

CONSOLIDATED COMMISSION PAYMENT PRODUCER AGREEMENT

Producer's Name: _____ Producer Number: _____ Date _____

- 1) **Definitions.** The following terms have the following meanings in this Producer Agreement:
 - a) "Payor" means an insurance carrier issuing an insurance policy or certificate of coverage under which insurance benefits are provided that has engaged IHC Carrier Solutions, Inc. to provide administrative or marketing services related to such policy or certificate of coverage.
 - b) "Company" means IHC Carrier Solutions, Inc. and any of its Affiliates.
 - c) "Affiliates" means any other entity controlling, controlled by, or under common control with Company.
 - d) "Agreement" means this Agreement and any schedule, appendix or supplement that may be included as part of this Agreement now or in the future.
 - e) "Producer" means the person or entity authorized to solicit and procure applications for the insurance programs administered by the Company who/which is named above and who/which executed this Agreement.
 - f) "Sub-producer" means an individual or entity employed by or under contract with Producer, acting as general agent, to solicit, negotiate, sell or place insurance business.
 - g) "Plan" or "Plans" means certain Company-sponsored health plans (unless individually identified herein, said plans are collectively referred to as the "Plans") through multiple producer channels in conjunction with other products and services, which Plans are set forth on the Schedule of Plans attached hereto.
- 2) **Solicitation.** Subject to the authority granted to Company by each Payor, Company hereby authorizes Producer and Producer's Sub-producers, as provided herein, to solicit and procure applications for the Plans identified in each schedule attached hereto, on a non-territorial, non-exclusive basis, subject to the terms and conditions of this Agreement.
- 3) **Relationship of the Parties.** Company and Producer each agree that:
 - a) Producer is an independent contractor and this Agreement does not create a relationship of employer/employee, principal/agent, or any other similar relationship between Company and the Producer.
 - b) Producer acknowledges that he/she/it is not, and shall not be, considered an agent or representative of Company and that he/she/it will not expressly or impliedly represent himself/herself/itself as such.
 - c) Except where state law requires otherwise, Producer is an independent insurance agent representing Producer's clients.
- 4) **Producer's Responsibilities.** Producer will perform the following functions with regard to sales of the Plans, and shall ensure compliance by each Sub-producer with each of the following requirements:
 - a) Solicit applications for insurance policies and certificates of coverage issued by Payor or Company on behalf of Payor; assist applicants to truthfully and accurately complete their respective applications for insurance coverage; and submit such applications to Company promptly upon receipt of such applications from applicants.
 - b) Remit all gross premiums and/or policy fees received or collected by Producer and all Sub-producers promptly to Company with a full and detailed statement.
 - c) Refrain from accepting any premium from any applicant or insured with the exception of the initial premium and applicable fees collected with the application for coverage.
 - d) Strictly comply with all underwriting rules, regulations and instructions contained in the rate books, manuals or any other written material of any Payor with which Producer and each Sub-producer is appointed, and to observe and comply with the insurance laws and regulations of the state or states in which Producer and each Sub-producer operates. Producer shall provide Sub-producers with all notices, amendments, rules and any relevant communication issued by Company to Producer regarding the Plans.

- e) In the event there is a dispute between the parties hereto as to the interpretation of Payor's regulations or instructions, Company in its sole discretion shall resolve any such dispute.
- f) Provide prompt, courteous service to certificate / policy holders.
- g) Pay (without reimbursement from Company) all Producer and Sub-producer license fees and/or any other related fees or taxes whether billed to Company, Producer or Sub-producer.
- h) Provide Company with evidence of E & O coverage in such amounts and with such carriers as is reasonably acceptable to Company.
- i) Obtain prior written approval from Company of all marketing materials, application forms, and advertising used by Producer and/or any Sub-producer in connection with this Agreement.
- j) Remit an annual administrative processing fee to Company in the amount of \$20.00 on behalf of itself and an additional administrative processing fee for each Sub-producer. Company may deduct this annual administrative processing fee automatically from Producer's commissions.
- k) Maintain current mailing address and contact information for Company's benefit.
- l) Keep records in such form as is reasonably required by Company and/or required under applicable laws and regulations.
- m) Company reserves the right to terminate, with or without cause at any time, the appointment of any Sub-producer with respect to any of the Plans.

5) **Restrictions on Producer's Authority.** Producer agrees on behalf of itself and its Sub-producers that neither Producer nor any Sub-producer has authority to and will not:

- a) Bind Company or any Payor by any promise or agreement, or incur any debt, expense, or liability whatever in its name or account, or waive any of the provisions of policies administered by Company.
- b) Waive, alter, or modify any question on any application; permit any applicant to inaccurately answer any question on any application; instruct any applicant not to disclose any particular medical condition on the application; or notify an applicant that Producer or any Sub-producer has the authority to alter the terms of an insurance policy or certificate of coverage.
- c) Pay or allow or offer to pay or allow, as an inducement to any proposed insured, any rebate of premium or consideration or any inducement not specified in the policy or allowed by law.

6) **Representations and Warranties.** Producer represents and warrants on behalf of itself and all of its Sub-producers as follows:

- a) Producer and each Sub-producer is currently licensed to solicit and procure applications for insurance policies and certificates of coverage in the jurisdiction in which Producer and each Sub-producer will perform such functions and will maintain such license during the term of this Agreement.
- b) Producer and each Sub-producer will comply, and will ensure compliance by each Sub-producer, with all statutes, regulations and administrative bulletins related to Producer's performance of Producer's responsibilities hereunder.

7) **Materials and Records**

- a) All Company materials provided to Producer, including, without limitation, programs, manuals, tapes, guidelines and any other information pertaining to Company's marketing methods, leads, or the products of Payors with which the Producer is appointed, or their content, if developed by Company, shall remain the sole and exclusive property of Company.
- b) Producer's accounts, ledger, correspondence and other records pertaining to this Agreement shall be retained by Producer as required by applicable law, and open for inspection by authorized representatives of Company.
- c) The parties agree that information and materials described in this section and otherwise provided by Company derive independent economic value from not being generally known to other persons, and thereby constitute trade secrets. As such, Producer agrees to maintain the confidentiality of such information and materials, except where such materials are designed for release to other persons.

- 8) **Compensation.** Company and Producer each agree that:
- a) Company will pay compensation to Producer on behalf of Payors in accordance with the Compensation Schedule(s) attached hereto. Producer will be solely responsible for the payment of any and all Sub-producers and Company shall have no liability whatsoever for the compensation of any Sub-producer hereunder.
 - b) Company may, upon 30 days prior written notice, change or terminate said Compensation Schedule(s), or add additional new policy forms or requirements and establish the rates of compensation thereon, or withdraw forms.
 - c) Commission, as defined in the Compensation Schedule(s), is vested and payable after termination of this Agreement until the earlier of a) three years from the date of termination of this Agreement, or b) the date on which the monthly compensation amount due is less than \$50.
 - d) The schedule of any renewal compensation set forth on the Compensation Schedule(s) begins with the second policy year and is applicable thereafter as long as this Agreement is in full force and effect and Producer is recognized as the agent of record by the policy holder.
 - e) Producer must be appropriately licensed in the state in which coverage is issued and must remain appropriately licensed in order to receive compensation related to the solicitation, procurement or sale of insurance policies and certificates of coverage.
 - f) Company will not issue payment to Producer for compensation less than \$25. The compensation balance will be retained by Company until amount payable exceeds the \$25 minimum.
 - g) If Company for any reason refunds any premium or part of a premium on any policy, any compensation paid Producer on the amount refunded shall be repaid to Company by Producer.
 - h) Company may offset against any compensation due Producer hereunder (including, without limitation, any commissions and/or other compensation) any amounts due Company or Affiliates which may become due at any time from Producer, and such amounts shall be a first lien against the compensation due Producer under this Agreement.
 - i) Producer may not assign the compensation accruing under this Agreement or any interest therein except with the prior written consent of Company, and any assignment by Producer shall always be subject to the lien provided for in the preceding paragraph, whether for debts or liabilities existing at the time of assignment or thereafter arising.
 - j) In the event that this Agreement is terminated pursuant to Section 10 or any condition set forth in Section 10 (b)(iv) or (v) (vi) therein occurs after termination, all of Producer's rights under this Agreement, including Producer's rights to any compensation to which Producer might otherwise become entitled shall terminate effective as of the termination of this Agreement.
 - k) Compensation received during a calendar year will be reflected on that year's annual 1099 tax form provided to Producer by Company.
- 9) **Indebtedness.** Company and Producer each agree that:
- a) Pursuant to the execution of this Agreement and for value received, Producer hereby promises and agrees to repay Company in full any indebtedness resulting from any and all special advances, charge-backs, dues, interest or any other charges owed by Producer to Company. Company has the right to charge and collect interest on debit balances attributable to and owed by Producer. Company, its successors and/or assigns, is hereby granted a complete, unconditional, and automatic first lien on any monies due or to become due under this Agreement and Company may deduct such amounts from any monies due Producer as provided in Section 8 (g) hereof.
 - b) It is agreed that the unpaid balance owed shall accrue interest at the interest rate set forth in the attached Compensation Schedule. Company reserves the right to adjust the interest rate upon 30 days advance notice.
 - c) Producer hereby unconditionally guarantees to Company the full and timely payment of any and all moneys owed to Company by any Sub-producers of Producer whether directly or indirectly contracted with Company and/or appointed where Producer is receiving a commission override.
 - d) Upon termination of this Agreement for any reason, Producer agrees to immediately pay any debit balance owed to Company, in full, upon demand by Company. After the debit balance has been fully satisfied, the remainder of any Producer commissions or service fees will be paid to Producer as earned.
 - e) The Company reserves the right, without limitation or notice, to modify or terminate the amount of any advance commission paid to Producer.

f) This entire Section 9 shall survive the termination of this Agreement. It is further agreed that in the event it becomes necessary to enforce payment of this indebtedness through legal action, Producer agrees to bear the reasonable legal expenses, attorney fees and court costs incurred by Company.

10) **Termination.** Company and Producer each agree that:

- a) This Agreement, together with any addenda hereto, shall continue until terminated by either party pursuant to this section.
- b) This Agreement, together with any addenda hereto, shall terminate:
 - i. Thirty days following written notice by either party mailed to the last known address of such other party.
 - ii. Automatically without any notice upon Producer's death, or total permanent disability.
 - iii. Automatically at time of appointment renewal if the Producer has not placed any new business with C Company in the last 12 months.
 - iv. Immediately upon notice from Company to Producer for any act of dishonesty, fraud or breach of any of the terms of this Agreement as determined at the Company's sole discretion.
 - v. Automatically without any notice upon revocation, termination or non-renewal of Producer's license.
 - vi. If attempt is made by Company to contact Producer in writing or via e-mail at last known mailing or e-mail address and Producer fails to reply within 60 days of such attempt, in which event Company shall have the right to retain all future commissions of such Producer and such Producer shall forfeit any and all right to such commissions.

11) **Assignment.** No assignment of this Agreement or of any compensation due or to become due shall be valid unless approved in advance in writing by Company. Any assignment shall be subject to any existing or future indebtedness to Company by Producer.

12) **Agent Appointment.** Producer is responsible for costs associated with his/her appointment as determined by each Payor. Company will not pay or advance on behalf of Producer such fees to any Payor. Producer agrees to pay for all such required appointment and / or state fees prior to appointment.

13) **Confidentiality.** Producer agrees on behalf of itself and each Sub-producer to protect the confidentiality of protected health information in accordance with Exhibit A which is attached hereto and incorporated herein.

14) **Company Rights** Company specifically reserves the right to:

- a) Cease doing business in any state upon 30 days' prior written notice to Producer.
- b) Approve all transfers of reporting hierarchies prior to the effective date of the requested change.
- c) Discontinue or withdraw any plan of insurance.
- d) Amend this Agreement with 30 days notice at Company's sole discretion.

15) **Indemnification.** Producer shall indemnify and hold Company, Payor, and any of their employees, officers, directors, agents or representatives (collectively, the "Indemnified Parties") harmless from and against any and all liabilities, damages, claims, costs and expenses, including, without limitation, reasonable fees and disbursements of counsel, arising in connection with, or incident to any breach or violation of any covenant or agreement contained in this Agreement or otherwise arising out of any of the transactions contemplated by this Agreement, including without limitation, any liability directly or indirectly related to Producer's payment of compensation to Sub-producers. Producer shall notify Company in writing within five (5) days of Producer becoming aware of any legal or administrative proceeding that involves or could potentially involve an Indemnified Party in any manner whatsoever. Company may, in its sole and absolute discretion, determine whether to defend or settle any such claim. Company will be entitled to offset any losses that are the subject of pending or unresolved indemnification claims against any and all payments due to Producer pursuant to this Agreement.

16) **Applicable Law and Venue.** This Agreement shall be governed by the laws of the State of New York, without regard to conflicts of law principles, and any interpretation of the language, intent, performance or obligation of this Contract shall be determined in accordance with the laws of the State of New York. This Contract is performable in New York County, New York, and any suit, action or proceeding by either party to this Agreement must be initiated and brought in New York County, New York. All sums or amounts due or to become due to either party hereto are payable in New York, New York.

17) **Arbitration.** Except as otherwise set forth herein, all disputes, controversies, or differences, whether arising or commencing during or subsequent to the term hereof, which may arise among the parties out of or in relation to or in connection with this Agreement which cannot be settled among the parties pursuant to the terms of this Agreement (including postponing settlement of such issue) shall be settled by arbitration in New York, New York, before an arbitrator of the American Arbitration Association in accordance with the commercial arbitration rules of the American Arbitration Association.. Such arbitration shall be final and binding and shall be limited to an interpretation and application of the provisions of this Agreement. Any arbitration award shall be enforceable in any court, wherever located, having jurisdiction over the party against whom the award was rendered. With respect to any such arbitration or enforcement proceedings, each party thereto shall bear its respective attorneys' fees and all other costs and expenses associated with such arbitration, except as otherwise provided by law or rule and as directed by the arbitrator.

18) **Entire Agreement.** Producer understands and agrees that:

- a) This Agreement is the entire agreement between the parties hereto and supersedes any and all previous contracts and agreements between Producer and Company.
- b) This Agreement is effective as of the date executed by Company below.
- c) Any schedule, appendix or supplement issued at a later date shall become effective at such later date as specified.
- d) Failure of Company to insist upon strict compliance with any of the conditions of this Agreement shall not be construed as a waiver of such conditions, but they shall continue to be in full force and effect.
- e) No oral promises or representations shall be binding, nor shall this Agreement be modified except by agreement in writing, executed by Company, except as otherwise set forth herein.
- f) This Agreement may be executed in one or more counterparts, each of which, when taken together, shall constitute one original Agreement.

IHC CARRIER SOLUTIONS, INC.

Producer Signature

By:

Printed Name:

Print Name: David T. Kettig, Authorized Signatory

Date:

Date:

Producer Number:

EXHIBIT A - CONFIDENTIALITY OF PROTECTED PERSONAL INFORMATION

1. Purpose. The Purpose of this Exhibit is to demonstrate both parties' commitment to full compliance with all applicable privacy rules and regulations governing the use and disclosure of individually identifiable personal health and financial information by establishing contractual standards for such use and disclosure.
2. Definitions. Terms used this Exhibit and not otherwise defined in the Agreement are defined as follows:
 - (a) *Disclose or Disclosure* means the release, transfer, provision of access to, or divulging in any other manner of information outside the entity holding the information.
 - (b) *HITECH Act* means the Health Information Technology for Economic and Clinical Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.
 - (c) *Individual* means the person who is the subject of protected health information and shall include persons who qualify as a personal representative.
 - (d) *Individually Identifiable Health Information* is health information, including demographic information collected from an individual, that:
 - (i) Is created or received by a health care provider, health plan, employer, or health care clearinghouse;
 - (ii) Relates to the past, present, or future physical or mental health or 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
 - (iii) Either identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
 - (e) *Personally Identifiable Financial Information* means any information regarding a specific consumer that is obtained in connection with the services being provided hereunder.
 - (f) *Privacy Rule* means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E
 - (g) *Protected Personal Information ("PPI")* means Personally Identifiable Financial Information and Individually Identifiable Health Information that is maintained in any form, including electronic media and/or transmitted in any form, including by electronic media.
 - (h) *Required by Law* has the same meaning as the term "required by law" in 45 CFR §164.501
 - (i) *Use* means, with respect to Individually Identifiable Health Information, the sharing, employment, application, utilization, examination, or analysis of such information within an entity that maintains such information.
3. PRODUCER's Obligations. At all times PRODUCER agrees to:
 - (a) Refrain from using or disclosing PPI for any purpose other than as specifically permitted or required by the Agreement, including this Exhibit, as specifically required in order to perform the services for which PRODUCER has been engaged or as permitted by law;
 - (b) Abide by an Individual's request to restrict the disclosure of PPI consistent with the requirements of Section 13405(a) of the HITECH Act;
 - (c) Implement and utilize appropriate safeguards to prevent the Use or Disclosure of PPI other than as

provided for by this Agreement;

- (d) Mitigate, to the extent practicable, any harmful effect that is known to PRODUCER as a result of a Use or Disclosure of PPI by PRODUCER in violation of the requirements of this Agreement;
- (e) Report to COMPANY any Use or Disclosure of PPI not provided for by this Agreement of which PRODUCER becomes aware, including but not limited to any breach of unsecured PPI in compliance with any reporting requirements under regulations implementing the HITECH Act;
- (f) Ensure that any contractor, consultant or vendor to whom PRODUCER provides PPI received from COMPANY, or created or received by PRODUCER on behalf of COMPANY, agrees to the same restrictions and conditions that apply through this Agreement to PRODUCER with respect to such information;
- (g) Provide PPI to COMPANY or, as directed by COMPANY, to an INDIVIDUAL, in a reasonable time and manner, in order to meet the requirements of the Privacy Rule, the HITECH Act, or applicable state law;
- (h) Make any amendment(s) to PPI that COMPANY, or an INDIVIDUAL upon COMPANY's consent, directs PRODUCER to make in order to comply with the Privacy Rule;
- (i) Make PRODUCER's internal practices, books, and records, including policies and procedures, relating to the Use and Disclosure of PPI available to COMPANY or to the Secretary of the Department of Health and Human Services for purposes of determining COMPANY's compliance with the Privacy Rules;
- (j) Document Disclosures of PPI and information related to such Disclosures as would be required in order to permit COMPANY to respond to a request by an INDIVIDUAL for an accounting of such Disclosures of PPI in accordance with the Privacy Rule and the HITECH Act;
- (k) Make available to COMPANY within fifteen (15) days the information required to provide an accounting of disclosures in accordance with the Privacy Rule and the HITECH Act;
- (l) Implement and utilize safeguards to Use or Disclose only the minimum necessary information in the performance of PRODUCER's obligations under this Agreement; and
- (m) Refrain from Using or Disclosing PPI for any marketing purposes not authorized by this Agreement;
- (n) Make available to COMPANY within fifteen (15) days the information required to provide an accounting of disclosures in accordance with the Privacy Rule and the HITECH Act;
- (o) Refrain from receiving any remuneration in exchange for any Individual's PPI unless (1) that exchange is pursuant to a valid authorization that includes a specification of whether the PPI can be further exchanged for remuneration by the entity receiving the PPI of that Individual or (2) satisfies one of the exceptions enumerated in the HITECH Act; and
- (p) Refrain from marketing activities that would violate Section 13406 of the HITECH Act.

4. COMPANY's Obligations. At all times COMPANY agrees to:

- (a) Notify PRODUCER of any limitation(s) in COMPANY's Notices of Privacy Practices, to the extent that such limitation may affect COMPANY's Use or Disclosure of PPI;
- (b) Notify PRODUCER of any changes in, or revocation of, permission by an INDIVIDUAL to Use or Disclose PPI, to the extent that such changes may affect PRODUCER's Use or Disclosure of PPI;
- (c) Notify PRODUCER of any restriction to the Use or Disclosure of PPI to which PRODUCER has agreed, to the extent that such restriction may affect PRODUCER's Use or Disclosure of PPI;

- (d) Refrain from request that PRODUCER Use or Disclose PPI in any manner that is not legally permissible if done by COMPANY except to the extent necessary for any data aggregation services or PRODUCER's management and administrative activities;

5. Permitted Usage of PPI. PRODUCER may Use or Disclose PPI for the following purposes or under the following circumstances:

- (a) Except as otherwise limited in the Agreement, to provide the administrative services to COMPANY that are described in the Agreement provided that such Use or Disclosure of PPI would not violate the Privacy Rule if done by COMPANY;
- (b) Except as otherwise limited in the Agreement, for the proper management and administration of PRODUCER or to carry out the legal responsibilities of PRODUCER;
- (c) Except as otherwise limited in the Agreement, for the proper management and administration of PRODUCER, provided that Disclosures are Required by Law, or PRODUCER obtains reasonable assurances from the person or entity to whom the PPI is Disclosed that it will remain confidential and Used or further Disclosed only as Required by Law or for the purpose for which it was Disclosed to the person or entity, and the person or entity notifies PRODUCER of any instances of which it is aware in which the confidentiality of the PPI has been breached;
- (d) Except as otherwise limited in the Agreement, to provide data aggregation services to COMPANY as permitted by the Privacy Rules;
- (e) To report violations of law to appropriate federal and state authorities; and
- (f) To contractors, consultants and vendors of PRODUCER in order to permit such contractors, consultants and vendors to perform the services for which they have been engaged, subject to the conditions of this Agreement.

6. Term and Termination.

- (a) The Term of this Agreement shall be effective as of effective date of the Agreement and shall terminate as of the termination of the Agreement.
- (b) Upon COMPANY's knowledge of a material breach of this Exhibit by PRODUCER, COMPANY shall either:
 - (i) Provide an opportunity for PRODUCER to cure the breach or end the violation or terminate the Agreement in accordance with the Agreement; or
 - (ii) If cure is not possible, immediately terminate the Agreement.
- (c) If neither termination nor cure is feasible, COMPANY may report the violation to the Secretary of the Department of Health and Human Services at its discretion.

7. Obligations upon Termination of this Agreement

- (a) Upon the termination of the Agreement, PRODUCER shall return to COMPANY all PPI that PRODUCER has in its possession and retain no copies of such PPI, except for that PPI necessary for PRODUCER's management and administrative activities. This provision shall apply to PPI that is in the possession of contractors, consultants and vendors of PRODUCER.
- (b) If PRODUCER is unable to return the PPI provided to PRODUCER by COMPANY or an INDIVIDUAL or created by PRODUCER on COMPANY or an INDIVIDUAL's behalf, PRODUCER shall:
 - (i) Provide to COMPANY notification of the conditions that make return or destruction infeasible;

and

(ii) Permanently destroy by shredding or otherwise destroying all paper or other hard copy media on which it is recorded, and/or erasing it from any hard drive, tape, diskette, compact disk or other electronic medium on which it has been stored using a method which renders the information unrecoverable.

(c) If the return or destruction of the PPI is not feasible, PRODUCER shall extend the protections of this Agreement to, and comply with its obligations herein regarding, the PPI and not make any further Use or Disclosure of the PPI.

8. Privacy Notices. COMPANY and PRODUCER agree to cooperate on the development and drafting of any Privacy Notices required to be provided by PRODUCER to INDIVIDUALS in order to ensure that such Privacy Notices accurately reflect the current usage and disclosure of PPI and comply with any state or federal law or regulation that requires the provision of such Privacy Notices.

9. Amendment. The Parties agree to take such action as is necessary to amend this Exhibit from time to time as is necessary for COMPANY to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

10. Regulatory References. A reference in this Agreement to the Privacy Rule means the Section of the Privacy Rule then in effect or as amended.

11. Interpretation. Any ambiguity in this Agreement shall be resolved to permit COMPANY to comply with the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.