio: Community Insurance Company; Virginia: Anthem Health Plans of Virginia, Inc. trades as Anthem Blue Cross and Blue Shield in Virginia, and its service area is all of Virginia except for the City of Fairfax, the Town of Vienna, and the area east of State Route 123.; Wisconsin: Blue Cross Blue Shield of Wisconsin (BCBSWi), which underwrites or administers the PPO and indemnity policies; CompCare Health Services Insurance Corporation (CompCare), which underwrites or administers the HMO policies; and CompCare and BCBSWi collectively, which underwrite or administer the POS policies. In 28 eastern and southeastern counties in New York, Empire Blue Cross Blue Shield and/or Empire Blue Cross, the trade names of Empire HealthChoice Assurance, Inc., underwrites and/or administers the PPO, EPO, POS and indemnity policies and Empire Blue Cross Blue Shield and/or Empire Blue Cross HMO, the trade name of Empire HealthChoice HMO, Inc., underwrites the HMO policies. Independent licensees of the Blue Cross and Blue Shield Association. ® ANTHEM is a registered trademark of Anthem Insurance Companies Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

Medicare Advantage and Part D Broker Contract Addendum

Attachment 1

Medicare Advantage and Medicare Part D Regulatory Exhibit

The following Medicare Advantage and Medicare Part D terms and conditions shall be incorporated into the Business Entity Insurance Producer Agreement between Anthem Insurance Companies, Inc. and applicable affiliates or clients requiring the services described herein (herein referred to as "Anthem") and Entity Producer. These provisions shall only apply to services provided by Entity Producer to or for Anthem's Medicare Advantage and/or Medicare Part D plans in accordance with and pursuant to the Medicare Modernization Act of 2003 (MMA) (Social Security Act Section 1860D-1 through 1860D-41), any subsequent amendments to the MMA and applicable regulations. In the event that there is a conflict between the attached Agreement and these Medicare Advantage and Medicare Part D terms and conditions, the Medicare Advantage and Medicare Part D terms and conditions shall control, but only as they relate to services provided to Covered Individuals enrolled in Anthem's Medicare Advantage and/or Medicare Part D plans.

1. **Federal Funds.** Consistent with, but not limited to, 42 C.F.R. 423.100, Entity Producer acknowledges that payments Entity Producer receives from Anthem to provide services to Medicare Advantage or Part D enrollees, are, in whole or part, from Federal funds. Therefore, Entity Producer and any of its subcontractors may be subject to certain laws that are applicable to individuals and entities receiving Federal funds.
2. **Confidential Information.** Entity Producer recognizes that in the performance of its obligations under this Agreement it may be party to Anthem's proprietary, confidential, or privileged information, including, but not limited to, information concerning Anthem's members. Entity Producer agrees that, among other items of information, the identify of, and all other information regarding or relating to any of Anthem's customers is confidential. Entity Producer agrees to treat such information as confidential and proprietary information of Anthem, and all such information shall be used by Entity Producer only as authorized and directed by Anthem pursuant to this Agreement, and shall not be released to any other person or entity under any circumstances without express written approval of Anthem. During and after the term of this Agreement, Entity Producer shall not disclose or use any of the information described in this Section for a purpose unrelated to the terms and obligations of this Agreement. Further, Entity Producer agrees to abide by all Federal and State laws regarding confidentiality and disclosure of Medicare Part D enrollee information. In addition, Entity

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

Producer agrees to abide by the confidentiality requirements established by Anthem and CMS for the Medicare Advantage and/or Medicare Part D program.

3. **Inspection of Books and Records.** In accordance with, but not limited to, 42 C.F.R. 423.505(i) and/or 422.504(i), Entity Producer acknowledges that the Department of Health and Human Services (HHS), the Comptroller General, or their designees have the right to inspect, evaluate and audit any pertinent contracts, books, documents, papers, and records of Entity Producer, or its subcontractors or transferees involving transactions related to Anthem's Medicare Advantage and/or Medicare Part D contract through ten (10) years from the final date of the contract period or from the date of the completion of any audit, or for such longer period provided for in other applicable law, whichever is later. For the purposes specified in this provision, Entity Producer agrees to make available Entity Producer's premises, physical facilities and equipment, records relating to Anthem's Medicare Advantage and/or Medicare Part D enrollees, and any additional relevant information that CMS may require.
4. **Independent Status.** Entity Producer is an independent contractor and nothing contained in this Agreement shall be construed or implied to create an agency, partnership, joint venture, or employer and employee relationship between Entity Producer and Anthem. At no time shall either party make commitments or incur any charges or expenses for or in the name of the other party except as otherwise permitted by this Agreement.
5. **Subcontractors.** In accordance with, but not limited to, 42 C.F.R. 423.505(i)(3) and/or 422.504(i)(3)(ii), Entity Producer agrees that if Entity Producer enters into subcontracts to perform services under the terms of the Agreement, Entity Producer's subcontractors shall include an agreement by the subcontractor to comply with all of the Entity Producer's obligations in this Medicare Advantage and Part D Regulatory Exhibit and applicable terms in the Agreement.
6. **Federal and State Laws.** Consistent with, but not limited to, 42 C.F.R. 423.505(i)(4) & 423.505(i)(3)(iii), and/or 422.504(i)(4) & 422.504(i)(3)(iii), Entity Producer agrees to comply, and to require any of its subcontractors to comply, with all applicable Federal and State laws, regulations, CMS instructions, and policies relevant to the activities to be performed under the Agreement, including but not limited to, CMS Medicare Advantage and/or Medicare Part D marketing guidelines, and any requirements for CMS prior approval of materials. Further, Entity Producer agrees that any services provided by the Entity Producer or its subcontractors to Anthem's Medicare Advantage and Medicare Part D enrollees

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

will be consistent with and will comply with Anthem's Medicare Advantage and/or Part D contractual obligations.

7. **Compliance Program.** Anthem maintains an effective Compliance Program and Standards of Business Conduct, and requires its employees to act in accordance therewith. Anthem will provide a copy of its then current Standards of Business Conduct to Entity Producer upon request.
 8. **Ineligible Persons.** Entity Producer warrants and represents that at the time of entering into this Agreement and/or when providing services to or for the benefit of Medicare Advantage and/or Medicare Part D members, neither he/she/it nor any of his/her/its employees, contractors, subcontractors or agents are ineligible persons identified on the General Services Administrations' List of Parties Excluded from Federal Programs (available through the internet at <http://www.epls.gov/>) and the HHS/OIG List of Excluded Individuals/Entities (available through the internet at <http://exclusions.oig.hhs.gov/>); or any subsequently provided or updated source that provides such information. In the event Entity Producer or any employees, subcontractors or agents thereof becomes an ineligible person after entering into this Agreement or otherwise fails to disclose his/her ineligible person status, Entity Producer shall have an obligation to (1) immediately notify Anthem of such ineligible person status and (2) within ten days of such notice, remove such individual from responsibility for, or involvement with, Anthem's business operations related to this Medicare Advantage and Medicare Part D attachment.
- Anthem retains the right to provide notice of immediate termination of the Agreement to Entity Producer in the event it receives notice of Entity Producer's ineligible person status.
9. **Illegal Remunerations.** Entity Producer specifically represents and warrants that activities to be performed under the Agreement are not considered illegal remunerations (including kickbacks, bribes or rebates) as defined in § 1128B(b) of the Social Security Act.
 10. **Termination-Regulatory Issues.** In accordance with, but not limited to, 42 C.F.R. 423.505(i)(5) and/or 422.504(i)(5), if during the term of the Agreement, Anthem concludes that it is necessary to cancel any of the activities to be performed under this Agreement in order to comply with Federal or State laws, regulations, or policies, Anthem may, at its discretion, cancel the activity and be relieved of any related obligations under the terms of the Agreement. If Anthem or Entity Producer concludes that it is necessary to reorganize or restructure any

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

of the activities to be performed under this Agreement in order to comply with Federal or State laws, regulations, or policies, Anthem or Entity Producer may request to renegotiate such terms.

11. **Oversight Responsibility.** Entity Producer acknowledges that Anthem shall oversee and monitor Entity Producer's performance of its responsibilities set forth in this Agreement on an ongoing basis and that Anthem is ultimately responsible to CMS for the performance of such services. Entity Producer further acknowledges that Anthem shall oversee and is accountable to CMS for the functions and responsibilities described in the Medicare Part D regulatory standards and ultimately responsible to CMS for the performance of all services.
12. **Revocation.** Entity Producer agrees that Anthem has the right to revoke this agreement if CMS or Anthem determines that Entity Producer has not performed the services satisfactorily and/or if requisite reporting and disclosure requirements are not otherwise fully met in a timely manner. Such revocation shall be consistent with the termination provisions of the Agreement.
13. **Approval of Materials.** Any printed materials, including but not limited to letters to Anthem's members, brochures, advertisements, telemarketing scripts, packaging prepared or produced by Entity Producer or any of its subcontractors pursuant to this Agreement must be submitted to Anthem for review and approval at each planning stage (*i.e.*, creative, copy, mechanicals, blue lines, etc.) to assure compliance with Federal, state, and Blue Cross/Blue Shield Association guidelines. Anthem agrees its approval will not be unreasonably withheld or delayed.
14. **Hold Harmless.** In accordance with, but not limited to, 42 C.F.R. 423.505(i) and 423.505(g), and/or 422.504(i)(3) and 422.504(g)(1) and (2), both parties agree that in no event, including but not limited to non-payment by Anthem, insolvency of Anthem or breach of the Agreement, shall Entity Producer bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Medicare Advantage and/or Medicare Part D Covered Individual or persons other than Anthem acting on their behalf for Covered Services provided pursuant to the Agreement. This provision does not prohibit the collection of supplemental charges or Copayments on Anthem's behalf made in accordance with the terms of the Medicare Advantage and/or Part D enrollee's benefits.

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

- 15. Prohibition of Payment/Gifts/Incentives to Beneficiaries.** Entity Producer shall not provide or offer gifts or payments to a Medicare Advantage and/or Part D enrollee as an inducement to enroll in an Anthem Medicare Advantage and/or Part D Product. Notwithstanding this section, Entity Producer may provide an individual eligible for Medicare Advantage and/or Part D a gift of nominal value, so long as the gift is provided whether or not the individual enrolls in the plan. For purposes of this Agreement, nominal value is defined as an item having little or no resale value and which cannot be readily converted into cash. Generally nominal value gifts are worth less than \$15.00. In addition, while Entity Producer may describe legitimate benefits the individual eligible for Medicare Advantage and/or Part D may receive, Entity Producer is prohibited from offering or giving rebates, dividends or any other incentives, especially those that in any way compensate for lowered utilization of health services by such eligible individual. This includes, but is not limited to the fact the Entity Producer may not tie lowered or reduced premium costs for the Medicare Advantage and/or Part D enrollee to their decreased utilization of health services.
- 16. Unsolicited Contacts.** Entity Producer may not do any of the following:
- Place any outbound marketing calls to Members or to beneficiaries unless the beneficiary requested the call;
 - Place calls to former Members who have disenrolled or to current Members who are in the process of voluntarily disenrolling, to market plans or products;
 - Place calls to Members or beneficiaries to confirm receipt of mailed information, unless otherwise set forth herein;
 - Place calls to Members or beneficiaries to confirm acceptance of appointments made by third parties or independent agents;
 - Approach Members or beneficiaries in common areas (i.e. parking lots, hallways, lobbies, etc.)
 - Place calls or visit Members or beneficiaries who attended a sales event, unless the Member or beneficiary gave express permission at the event for a follow-up visit or call
- 16.1** Entity Producer may do the following:
- Place a call to a Member or beneficiary that they enrolled into an Anthem Medicare Advantage and/or Part D plan as long as the Member remains enrolled with the Anthem plan; or

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

- b. Place a call to a beneficiary who has expressly given permission for Entity Producer to contact them, for example by filling out a business reply card or asking a Customer Service Representative of Anthem to have an Entity Producer contact them. This permission by the beneficiary applies only to Anthem Medicare Advantage and/or Part D plans for the duration of that transaction or as otherwise indicated by the beneficiary.
- 16.2 **Outbound Scripts.** Any and all outbound scripts utilized by Entity Producer to contact beneficiaries on behalf of Anthem must be submitted to Anthem and to ultimately to CMS for review and approval prior to use in the marketplace. In addition, when conducting outbound calls, Entity Producer must ensure the scripts include a privacy statement clarifying that the beneficiary is not required to provide any information to Anthem or Entity Producer and that the information provided will in no way affect the beneficiary's membership in the Medicare Advantage and/or Part D Plan.
17. **Cross Selling is Prohibited.** Entity Producer understands and agrees that marketing non-health care related products (such as annuities and life insurance) to prospective enrollees during any Medicare Advantage and/or Part D sales activity or presentation is considered cross selling and is strictly prohibited.
18. **Scope of Entity Producer Appointments with Beneficiaries.** Entity Producer must clearly identify the types of products that will be discussed before marketing to a potential enrollee beneficiary and the beneficiary must agree to the scope of the appointment and such agreement must be documented by Entity Producer. For example, if a beneficiary attends a sales presentation and schedules an appointment, the Entity Producer must obtain written documentation signed by the beneficiary agreeing to the products that will be discussed during the appointment. In addition, appointments that are made by Entity Producer over the phone must be recorded in order to provide adequate documentation. Entity Producer will maintain the required documentation providing the scope of the appointment and will provide such documentation to Anthem upon request. Entity Producer further agrees that additional products may not be discussed unless the beneficiary requests the information and any additional lines of business that are not identified prior to the in-home appointment will require a separate appointment. Separate appointments cannot be re-scheduled until forty-eight (48) hours after the initial appointment. Entity Producer may, however, leave Anthem materials during the initial appointment so long as enrollment applications are not left with potential enrollees.

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

19. **Marketing in Health Care Settings.** Entity Producer is prohibited from conducting sales presentations and distributing and/or accepting enrollment applications in areas where patients primarily intend to receive health care services. These restricted areas generally include, but are not limited to, waiting rooms, exam rooms, hospital patient rooms, dialysis centers, and pharmacy counter areas (where patients wait for services or interact with pharmacy providers and obtain medication). Entity Producer may, however, conduct sales and marketing activities only in common areas of health care settings. Common areas include areas such as hospital or nursing home cafeterias, community or recreational rooms, conference rooms and space in a pharmacy outside of the area where patients wait for services or interact with pharmacy providers and obtain medication. For beneficiaries residing in long term care facilities, Entity Producer may only schedule an appointment if the beneficiary requested it.
20. **Sales/Marketing Prohibited at Educational Events.** Entity Producer may not include sales activities, including but not limited to distribution of marketing materials or distribution or collection of Anthem Medicare Advantage and/or Part D enrollment applications at educational events. Moreover, Entity Producer must include the following disclaimer on all materials advertising an educational event: “educational only and information regarding the a Medicare Advantage and/or Part D plan will not be available.” An educational event is one that is sponsored by a health insurance plan or by outside entities and are promoted to be educational in nature and have multiple vendors, such as health information fairs, conference expositions, state-or community-sponsored events.
21. **Prohibition on the Provision of Meals.** Entity Producer may not provide meals or subsidize meals for any prospective enrollee of a Medicare Advantage or Part D plan at any event or meeting at which plan benefits are being discussed and/or plan materials are being distributed. Entity Producer may provide refreshments and light snacks so long as the items provided could not be reasonably considered a meal and/or that multiple items are not being bundled and provided as if a meal. The following light snacks could generally be considered acceptable: fruit, raw vegetables, pastries, cookies or other small dessert items, crackers, muffins, cheese, chips, yogurt or nuts.
22. Entity Producer must provide the following disclosure or a substantially similar disclosure, prior to enrollment or at the time of enrollment, in writing, to a potential enrollee:

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

“The person that is discussing plan options with you is either employed by or contracted with Anthem. The person may be compensated based on your enrollment in a plan.”

23. Entity Producer warrants and represents that it is properly licensed, certified, and/or registered under applicable state laws to sell and/or market Medicare Advantage and/or Medicare Part D products.
24. Entity Producer is prohibited from employing discriminatory practices that preferentially enroll healthier beneficiaries, mislead beneficiaries or churn beneficiaries between Medicare Advantage and/or Medicare Part D plans. Entity Producer agrees to implement policies, procedures and monitoring activities that are consistent with these concepts noted in this provision.
25. Irrespective of any conflicting term or provision, Anthem shall not pay Entity Producer a Medicare Advantage and/or Medicare Part D commission rate that is based upon the value of the Medicare Advantage and/or Medicare Part D business generated for Anthem (i.e., profitability of the book of business). Entity Producer reimbursement for Medicare Advantage and/or Medicare Part D business shall not be tied or linked to a beneficiary's health risk profile.
26. Consistent with CMS guidance, Entity Producer agrees that Anthem may withhold or withdraw payment if a Medicare Advantage and/or Medicare Part D beneficiary dis-enrolls in an unreasonably short time frame (i.e., rapid dis-enrollment). An “unreasonably short time frame” is defined as less than 60 days after enrollment but may be a longer time period if Anthem reasonably determines it to be a longer period of time.
27. **Contracting Authority.** Each party to this Agreement warrants that it has full power and authority to enter into this Agreement and the person signing this Agreement on behalf of either party warrants that he/she has been duly authorized and empowered to enter into this Agreement.

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Medicare Advantage and Medicare Part D Regulatory Exhibit (Continued)

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective for the term set forth herein.

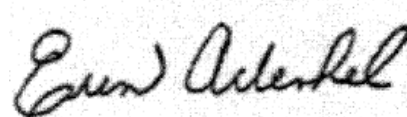
Anthem Insurance Companies, Inc.

By (Agent Signature) & Date

Agent

Title/Organization

Agent Name (Please print)



Erin Ackenheil
Vice President Sales
Senior Business

Agent Writing # (Tax ID#)

Agency tax ID# (if appl)

Social Security #

Business Address (Street, City, State, Zip)

Email Address

Agent Phone #

Agent Fax #

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SUBAGENT AGREEMENT

This Broker Agreement together with the Schedules and other attachments hereto (the "Agreement"), by and between Designated Agent Company, Inc. ("Company" or "Anthem") and Broker shall be effective on the latter of the first of the month in which executed Agreement from Broker is received or the date Broker is appointed, where required, by the Carrier. In consideration of the mutual covenants and agreements contained herein and intending to be legally binding, Anthem and Broker agree as follows:

SECTION 1 - DESIGNATION AND AUTHORITY

- 1.1 Designation. Subject to the terms of this Agreement, Anthem hereby designates Broker as a subagent under Anthem's authority to market, solicit or negotiate the product(s) (the "Policy" or "Policies") underwritten by separate insurance carriers (collectively, the "Carriers") listed in Schedule A. The subagent relationship established by this Agreement is nonexclusive and Anthem retains the right to designate general agents, subagents and other agents for the same products and in the same territory as Broker. Broker hereby accepts the foregoing designation and agrees to use its best efforts to solicit applications for Policies in accordance with this Agreement and in accordance with Anthem's policies and procedures which shall be communicated to Broker.
- 1.2 Authority. Broker shall have no authority to act as an agent of Anthem or the Carriers, other than the authority expressly granted in this Agreement or as may be specified in a separate broker agreement with Anthem; no forbearance or neglect on the part of either Broker or Anthem shall be construed to waive any of the terms of this Agreement or to imply the existence of any authority not expressly given in this Agreement. Broker shall solicit applications for Policies only in those states where Broker is licensed and designated as a subagent by Anthem and only for those Policies listed in Schedule A.

Notwithstanding any other provision of this Agreement to the contrary, neither Broker nor any of its agents is authorized to:

- (a) issue any Policy or alter, amend, waive or extend any rates, conditions or provisions thereof;
- (b) waive or extend the time of payment of any premium for any Policy;
- (c) waive, forgive or ratify any breach, violation or misrepresentation on the part of any, Subscriber, or Individual Policyholder, proposed Subscriber or proposed Individual Policyholder, or any rights or remedies of Anthem or the Carriers.
- (d) enter into any contract or incur any expense or obligation of any character involving Anthem or the Carriers except as expressly provided herein;
- (e) represent itself to be, or act or hold itself out as, a spokesperson for Anthem or the Carriers in any proceeding before, or inquiry by, any court or governmental or regulatory authority;
- (f) make any promise or representation to any, Subscriber or Individual Policyholder in connection with payment of any claim; or

- (g) do any other act not expressly authorized by this Agreement.

SECTION 2 - RESPONSIBILITIES OF BROKER

- 2.1 Agents of Broker. Broker shall not, without the express written permission of Anthem and the Carriers, contract with, engage or otherwise enter into a relationship with non-employee agents to sell any Policies. Anthem reserves the right to require Broker to pay appointment or designation fees, if any, for such non-employee agents. Anthem reserves the right to require Broker to provide names, production reports and other information relating to such agents upon execution of this Agreement and thereafter as requested by Anthem or the Carriers. Broker shall ensure that its employed agents and any non-employee agents permitted by Anthem and the Carriers understand and comply with the terms of this Agreement.
- 2.2 Licensing. Broker represents that it is duly licensed under the laws of the State or States in which it acts as an insurance agent and is licensed in the lines of business needed to sell, solicit and negotiate the Policies in Schedule A. Broker agrees, at Broker's sole expense, to keep the license(s) in full force and effect during the term of this Agreement and to notify Anthem immediately in writing of any termination, qualification, suspension or expiration of such license. Broker, at Broker's sole expense, shall cause its employee agents to procure and maintain in good standing, all licenses required by all applicable statutes and regulations and likewise notify Anthem immediately in writing of any termination, qualification, suspension or expiration of such license. Broker shall provide a copy(ies) of its, and its employee agents', current license(s) to Anthem. Upon Broker's loss of or failure to procure and maintain any of its or its employees' licenses as may be required by law, this Agreement shall terminate for cause pursuant to the provisions set forth in Section 8.2 hereof.
- 2.3 Anthem and Carrier Standards. Broker shall comply with, and shall take all reasonable steps necessary to cause and require its employee agents to comply with, the instructions, rules, procedures or standards issued to it by Anthem and the Carriers, as they may be modified from time to time. Broker may not waive any provisions of such rules, procedures or standards without Anthem and the Carrier's express prior written authorization. As a material part of the consideration for the making of this Agreement by Company, Broker agrees that it and its employee agents shall make no representations whatsoever with respect to the nature or scope of the Policies, except through and by means of the written material either prepared and furnished to Broker for that purpose by Anthem or approved in writing by Anthem prior to use.
- 2.4 Applications. Broker represents and warrants that Broker shall review each application for Policies to help ensure that the facts set forth by each, Subscriber or individual applicant is true and correct. Broker warrants that neither it nor any of its employee agents shall submit to Anthem any information that they know or should reasonably know to be false or misleading.
- 2.5 Receipt of Funds. Broker shall not, nor shall it permit its employee agents to, receive any funds due the Carriers or any of the associations affiliated with the Policies.
- 2.6 Independent Contractors. Broker and its employee agents shall act solely as independent contractors in relation to Anthem and the Carriers, and as such, shall control in all matters their time and effort in the placement of the Policies offered hereunder. However, if Broker is under a separate agreement with Anthem or an Anthem affiliate to serve as a captive producer, employee or contractor, nothing herein shall alter or amend that relationship, or be construed as creating any employment for term or limiting the parties' respective rights under that separate

agreement or relationship. Nothing in this Agreement shall be construed to create the relationship of employer/employee or principal/agent or create a partnership or joint venture between Broker or its employee agents and either Anthem or the Carriers.

- 2.7 Errors & Omissions Insurance. Broker shall maintain during the entire term of this Agreement errors and omissions insurance in such amounts as may be determined from time to time by Anthem, in its discretion. Broker shall immediately give written notice to Anthem of any change or deletion with respect to such insurance coverage detailing such change or deletion. In addition, Broker shall provide Anthem and if needed the Carriers with proof of errors and omissions insurance upon Broker's initial designation by Anthem, at the time of such policy renewal and upon written request.
- 2.8 Reporting. Broker shall promptly prepare and transmit to Anthem, in a format acceptable to Anthem, such reports as Anthem may reasonably require from time to time, including reports of all information necessary for Company to comply with all applicable laws, rules, regulations, rulings, policies and guidelines or to manage its business including, without limitation, policies relating to electronic commerce, confidentiality and account reporting. Such reports of information are to be limited to information readily available in Broker's files and records.
- 2.9 Compliance. Broker shall be responsible for ensuring that the backgrounds of all employee agents have been thoroughly checked and that all such agents comply with all applicable state and federal laws, including without limitation laws relating to confidentiality, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Violent Crime Control And Law Enforcement Act of 1994. Further, Broker shall comply with all applicable current policies and guidelines of Anthem including, without limitation, policies relating to electronic commerce, confidentiality and account reporting. Broker may not, without the express written consent of Anthem, employ or allow any agents to write coverage through the Broker if such agent previously has had his/her designation terminated by Anthem.
- 2.10 Other Duties. Broker shall perform such other reasonable duties as Anthem may from time to time require.
- 2.11 Training. Broker and its employee agents, at their own expense, shall attend such training, including, without limitation, compliance and ethics training, as Anthem may require.
- 2.12 Audits. Broker shall use its best efforts to fully cooperate with Anthem or the Carriers in the event that Anthem or a Carrier is audited by federal, state or local governmental authorities.
- 2.13 Records. Broker shall retain records as needed to comply with laws and regulations applicable to Broker's business hereunder. Anthem reserves the right to inspect and review the records of Broker, upon reasonable notice to Broker, and Broker agrees to use its best efforts to cooperate with Anthem in connection therewith. Anthem may conduct audits of Broker from time to time with advance notice to Broker.
- 2.14 Policy Cancellation. Broker shall not cancel any Policy issued by Anthem or any Carrier.

SECTION 3 – COMPENSATION

- 3.1 Compensation. Subject to the terms and conditions of this Agreement and the attachments, Broker shall receive Commission, as that term is defined in the Schedules hereto, or other Compensation, as provided in the Schedules hereto (collectively "Compensation") from

Anthem or its designee, when premiums or membership dues are actually due and paid to the Carrier(s) on Policies issued on applications submitted by Broker pursuant to its designation under this Agreement. At Anthem's election, Compensation may be paid directly to Broker or through another individual or entity designated by Anthem. Payment of Compensation may be subject to any adjustment or aggregation by Anthem provided, however, that Compensation shall not be paid on fees collected including, without limitation, billing fees, late fees, reinstatement fees or other non-premium fees. Anthem shall report Compensation paid Broker where required by state and federal law or regulation.

- 3.2 Changes to Compensation. Notwithstanding any other provision of this Agreement (including the Schedules) Anthem reserves the right to modify or discontinue any policy, practice or program by which Broker is paid Compensation of any kind hereunder. Anthem shall give Broker at least thirty days advance written notice of such change or cancellation. Such right to cancel or modify includes, but is not limited to, the right to terminate the payment of any and all Compensation. In the event that Anthem decides to modify or discontinue the payment of Compensation or to amend any Schedule, such modification, discontinuation, or amendment shall apply to all or any portion of Broker's business with Anthem, as designated by Anthem in its sole discretion, regardless of the original effective dates of the Policies or constituting such business. Notwithstanding the foregoing, Anthem may discontinue the payment of all Compensation without advance notice, should the law or the Carrier(s) require.
- 3.3 Refunds. Broker shall refund ratably to Anthem any Compensation on canceled or rescinded coverage and on reductions or refunds in premiums at the same rate at which such Compensation was originally paid to Broker. All such refunds shall be paid to Anthem no later than sixty days after request for payment is made by Anthem. Anthem may first offset such amounts to be refunded against sums owing to Broker by Anthem or an Anthem affiliate, pursuant to Section 5.2 below.
- 3.4 Limitations on Payment. Subject to the rights of Anthem set forth in Section 3.2 hereof, Compensation shall be payable as follows:
- (a) Compensation shall be payable only for so long as the Individual Policyholder maintains a Policy with the Carrier and Broker remains the "Agent of Record" for the Individual Policyholder, as recognized by both the Carrier and Anthem;
 - (b) This Agreement remains in effect; and
 - (c) Anthem's marketing agreement with the Carrier(s) remains in effect. If Anthem's marketing agreement with one Carrier ends, but remains for other Carriers, then Compensation ends with respect to products of the terminated Carrier only.
 - (d) If this Agreement is terminated pursuant to Section 8.2(a) hereof, any Compensation that has been processed through the commission system as of the date of termination shall be paid to the Broker, the executor or administrator of Broker's estate, or to the assigns of Broker, as applicable. No Compensation is payable to Broker or Broker's estate after the date of termination.
 - (e) If this Agreement is terminated pursuant to Section 8.2 (b) hereof, any Compensation due and payable to Broker on the date of termination or thereafter shall be paid to the trustee in bankruptcy or to the receiver. No Compensation shall be payable after the date of termination.

- (f) Notwithstanding any other provision of this Agreement, termination of this Agreement pursuant to any of Sections 8.2 (c) through (y) hereof, regardless of when Anthem learns of such acts or breaches, may, at Anthem's option, result in forfeiture of all Compensation which may be due under this Agreement on the date of termination or which may become due thereafter.
 - (g) Broker shall not assign, transfer, promise or pay all or any portion of any Compensation, or make or promise any payment in respect thereof, without the prior written consent of Anthem, and any such assignment shall always be subject to the terms herein (including those regarding liens and indebtedness), and shall always be in accordance with applicable law.
- 3.5 Errors. Notwithstanding the terms of Section 5 below, in the event that an error is made in the calculation and/or payment of Compensation under this Agreement, regardless of who made the error or the reason for the error, the correction of the error requiring payments to Broker or recovery of payments from Broker shall be made retroactively for a maximum of twelve (12) months from the date the error was discovered by Anthem. This section shall not limit in any way Anthem's right to collect any indebtedness of Broker to Anthem, through offset of Compensation or otherwise, for reasons other than an error in calculations or payments.
- 3.6 Broker Responsibility. Broker shall bear all expenses necessary to the performance of its duties and obligations pursuant to this Agreement including, but not limited to, all state, local and municipal fees, taxes or other charges (including occupational and privilege taxes), whether imposed upon Broker or its employee agents. Broker shall be solely responsible for compensating its employees, agents, and independent contractors.
- 3.7 Frequency of Payments. Anthem, in its sole discretion, shall determine the frequency of payments under this Agreement. If, while this Agreement is in effect, the total Compensation payable by Anthem to Broker is equal to or less than \$25, then Compensation otherwise payable shall continue to accrue, but shall not be payable until the total Compensation so accrued exceeds \$25.
- 3.8 Reporting. Broker expressly understands and agrees that Anthem may report all compensation paid under this Agreement or any program sponsored by Anthem, including but not limited to commission, override and/or bonus compensation where applicable under federal or state law or regulation.

SECTION 4 - RIGHTS RESERVED TO ANTHEM OR THE CARRIERS

Broker understands and agrees that its authority to act on behalf of Anthem or the Carriers is as a result of its designation, and subject to the terms, herein. Broker understands and agrees that Anthem and the Carrier(s) as appropriate, reserve the following rights:

- 4.1 Reject Applications. Reject any and all applications submitted by Broker, in a manner consistent with applicable state and federal law.
- 4.2 Cancel, Discontinue or Assign Policy. Cancel, non-renew or assign to another any Policy, where permitted and performed according to applicable state or federal law.
- 4.3 Filings. Make any Policy and/or product, marketing and rate filings with the applicable department of insurance or regulatory agency.

- 4.4 Communication. Communicate directly with any Subscriber or Individual Policyholder whenever it deems it necessary or appropriate.
- 4.5 Recognition and Appointment. Refuse to appoint any Broker or do business with any agent or Broker, or refuse to recognize an Agent of Record letter from anyone for any reason.
- 4.6 Broker Level. [Intentionally deleted].
- 4.7 Discontinuation. Discontinue any appointment, any Broker agreement or any Broker Compensation.
- 4.8 Changes. Amend, restate, cancel or otherwise modify, without prior notice to Broker, any or all of its respective rules, regulations, policies, procedures or guidelines.
- 4.9 Aggregating Business. Determine whether a Broker or Brokers can aggregate their business for any purpose under this Agreement including, without limitation, cases where a Broker has merged its business into another, has formed a general or limited partnership or has entered into a joint venture.
- 4.10 Production Requirements. Establish minimum production requirement. Such production requirements shall be established in Anthem's sole discretion and may be amended, modified or revised from time to time. Anthem shall notify Broker of amendment, modification or change in production requirements through regular Broker communication at least thirty (30) days in advance of the creation, amendment, modification or change of such production requirement. In its sole discretion, Anthem may choose to exempt licensed support staff from its production requirements.

SECTION 5 – INDEBTEDNESS, LIEN AND OFFSET

- 5.1 Indebtedness. Nothing herein obligates Anthem to advance or prepay any Compensation or otherwise extend credit to Broker. However, any advance, loan or extension of credit, debt, liability or other obligation of any kind whatsoever, which the Broker or any of its employees secures from or owes to Anthem shall constitute an indebtedness of Broker to Anthem.
- 5.2 Lien and Offset. Any indebtedness of Broker to Anthem or an Anthem affiliate is due and payable on demand and shall create a first lien on all Compensation paid or payable from Anthem or any of its affiliates in the future to Broker to secure such indebtedness of Broker to Company and/or Anthem. Any such indebtedness not fully paid when due shall vest Anthem or any of its affiliates with the authority and power to offset such indebtedness against Compensation due Broker under this or any other agreement between Broker and Anthem or an Anthem affiliate. Broker shall be responsible for any costs, including reasonable attorney fees and other collection expenses, incurred by Anthem or its affiliate in connection with the recovery from Broker for any indebtedness of Broker, or any indebtedness of Broker's employees.

SECTION 6 – ADVERTISING, POLICY FORMS AND SERVICE MARKS

- 6.1 Materials. Anthem shall supply promotional Materials and applications for Policies or association memberships. The Carrier(s) shall prescribe all Policy forms and rates to be used in connection with performance under this Agreement and Broker agrees to use only those Materials, applications, forms and rates provided by Anthem. "Materials" shall include, but not be limited to: advertising in all forms (whether print or electronic); websites and banner ads; promotional materials; enrollment and billing forms, and sales collateral. Broker shall not, and shall not permit its employee agents to, alter, modify or amend any Materials, applications, Policy forms or rates provided by Anthem or the Carrier(s). In addition, no circular, advertisement, letterhead, telephone directory advertisement or other matter or material that includes the name of or refers to Anthem or the Marks, as defined below, shall be printed, published or used in any way by Broker unless Anthem has given advance written approval thereof.
- 6.2 Service Marks. Broker understands and agrees that the names "Blue Cross." "Blue Shield" and the Blue Cross and Blue Shield symbols and marks and all right, title and interest therein (including without limitation any service marks, copyright, patent, trademark or other intellectual property rights therein) (collectively, the "Marks") are the property of, or licensed to Anthem or Anthem affiliates. Broker further acknowledges that Broker receives no rights, title or interest in or to the Marks except as expressly set forth herein. Broker shall not (i) use, modify or alter the Marks (including any advertisement, website or any other material) or (ii) alter, destroy or otherwise remove any proprietary notices or labels containing the Marks, in any manner without the prior written consent of Anthem. Broker agrees to not make any use of any advertisement, website or any other communication issued by the Broker which could be mistaken for an advertisement, website or any other communication issued by Anthem. Broker agrees to promptly cooperate with Anthem's reasonable requests to amend new or previously approved materials as necessary, in Anthem's sole discretion, to comply with the requirements of Anthem and/or the Blue Cross Blue Shield Association. Broker agrees not to use any of the Marks in the URL (domain name) of any website or internet "redirect" owned, controlled or used by Broker.
- 6.3 No License to Use Marks. Broker has no license to use the Marks and nothing in this Agreement shall be deemed to grant a license to Broker to use the Marks. Broker agrees to comply with all Blue Cross Blue Shield Association Brand Regulations applicable to Broker as communicated to Broker by Anthem and as may be amended from time to time. Any references to the Marks made by Broker in its own materials are subject to review and approval by Anthem. Broker, at Broker's own expense, will promptly cooperate with Anthem's reasonable requests to amend new or previously approved materials as necessary, in Anthem's sole discretion, to comply with the aforementioned Brand Regulations or Anthem's requirements.

- 6.4 Liquidated Damages. Broker agrees that any unauthorized use of the Marks will injure Anthem, although the amount of damage would be difficult to determine. Therefore, Broker agrees to pay Anthem, as liquidated damages and not as a penalty, \$5,000.00 for each use of Anthem's Marks without Anthem's prior written consent plus \$50.00 for each day of each such unauthorized use. For the purpose of assessing the \$50.00 per day per use damages, each individual unauthorized appearance of the Marks shall be a separate unauthorized use. For example, and not limiting the generality of the foregoing, each individual copy of a newspaper advertisement containing and unauthorized use published on any one day shall be a separate unauthorized use and each individual copy of any edition of a telephone directory containing an unauthorized use on each day between the initial distribution of that edition and its replacement with another edition shall be a separate unauthorized use.

SECTION 7 - ASSIGNMENT

No assignment or other transfer of any rights, title or interest in or to this Agreement, or of any benefit accruing under this Agreement (including the assignment of Commission or other Compensation to another broker), in whole or in part, by Broker shall be valid and any such attempted assignment or transfer shall be void without the prior written consent of Anthem. Anthem reserves the right to cancel any consent to an assignment previously given, upon notice to the assignor and the assignee. Anthem reserves the right to assign its rights, title or interest in this Agreement, or any benefit accruing hereunder, in whole or in part. Any assignee of rights or benefits under this Agreement shall be subject to all of the terms and provisions of this Agreement.

SECTION 8 - TERMINATION

- 8.1 Without Cause. Except as otherwise provided, either party hereto, may terminate this Agreement or any business segment under this Agreement without cause by providing thirty (30) days written notice of termination to the other party.
- 8.2 For Cause. This Agreement may be terminated by Company for cause without giving prior notice to Broker for any of the following occurrences:
- (a) If Broker is a natural person, the death or total disability of Broker;
 - (b) Commencement of bankruptcy proceedings by Broker, adjudication of bankruptcy, or assignment for the benefits of creditors by Broker without the prior written consent of Company, or if a receiver is appointed for Broker;
 - (c) Breach of any of the terms of this Agreement;
 - (d) Revocation, suspension or expiration of Broker and/or any of its employee agents' licenses by the applicable state department of insurance;
 - (e) Withholding, converting or misappropriating any monies, Policies, receipts or property belonging to Anthem or its affiliates, a group or Subscriber or an applicant for insurance;
 - (f) Commission of a fraudulent, illegal, deceitful or dishonest act as determined by Anthem, including, but not limited to, failing to provide truthful, accurate and relevant medical information obtained with respect to an applicant for insurance;

- (g) Violation of the laws, regulations or rules of any jurisdiction in which Broker operates, or of any governmental authority exercising jurisdiction over Broker;
- (h) Violation by Broker of any rule, policy, procedure or guideline of Anthem or the Carrier(s);
- (i) If Broker is a corporation, the dissolution, sale, transfer, merger, consolidation, or other transfer of control of Broker, without the prior written consent of Anthem;
- (j) Commission of any act in the conduct of its insurance business that adversely affects the business or reputation of Anthem or the Carrier(s), as determined by Anthem in its sole discretion;
- (k) Threatening or acting in an abusive manner toward Anthem or any of its employees, agents, or representatives, or any Group, Subscriber or Individual Policyholder or prospective Group, Subscriber or Individual Policyholder;
- (l) Intentionally or systematically inducing a Group or Individual Policyholder to terminate or cancel a Policy or Policies;
- (m) Failing to attend any training required by Company;
- (n) Failing to sign the Business Associate Agreement required by Company;
- (o) Providing any incorrect, misleading, incomplete, or materially untrue information in the license application;
- (p) Any act, omission or cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner of Insurance at the time of issuance;
- (q) Violation of, or noncompliance with, any insurance law, or violation of any lawful rule, order, or subpoena of the Commissioner or of the insurance department of any state;
- (r) Obtaining or attempting to obtain any such license through misrepresentation or fraud;
- (s) Misrepresentation of the terms of any actual or proposed insurance contract or application for insurance;
- (t) Conviction of a felony or misdemeanor involving moral turpitude. Moral turpitude shall include any sexual offense against a child as defined in § 18-3-411, C.R.S.;
- (u) Commission of any unfair trade practice or fraud;
- (v) The use of fraudulent, coercive, or dishonest practices or demonstrating incompetence, unworthiness, or financial irresponsibility in this state or elsewhere;
- (w) Knowingly accepting insurance business from a person who is not licensed;
- (x) Failing to comply with an administrative or court order imposing child support obligation; or

- (y) Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

Any such termination shall be effective as of the date indicated in such notice. In the event (i) any Nevada licensed Broker is terminated with or without cause, and/or (ii) any Colorado licensed Broker is terminated for cause, the Broker acknowledges and agrees that Anthem or the Carrier may notify the appropriate Division of Insurance.

- 8.3 Remedy of Breach. In the event of a breach of this Agreement, the non-breaching party may terminate this Agreement under Section 8.2(c) hereof, or may give notice of such breach to the breaching party, and this Agreement shall terminate thirty (30) days after the date of such notice, unless the breaching party has remedied the breach prior to expiration of the thirty (30) day period.
- 8.4 Effect. Termination of this Agreement shall not affect any duties, obligations or liabilities incurred prior to termination, except as otherwise provided in this Agreement. Neither party shall, solely by reason of its rightful termination of this Agreement, be liable to the other for any damages of any nature, whether direct, incidental, consequential, punitive or otherwise. Nothing herein shall create or be construed as creating any employment relationship or contract for term or as otherwise altering the ability of Anthem or any of its affiliates to terminate any other relationship it or they may have with Broker.
- 8.5 Action Upon Termination. In the event of any termination of this Agreement for cause or without cause, Broker shall, unless otherwise directed by Anthem:
 - (a) immediately cease all marketing activities provided for hereunder, including soliciting applications for Policies; and
 - (b) within thirty (30) days after termination of this Agreement, transfer to Anthem, at Broker's expense, all property belonging to Anthem or a Carrier and all materials, books, accounts, correspondence, and records relating to this Agreement, including, without limitation, sales brochures and other items bearing any of the Marks and any copies thereof.
- 8.6 Survival. The provisions of Sections 2.7, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, 4.2, 4.4, 4.5, 4.7, 6, 7, 8, 9.2, 9.3, 10, 11, 13 and 14 of this Agreement shall survive the termination of this Agreement.

SECTION 9 - RECORDS

- 9.1 Maintenance. Broker shall maintain at its principal office, files and records concerning this Agreement and books and records of all transactions between itself, its agents, Anthem, the Carrier(s), Subscribers and Individual Policyholders. These books and records shall be maintained in accordance with prudent standards of insurance record keeping. Anthem acknowledges that it accepts automated or electronic copies of files in lieu of hard copy files.
- 9.2 Retention. Broker shall maintain and may not destroy any and all books, accounts and records of Broker related to the Policies and the same shall be subject to audit and inspection by Anthem or the Carrier(s) at all times while this Agreement is in force and for the first three (3) consecutive years after termination of this Agreement. Anthem may at any time make copies of or take extracts from such books, accounts and records as it may deem necessary.

- 9.3 Audits. Broker shall use its best efforts to fully cooperate in the event of any audit or examination by any department of insurance or other authorized agencies and shall allow access to books and records maintained by Broker pursuant to this Agreement. Broker shall notify Anthem within one (1) business day of any such audit or examination subject to this Agreement.
- 9.4 Carrier and Anthem Property. All unused policies, forms, applications, sales literature and other unused Carrier and/or Anthem supplies; all underwriting manuals and guidelines, Compensation schedules, and other Carrier and/or Anthem rules, policies, procedures and guidelines; all Carrier and/or Anthem computer hardware and software; and all other Carrier and/or Anthem property of any kind or type whatsoever, delivered and/or otherwise made available to the Broker hereunder shall be and remain the sole and exclusive property of Carrier or Anthem, respectively and as appropriate. All such Carrier and/or Anthem property (including all copies thereof) shall be returned to its respective owner upon that owner's written request. If Broker's ability to perform under this Agreement shall be affected by the return of such property, Broker shall not be held in breach for its failure to perform resulting from such return. Except as provided in Section 6, Broker may not duplicate Carrier and/or Anthem property or use it in any way other than as authorized by Anthem.

SECTION 10 - INDEMNITY RIGHTS

- 10.1 Broker. Broker agrees to indemnify, defend and hold harmless Anthem, and its affiliates, directors, officers and employees, from and against any and all claims, actions, suits and other proceedings, whether civil, criminal, administrative, investigative or otherwise, together with all judgments, damages, fines, costs, expenses and other amounts, including reasonable attorney's fees arising or alleged to have arisen out of or in connection with any actual or alleged act, error, omission, or statement of Broker, its agents or employees, including, without limitation any negligent, unauthorized, dishonest or fraudulent act, error, omission or statement or breach of any provision of this Agreement or any representation or warranty herein.
- 10.2 Company. Anthem agrees to indemnify, defend and hold harmless Broker, and its directors, officers, and employees, from and against any and all claims, actions, suits, and other proceedings, whether civil, criminal, administrative, investigative or otherwise, together with all judgments, damages, fines, costs, expenses and other amounts, including reasonable attorney's fees arising or alleged to have arisen out of or in connection with any act, error, omission, or statement of Anthem, its employees, or officers including, without limitation, any negligent, unauthorized, dishonest or fraudulent act, error, omission or statement or breach of any provision of this Agreement or any representation or warranty herein.

SECTION 11 – CONFIDENTIAL AND PROPRIETARY INFORMATION

- 11.1 Confidential Information. Broker recognizes that in the performance of its obligations under this Agreement, it may be in possession of member protected health information. Broker is required to enter into an Anthem approved Business Associate Agreement that describes the rules and restrictions regarding the use or disclosure of member protected health information.
- 11.2 Proprietary Information. Broker recognizes that in the performance of its obligations under this Agreement, it may be in possession of Anthem's or Carrier(s)' proprietary information

including, but not limited to, trade secrets, financial data, marketing strategy, and provider data (“Proprietary Information”). Broker agrees that Proprietary Information may not be used or disclosed by Broker, its agents or employees without the written consent of the owner of the Proprietary Information. Broker recognizes that a confidentiality and indemnification agreement is required to be signed before Broker is provided with Proprietary Information.

- 11.3 Broker Subagents and Employees. Broker will use its best efforts to ensure that its agents and employees understand the confidential nature of the information described in this Section and abide by the terms set forth regarding protection of such information.

SECTION 12 - NOTICES

All notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be delivered by facsimile, electronic mail or U.S. mail to the other party at the address indicated in this Agreement or at such other address as that party may have designated in writing. Any such notice shall be deemed to have been given on the date of deposit in the United States mail with postage prepaid or, in the case of delivery other than by mail, on the date of actual delivery at the appropriate address.

To Company at: Anthem Blue Cross and Blue Shield
Broker / Agent Licensing and Contracting
700 Broadway
Denver, Colorado 80273

To Broker at: Broker’s address (as currently shown in records of Company)

SECTION 13- MISCELLANEOUS

- 13.1 Injunctive Relief. Should Broker or its affiliates, partners, employees, agents, subagents or any other person or entity with which it is associated engage, before or after termination of this Agreement, in any act described in Sections 8.2 (c) through (y) of this Agreement or act in violation of Section 2 hereof, Broker agrees that such acts will result in irreparable injury to Anthem for which there may be no adequate remedy at law and Broker hereby agrees that Anthem is entitled to obtain injunctive relief enjoining any such act.
- 13.2 Prior Agreements. This Agreement (including all Schedules) supersedes, terminates, and otherwise renders null and void any and all previous agreements (including previous Compensation Schedules) and any and all prior representations and statements of Anthem, whether written, oral, or implied, and now constitutes the entire agreement between the parties with respect to the Policies listed in the attached Schedule. Notwithstanding the foregoing, this Agreement (including all Schedules) does not affect or supersede any liability, obligation or indebtedness of Broker to Anthem or any Anthem affiliate in connection with any other relationship or agreement pertaining to matters other than the Policies.
- 13.3 Headings. Headings of this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.
- 13.4 Void Provisions. If any provision of this Agreement shall be held void, illegal, or unenforceable, the validity of the remaining portions shall not be affected thereby.

- 13.5 Language. Words denoting the singular shall include the plural and vice versa. Words importing one gender include all genders.
- 13.6 Governing Law. The laws of the state in which coverage under the Policies are issued shall govern the validity, construction, interpretation and effect of this Agreement. Any disputes pertaining hereto shall be adjudicated in Colorado.
- 13.7 Binding. This agreement shall be binding upon the administrators and executors, successors and permitted assigns of the parties hereto.
- 13.8 Entire Agreement. This Agreement and all attachments hereto (including any Schedules and Single Case Agreements) constitute the entire agreement between the parties with respect to its subject matter.
- 13.9 Waiver. The failure of any party to enforce or insist upon compliance with any provision of this Agreement shall not be construed as or constitute a waiver of the right to enforce or insist upon compliance with such provision or any other provision hereof, either currently or in the future.
- 13.10 Amendments. No additions, amendments, modifications or waivers of any of the provisions of this Agreement shall be valid unless in writing and signed by a duly authorized officer of Anthem.

SECTION 14 – ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by final and binding arbitration pursuant to the Commercial Arbitration Rules (“Rules”) of the American Arbitration Association (“AAA”). The arbitration shall be conducted in Denver, Colorado, with a single arbitrator selected by both parties in accordance with the AAA Rules. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The completion of binding arbitration shall be a condition precedent to the commencement of any civil action in any court of competent jurisdiction to enter the final decision of the arbitrator.

SIGNATURE SECTION

BROKER

Designated Agent Company, Inc.

BY: _____
(If a corporation or partnership, person with authority to contract on behalf of Broker)

By:  _____

Printed Name

Manuel Rivale
Printed Name

Title

Dir. Individual Sales and Operations
Title

Date

Federal Tax I.D.



Authorization for Automatic Deposit

This form will update account information associated to commissions processed by AHCP.
To update direct deposit information for commissions processed by an insurance carrier you must complete the carriers direct deposit authorization form. Forms are located in the AHCP Forms Library.

Agent or Agency Name	
Social Security Number or Tax ID Number	
Phone Number	Email Address
Please indicate transaction type: <input type="checkbox"/> Set-Up <input type="checkbox"/> Change <input type="checkbox"/> Cancel	
Please indicate type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
Name of Financial Institution:	
Bank—City, State, Phone Number:	
Routing Number:	
Account Number:	

I hereby authorize AHCP to initiate direct deposit of commissions and, if necessary, make corrections for any entries made to my account in error.

Agent Signature _____ **Date** _____

PLEASE INCLUDE A COPY OF A VOIDED CHECK

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.) City, state, and ZIP code List account number(s) here (optional)	
Requester's name and address (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number										
				-				-		
Employer identification number										
				-						

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



PRODUCER AGREEMENT

This MARKETING AGREEMENT (“Agreement”) is entered into by and between America’s Health Care/RX Plan AGENCY, Inc., a Delaware Corporation (“AHCP”) and _____, as Agent (“Agent”). The Agreement shall become effective upon Agent’s licensure and appointment.

1. Appointment. AHCP appoints Agent to act as marketer soliciting sales of products offered by and through AHCP and its authorized Carriers. “Carrier” means any insurance company or membership association with whom AHCP has entered into a master marketing agreement.

2. Relationship and Authority. The relationship of Agent to AHCP and scope of authority are set forth in the [Agent Guidelines](#). Agent and Sub-Agents must be properly licensed and approved and appointed by AHCP. “Sub-Agent” means a person or entity that has executed a Producer Agreement with AHCP. Sub-Agents may be solicited by Agent or assigned to Agent by AHCP. Once the Sub-Agent’s paperwork has been submitted and approved by AHCP, the Sub-Agent will be enrolled with all AHCP Carriers under the Agent. A Sub-Agent may not sell products from different AHCP Carriers under different Agents. Agent agrees to comply with the liability insurance requirements set forth in the [Agent Guidelines](#). Agent shall be solely responsible for paying all expenses incurred by Agent in performance of this Agreement, including all license fees, appointment fees, bond fees, and fees and taxes required by any federal, state, or local government. A Sub-Agent may submit a written request to AHCP to be transferred to another Agent if (1) the Sub-Agent has not sold business for at least six-months, and (2) has no outstanding balance with AHCP. If the Agent has sold business, they must obtain a written release from their current Agent. If the Sub-Agent has an outstanding debit balance, the new Agent must agree to assume liability for the balance before the transfer will be approved.

3. Commissions. Subject to all terms of the Agreement, AHCP or its delegate will compensate Agent with the commissions as determined by each Carrier. AHCP does not impose a vesting schedule on Agent. Agent is immediately vested per each Carrier’s requirements. AHCP will use reasonable efforts to provide vesting information from Carriers to Agent. Confirmation of 1st year and renewal percentage shall be made available to Agent upon written request to AHCP. Commissions may be modified by AHCP within ten (10) days notice to Agent as set forth in [Agent Guidelines](#). Commissions paid to Agent will be net of any commissions paid to the Sub-Agent. AHCP reserves the right to approve all commission percentage to Sub-Agents, which approval shall not be unreasonably withheld. No commission shall be deemed earned until the policy or membership agreement is issued, delivered, and accepted by the applicant. Commissions will not be paid until AHCP collects or received payment of its commission.

4. Advance Commissions/Debit Balances. AHCP or Carriers on AHCP’s behalf may, at its discretion, make advances to Agent in anticipation of future commissions subject to the rules set forth in [Agent Guidelines](#). Such advances will create debit balances, which both parties expressly agree are loans from AHCP. In consideration for the advance commissions, Agent agrees to repay to AHCP or their assigns, the debit balances and interest. AHCP reserves the right to charge interest on all debit balances. Agent is financially responsible to AHCP and their assigns, for any and all debit balances due by Agent, any Sub-Agent, or any Sub-Agent from with Agent receives an override. Agent and Sub-Agents shall assume the full and complete advance balance and debit balance of any Sub-Agent. In the event of a transfer of an Agent from one manager to another, debit balance will transfer to the new manager who agrees to assume financial responsibility for repayment. Coincident with that transfer, all rights to any future earned commissions attributable to the account, and tax benefits, will also be transferred to Agent. Agent shall submit to financial audits and will confirm debit balances upon written request from AHCP. **Agent expressly agrees to be bound by all rules and conditions set forth in [Agent Guidelines](#).**

5. Carrier Requirements. Agent will comply with all Carrier requirements, including providing information or executing forms. Failure to comply may result in forfeiture of commissions and appointment by Carrier.

6. Termination. This Agreement may be terminated without cause by either party upon thirty (30) days written notice. AHCP may terminate immediately “for cause” (as defined in [Agent Guidelines](#)) with written notice to Agent. If this Agreement is terminated for cause, then all of Agent’s right to any compensation shall be immediately terminated. Upon termination of this Agreement, AHCP may reassign, solicit, appoint or otherwise work with the Sub-Agents of Agent.

7. Exclusivity. During the term of the Agreement, AHCP should be the primary supplier of all products to be promoted and sold by Agent and Sub-Agents. Agent may be licensed with other insurance companies to sell other product lines. However, Agent may not recruit AHCP Agents to sell product lines of other insurance companies.

8. Premiums. Agent shall immediately remit all premiums collected or received by Agent and its Sub-Agents in accordance with the guidelines of AHCP. Initial premium may be presented with the application to be accepted by AHCP or Carrier.

9. Rolling Business. AHCP acknowledges that Agent must act in the client’s best interest when recommending changes of carriers. However, Agents agrees that the moving of a block of business to another carrier, for the sole purpose of generating or increasing commissions, is not permitted by AHCP.

10. Records. Agent shall keep records and provide reports as set forth in [Agent Guidelines](#). AHCP or Carrier will furnish Agent with a monthly statement of Agent’s account and will pay any amounts due, subject to other provisions of the Agreement. Agent must report any discrepancies and return payment without 30 days or payment will be deemed accepted.

11. Printed Material. AHCP will furnish all printed matter necessary for doing business under the Agreement. Agent and Sub-Agents will not use any materials referring to AHCP or Carriers without first securing written approval. All printed materials furnished are property of AHCP and shall be promptly returned upon request or when Agreement terminates.

12. Refunds and Rejections. Subject to state law, Carrier reserves the right to reject any applications for insurance without specifying cause, and to cancel, refuse to renew, or modify and policy. In such cases, all premiums will be refunded.

13. Discontinuance of Policy Forms. Without incurring any liability, AHCP or Carrier may discontinue, replace, or withdraw any policy. AHCP or Carrier may also determine commissions and renewal commissions on any policy not scheduled herein.

14. Proprietary Information. Agent agrees to fully comply with all requirements set forth in [Agent Guidelines](#).

15. Indemnity. Agent agrees to indemnify AHCP, Carrier, affiliates, shareholders, directors, officers, and employees and to hold them harmless from all expenses, liabilities, cost, causes of action, loss, damage, and expense, including attorney’s fees and costs of litigation, resulting from any breach of the Agreement or unauthorized, negligent or wrongful act, omission, statement, or presentation by Agent, Agent’s employees and Sub-Agents.

16. Assignment. AHCP may assign its rights to a third party. Agent may not, without the express prior written consent of AHCP, assign any of its rights, responsibilities or commissions. AHCP will have a superior, continuing security interest in all commissions prior to the right of any permitted assignee. Any assignment so authorized shall be subject to any and all indebtedness of Agent to AHCP then existing or thereafter accruing.

17. Security Interest. To secure the payment of any indebtedness and performance of Agent of all terms of the Agreement, Agent agrees to assign commissions to AHCP pursuant to the terms set forth in Addendum A.


18. Applicable Law. The Agreement shall be governed by the laws of Texas with exclusive venue in Tarrant County, Texas.

19. Partial Invalidity. If any provision of this Agreement is declared invalid for any reason, the invalidity of that provision shall not affect the validity of any other provision of this Agreement.

20. Entire Agreement. This Agreement, including Addendum A in the [Agent Guidelines](#), constitutes the entire agreement and supersedes and replaces any and all prior written or oral agreement between these parties. This Agreement may not be modified without written consent of both parties and shall be binding upon the successors and heirs of the parties hereto.

Executed as the _____ day of _____ 20_____.

By: _____
Agent's Signature Print Name

By: 
Aaron Goddard, Vice President
America's Health Care/RX Plan Agency, Inc.

ADDENDUM A
ASSIGNMENT OF COMMISSIONS AGREEMENT

AHCP agrees to provide Agents with the following benefits and services:

- Lead Marketing Credits for each issued policy where applicable (varies by product)
- Incentive trip credits
- Free replicated Website
- Training program, web conference, and training materials
- Marketing Materials for proprietary products
- Advances funded by AHCP
- Toll free agent service line
- Weekly newsletter that includes all Carrier updates in one place in addition to important announcements and weekly agent rankings.

In exchange for access to AHCP programs and services, Agent agrees to the assignment to AHCP of all commissions earned, subject to the following terms and conditions:

1. All earned commissions assigned to and received by AHCP are received on the Agent's behalf and will promptly be paid out in its entirety to the Agent pursuant to the commissions structure and advance commission agreement between AHCP and the Agent. All commission payments will be made by AHCP or its delegate.
2. Agent may, upon written notice to AHCP, opt out of receiving any advance commissions. AHCP will pay out to Agent all earned commissions.
3. AHCP reserves the right to modify commission or advance commission agreements to providing 10 days advance written notice to Agent.
4. Agent expressly acknowledges that advance commission from AHCP may result in debit balances being owed by Agent to AHCP. Agent understands that these debit balances are loans which are tied to Agent and must be repaid to AHCP. If AHCP determines that monthly commissions will not satisfy the debit balance within 10 months, AHCP may, upon written notice to Agent, use Agent's commissions from any AHCP Carrier to reduce any debit balances.
5. AHCP may not assign commissions to any unaffiliated party without Agent's express written consent.
6. This assignment only applies to commissions for AHCP business while this agreement is in effect. Subject to use of commission to repay debit balances owed, AHCP shall retain no interest in or control of business sold by Agent. AHCP expressly acknowledges that this agreement in no way changes or affects the Agent's status as "Agent of Record" for any business for which commissions have been assigned to AHCP.
7. This assignment may be revoked by Agent upon 30 days written notice to AHCP and the Carrier. Once revoked, Agent will be entitled to receive commissions from Carriers so long as all debit balances with AHCP have been paid.
8. AHCP does not impose a vesting schedule on Agent. Agent is immediately vested per Carrier's requirements. AHCP will use reasonable efforts to provide vesting information from Carriers to Agent.

Agent Signature

Date