2014 Broker/Agent Agreement
For Group Market Products

This agreement is made this __________ day of ________________________, 20____, between Group Hospitalization & Medical Services, Inc. and CareFirst of Maryland, Inc. Hereinafter referred to as “Insurer” and ___________________________________________ hereinafter referred to as “Contractor” (name of the licensed Broker/Agent or Brokerage/Agency, hereinafter sometimes referred to as “Broker”, “Agent”, or “Broker/Agent”).

Business Address: __________________________________________________________
City: ______________________ County: ______________________ State: ______ Zip: ________
Contractor Email: __________________________________________________________
Business Phone: ______________________ Business Fax: ______________________
Also doing business as: ______________________________________________________

SHALL BE EFFECTIVE THE 1ST DAY OF ________________________, 2014.

Insurer and Contractor agree as follows:

I. DEFINITIONS
The definitions for all terms used herein are found in the CareFirst Broker/Agent Administrative Manual as amended from time to time.

II. A. DUTIES AND LIMITATIONS OF AUTHORITY OF THE CONTRACTOR (OFF EXCHANGE BUSINESS):
THIS SECTION IS LIMITED TO BUSINESS THAT IS SOLD OFF OF A STATE OR FEDERALLY FACILITATED EXCHANGE. SECTION II ADDRESSES BUSINESS THAT IS SOLD ON A STATE OR FEDERALLY FACILITATED EXCHANGE. Jurisdiction and Producers:
1. Group Market: Contractor is authorized by Insurer to solicit applications in the jurisdictions approved by Insurer for Group Contracts, to forward them to Insurer for acceptance or rejection, and to collect the initial Premium due on an application. The determination of whether an application is accepted; whether a Group Contract shall actually be issued; or the type of Group Contract to be issued shall be solely within the discretion of Insurer.
2. Insurer may prescribe rules as it may deem reasonable and necessary. Insurer may alter or amend such rules from time to time subject to the rules of the Exchange. Contractor agrees to observe, conform to and act in accordance with such rules. These rules are contained in Broker/Agent Administrative Manual.
3. Contractor shall have no authority to bind the Insurer on any application for, or policy and/or contract of, insurance, or bind the Insurer by any agreement, contract, representation or promise made.
4. Contractor agrees that Insurer will be held harmless for any liability that results from misrepresentation or any other error or omission by Contractors or Contractor’s Producing Agents.

5. Contractor shall be responsible to Insurer for the fidelity and honesty of its Producing Agents. Contractor shall be responsible for all Insurer premium collected by Producing Agent for Insurer business entrusted to Contractor’s Producing Agents.

6. Contractor shall have no authority to extend time of payment of premium, to waive or extend any obligation or condition of any Group Contract issued by Insurer or to incur any liability on behalf of Insurer.

7. Neither this Agreement nor the authority conferred hereunder is transferable or assignable by Contractor unless Insurer has provided prior written consent thereto to Contractor. Transfer or assignment of Broker/Agent Fee, or Bonus, is prohibited unless Insurer has provided prior written consent thereto to Contractor. Insurer may assign this Agreement to any affiliate, subsidiary or successor in interest without the consent of Contractor.

8. Contractor shall make no representations with respect to any product(s) or forms of health care coverage which may be applicable to any program(s) administered and marketed by or through Insurer except as may be contained in the written material prepared and furnished to Contractor by or through Insurer. Contractor shall make no oral or written representations, alterations, modifications or waiver of the terms or conditions applicable to that product or coverage without the express prior written consent of Insurer.

9. Contractor agrees to fulfill the performance criteria as specified by Insurer including as specified by Insurer Rules. These criteria are subject to review and modification by Insurer and may be amended by Insurer by giving reasonable notice to Contractor. Contractor’s failure to fulfill Rules or the performance criteria may, at Insurer’s discretion, constitute cause for termination of this Agreement.

10. Contractor warrants and represents that it is and shall remain in compliance with any and all Federal, State and local laws including but not limited to the Health Insurance Portability and Accountability Act (HIPAA). The U.S. Patriot Act, and the Employee Retirement Income Security Act (ERISA.) Further, Contractor agrees that it shall comply with any reasonable requests made by Insurer to assure continued compliance in the future with any such laws.

B. DUTIES AND LIMITATIONS OF AUTHORITY OF THE CONTRACTOR (ON EXCHANGE BUSINESS)  THIS SECTION APPLIES TO THE SALE OF BUSINESS THROUGH A STATE OR FEDERAALLY FACILITATED EXCHANGE (HEREINAFTER COLLECTIVELY REFERENCED AS “EXCHANGE”. Jurisdiction and Producers:

1. Group Market: Contractor is authorized by Insurer to solicit applications for State or Federally Facilitated Exchanges.

2. Subject to the requirements of the Exchange, the Insurer may prescribe rules as it may deem reasonable and necessary and may alter or amend such rules from time to time Contractor agrees to observe, conform to and act in accordance with such rules. These rules are contained in Broker/Agent Administrative Manual.

3. Contractor shall have no authority to bind the Insurer on any application for, or policy and/or contract of, insurance, or bind the Insurer by any agreement, contract, representation or promise made other than pursuant to the requirements of State and Federal law relating to the Exchange.

4. Contractor agrees that Insurer will be held harmless for any liability that results from misrepresentation or any other error or omission by Contractors or Contractor’s Producing Agents.

5. Contractor shall have no authority to extend time of payment of premium, to waive or extend any obligation or condition of any Group Contract issued by Insurer or to incur any liability on behalf of Insurer.
6. Neither this Agreement nor the authority conferred hereunder is transferable or assignable by Contractor unless Insurer has provided prior written consent thereto to Contractor. Transfer or assignment of Broker/Agent Fee, or Bonus, is prohibited unless Insurer has provided prior written consent thereto to Contractor. Insurer may assign this Agreement to any affiliate, subsidiary or successor in interest without the consent of Contractor.

7. Contractor agrees to fulfill the performance criteria as specified by Insurer and the Exchange. These criteria are subject to review and modification by Insurer and may be amended by Insurer by giving reasonable notice to Contractor. Contractor’s failure to fulfill Insurer’s Rules or the performance criteria may, at constitute cause for termination of this Agreement subject to the rules of the Exchange.

III. CONTRACTOR MUST COMPLY WITH ALL APPLICABLE STATE AND FEDERAL LAWS FOR ON AND OFF EXCHANGE BUSINESS.

A. ALL EXCHANGE BUSINESS: Contractor warrants and represents that it is and shall remain in compliance with any and all Federal, State and local laws including but not limited to the Health Insurance Portability and Accountability Act (HIPAA). The U.S. Patriot Act, Affordable Care Act (ACA) and the Employee Retirement Income Security Act (ERISA.) Further, Contractor agrees that it shall comply with any reasonable requests made by Insurer to assure continued compliance in the future with any such laws.

B. FEDERALLY FACILITATED EXCHANGES: To the extent that this agreement delegates any duties or administrative services to the Contractor relating to Federally Facilitated Exchange business, the Contractor agrees to comply with the requirements and standards stated in the following provisions of Federal law to the extent that they apply to those duties:

45 CFR 156 subpart C.


45 CFR 155.220 regarding enrollment.

45 CFR 156.705 and 45 CFR 715 regarding maintenance of records and compliance reviews.

Pursuant to 45 CFR 156.340, the Contractor agrees to permit access to the Secretary of the Department of Health and Human Services (HHS) or the Office of Inspector General of the HHS to evaluate through audit, inspection or other means, the Contractor’s books contracts, computers or other electronic systems, including medical records and documentation related to a health plan issued through a Federally Facilitated Exchange.

IV. BROKER/AGENT FEES

A. Insurer agrees to pay Broker/Agent Fees in accordance with the terms of the attached Schedules of Fees. Insurer may amend the Broker/Agent Fees provided for in the Schedule of Fees by giving thirty (30) days’ notice to Contractor. Insurer agrees not to make any bonus payments to Contractor with respect to any clients whom Contractor identifies in writing to Insurer which have opted out of Programs and to the extent that such Bonus payments will not be paid. Insurer will ensure that they will not be reported on client form 5500.

B. No Broker/Agent Fee or Bonus shall be payable to a non-appointed Contractor or Producing Agent.
C. The Contracted Agency/Brokerage and “Responsible Individual” (RI) (or “Principle” and Primary Decision maker of any Agency or Brokerage) must maintain the same health licenses in the same jurisdictions. For example: If the “RI” or an Agency is licensed in Maryland and the District of Columbia (DC), but their Agency/Brokerage is licensed in Maryland and Virginia, then the “RI” must become licensed in Virginia and the Agency/Brokerage must become licensed in the District of Columbia (DC). When both the Broker/Agent and the Agency/Brokerage do not both hold the same licenses, a noncompliance issue is created. Both Broker/Agent and Agency/Brokerage must be licensed in the location where the Group is sold in order to be eligible to receive commissions.

D. Premium Payments
   1. Broker/Agent Fees shall be earned and payable monthly to Contractor for Group Contracts issued and for which the Premium has been paid and reconciled for each Group Subscriber to the account of the Group as long as this Agreement is in effect and Contractor is retained as Broker/Agent of Record by the Group and recognized as such by Insurer.

E. Insurer reserves the right to determine which premiums and contracts paid by the Group or Subscriber are subject to payment of Broker/Agent Fees limited to business not utilizing a State or Federally Facilitated Exchange.

F. If any premium should be refunded by Insurer for any reason or cause either before or after termination of this Agreement, Contractor shall repay to Insurer, on demand, all Broker/Agent Fees and Bonuses previously allowed and paid on the refunded premium or associated paid contracts. At Insurer’s discretion, such repayment may take the form of credit or offset, but is not limited to a direct payment or an adjustment to future Broker/Agent Fee and Bonus payments.

G. Any indebtedness of Contractor to Insurer arising from this Agreement, any prior Agreement or any transaction between Contractor and Insurer, shall be a First Lien on any compensation (including Broker/Agent Fees and/or potential incentive payments and Bonuses) due or to become due the Contractor under this Agreement and may be applied as a set-off against any moneys due or which become due by Insurer to Contractor limited to business not utilizing a State or Federally Facilitated Exchange.

H. This Agreement shall not be construed to allow Broker/Agent Fees or Bonus eligibility for any premiums or paid contracts where Contractor’s services were performed on a consultant basis and the Contractor agrees to accept compensation from the Group for such services.

I. Broker/Agent has the right to opt out of any Bonus Program it deems fit.

V. ADVERTISING
   A. Circulars, advertisements or other materials containing Insurer symbols, service marks, trademarks or trade names, shall not be published, printed, distributed or used in any way by Contractor until approval is obtained in writing from Insurer.

   B. Insurer may or may not allow Contractor to participate in advertising campaigns on a joint basis where it is deemed appropriate by Insurer. The cost of such joint campaigns may be shared through a cooperative arrangement that is approved by Insurer.

VI. TERMINATION
   A. Contractor for On or Off Exchange business or Insurer for Off Exchange business may terminate this Agreement without cause at any time by giving thirty (30) days written notice to the other party of such termination. Termination shall take effect immediately and automatically upon the date stated in the notice so given.

   B. After termination notice is given, Insurer will not recognize any new Insurer business or Broker of Record (BOR) transfer for Contractor. If termination is without cause, Broker/Agent Fee shall continue to be payable for a period of one (1) year from the date of the most recent prior renewal month so long as the terminating Broker/Agent remains the Broker of Record and maintains a health license in
full force and effect, and so long as the accounts for which Broker/Agent are eligible remain with Insurer.

C. Insurer for Off Exchange business may terminate this Agreement immediately for cause and no Broker/Agent Fee or Bonus shall accrue on or following the effective date of such termination. Contractor and any Producing Agent(s) will immediately cease to be recognized by Insurer as a Broker of Record on all accounts and Contracts. The following events/occurrences will constitute cause for termination:

1. Commission of fraudulent acts or failure to comply with applicable law;

2. Failure to maintain current Errors & Omissions coverage in an amount that is appropriate for the size and nature and business engaged in by Contractor and consistent with Exhibit B, Requirements for Errors & Omissions Insurance. When requested, proof of coverage must be immediately supplied by Contractor to Insurer according to Insurer procedures and instructions that may include a Third-party Administrator;

3. Wrongful use, withholding or commingling of any funds belonging to an applicant, Subscriber, Group or Insurer.

4. If the Contractor is a natural person, the death of the Contractor. This Agreement will be terminated immediately without notice upon the death of the Contractor if an individual, and no Broker/Agent Fees or Bonuses shall be payable to heirs, successors or assigns of the decedent;

5. Termination, expiration or suspension of Contractor’s or Producing Agent’s health license as required by law;

6. Commission of any knowing or intentional act that interferes with the business relationship between Insurer and any of its customers, accounts and/or employees, except where Contractor is acting in accordance with good business practices and in the interest of Contractor’s client;

7. Commission of any knowing or intentional act that interferes with the business relationship between Insurer and any of its Brokers and/or Agents.

8. Refusal to participate in and/or conduct training as specified in Sections II and VII hereof and training as may be requested by Insurer;

9. Failure to follow reasonable instructions of Insurer including, but not limited to, collection and/or payment of premium;

10. Knowing and intentional violation of any provision or the intended purpose or essence of this Agreement.

D. Insurer may terminate this Agreement as it relates to Exchange related business pursuant to the rules issued by the Exchange for cause and no Broker/Agent Fee or Bonus shall accrue on or following the effective date of such termination subject to the rules of the Exchange. Contractor Broker and any Producing Agent(s) will immediately cease to be recognized by Insurer as a Broker of Record on all accounts and Contracts. The events/occurrences In Section VI C may constitute cause for termination.

E. In the event of suspension of the health license as required by law, this Agreement shall terminate for cause, and Insurer may consider reinstatement after the suspension period. Whether or not reinstatement of this Agreement shall occur will be solely at the discretion of Insurer after the submission and approval of a new Broker/Agent application and upon such terms and conditions as may be prescribed by Insurer.

F. In the event of termination of this Agreement, Insurer’s right to mail or deliver notices and statements to Groups and Consumer Direct Market Subscribers shall continue. Insurer further reserves the right to continue solicitation of Groups and Consumer Direct Market Subscribers for both new and renewal contracts.

G. This Agreement may be assigned by Insurer to any affiliate of Insurer to which it transfers its sales and/or marketing functions or with which it contracts to provide sales and/or marketing functions. In the event of such assignment, this Agreement shall be amended appropriately by the parties.
H. The term of this Agreement shall be for a period of one (1) year and shall be automatically renewed for successive one (1) year periods unless terminated earlier by either party upon prior written notice to the other party as provided herein.

I. For Exchange business, any actions taken by the Insurer under this Section shall be taken subject to the rules and procedures applicable to the Exchange.

VII. GENERAL

A. It is mutually understood that solicitation of applications for Group and/or Consumer Direct Market Benefit Contracts for the benefit of Insurer is the essence of this Agreement, and failure of Contractor to provide such solicitation is detrimental to Insurer.

B. Each party hereby expressly agrees to indemnify and save harmless the other from and against any and all claims, loss, damage, injury, expense and liability arising out of or resulting from, or in any way connected with matters arising under this Agreement or by any negligence or willful misconduct on the part of the indemnifying party or its Agents or employees. Damages may include, but are not limited to, compensatory, punitive, court costs and attorney fees.

C. This Agreement does not, nor is it intended to, in any way create a relationship of joint venture, partnership, principal and agent or employee/employer between Contractor and Insurer.

D. Upon reasonable notice Contractor shall permit any duly authorized representative of Insurer, from time to time during normal business hours, to have access to and the right to examine and copy any and all books, documents, papers and other records of Contractor that relate to Group Contracts placed by Contractor with Insurer.

E. Insurer shall retain an absolute right to contact the Group and/or Subscriber directly for any purpose at Insurer’s discretion. Every effort will be made to keep Contractor informed of any such contacts.

F. Insurer and Contractor agree to safeguard, maintain and preserve the confidentiality of this Agreement during the life of the Agreement and after termination. At no time may the provisions or terms of this Agreement be disclosed to a third party, nor may any proprietary information obtained by Contractor from Insurer or vice versa be disclosed to any other person by either party without the prior written consent of the other party. Such proprietary Insurer information includes, but is not limited to, information on any applications for Insurer health insurance coverage.

G. The only payment due under this Agreement from Insurer to Contractor shall be for Broker/Agent Fees and applicable bonuses and not for any other expenses or costs incurred by Contractor.

H. Contractor agrees, upon Insurer’s request, to provide Insurer with any and all information reasonably requested by Insurer relating to the terms of this Agreement. Such information may include, but is not limited to, Contractor’s structure, qualifications and right to do business.

I. This Agreement shall be governed by and construed in accordance with the laws of the State of Contractor’s health/life license.

J. Contractor agrees not to assign, transfer or attempt to assign or transfer any of its obligations under this Agreement without the prior written approval of Insurer.

VIII. MISCELLANEOUS

A. This Agreement constitutes the full and entire understanding of the parties and supersedes any and all prior representations, statements, or agreements between them.

B. This Agreement may be modified or amended only in writing by an authorized officer of Insurer. Requests and notices shall be sent to the Insurer representative identified in Section VII, G. hereunder.

C. If any part, term or provision of this Agreement shall be held void, illegal, or unenforceable, the validity of the remaining portions or provision shall not be affected thereby.

D. Failure of either party at any time to require performance of any of the provisions or obligations created under this Agreement shall in no way affect the right of either party thereafter to enforce the
same. The waiver by either party of any violation or breach of the provisions or obligations under this Agreement shall not be taken or held to be a waiver of any succeeding violation or breach of a provision or obligation or as a waiver of the provision or obligation itself.

E. Each signatory hereto certifies and warrants that all necessary authority and approval have been obtained and that this Agreement is validly executed by an authorized officer or agent and is binding upon such party and enforceable in accordance with its terms.

F. If Contractor becomes liable to Insurer at any time, the Insurer shall have the right to withhold any and all sums from any payment as a withhold of sums that may be due or become due including any Broker/Agent Fees and Bonus amounts.

G. All notices pertaining to this Agreement shall be in writing unless otherwise agreed to by both parties, shall be sent by first-class mail, postage paid, addressed to:

For Insurer:
John Hauer
Director Account Support & Projects
CareFirst BlueCross BlueShield
10455 Mill Run Circle
Mail-Stop OM1--515
Owings Mills, MD 21117-5559

For Contractor:
The Contractor (Agent) herein has received a copy of and understands the Model Code of Business Conduct and Compliance Program for Insurer which can be found on Broker Portal at www.carefirst.com and agrees to comply with its policies and principles in the performance of any duties for Insurer. The Contractor (Agent) also agrees not to disclose or use at any time, either during or after termination of the Agreement, any proprietary and confidential information acquired or developed during the course of the Agreement. The Contractor (Agent) further agrees to report to Insurer any criminal or unlawful acts that occur while conducting the business of Insurer and involving employees or contractors employed by Insurer or employed by the Contractor (Agent). At the Broker request Insurer will provide paper copy.

Insurer is an Equal Opportunity and Executive Order #11246 Affirmative Action Employer and hereby incorporates by reference, the Equal Opportunity clause set forth in 41 CFR-60-1.4, 60-250.4, and 60-741.4 as amended or revised. Insurer supports a policy which prohibits discrimination against any employee or applicant for employment, on the basis of age, race, sex, color, national origin, religion, physical or mental disability, veteran status or any other classification protected by law or ordinance. Contractor/Vendor agrees that it is in full compliance with this Equal Opportunity statement as expressed herein.

Contractor (Agent) shall adhere to and comply with the Federal Insurance Fraud Provisions of the Violent Crime Control Act (18 USC Sec. 1033 et. seq.) in the performance of this Agreement.
IN WITNESS WHEREOF, the parties, by their duly authorized representative, have signed this Agreement in acknowledgment thereof.

<table>
<thead>
<tr>
<th>CONTRACTOR Printed Name:</th>
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</thead>
<tbody>
<tr>
<td>CONTRACTOR Social Security Number or Tax ID if Agency/Brokerage:</td>
</tr>
</tbody>
</table>

National Producer Number:

<table>
<thead>
<tr>
<th>Maryland License Number:</th>
<th>Expiration Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia License Number:</td>
<td>Expiration Date:</td>
</tr>
<tr>
<td>Virginia License Number:</td>
<td>Expiration Date: Perpetual</td>
</tr>
</tbody>
</table>

If Contractor is an Agency or Brokerage, list below the “Responsible Individual” (or “Principal and Primary Decision Maker”). Note: In Maryland and in the District of Columbia, the person we request be identified below is the same person that the Contractor designated as their “Responsible Individual” on their state licensing forms. In Virginia and in Delaware, the person is commonly referred to as the “Principal and Primary Decision Maker” for Agencies and Brokerages.

<table>
<thead>
<tr>
<th>“Responsible Individual” Printed Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Responsible Individual” Social Security Number:</td>
</tr>
</tbody>
</table>

National Producer Number:

<table>
<thead>
<tr>
<th>Maryland License Number:</th>
<th>Expiration Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia License Number:</td>
<td>Expiration Date:</td>
</tr>
<tr>
<td>Virginia License Number:</td>
<td>Expiration Date: Perpetual</td>
</tr>
</tbody>
</table>

At time of application of this Agreement, prospective Contractor shall provide copies of all health/life licenses (e.g. Maryland, District of Columbia and Virginia) for itself and for all Producing Agents. On a continuous basis, Contractor is responsible to provide Insurer with copies of all active health/life licenses for itself and for Producing Agents (e.g. for newly hired Producing Agents; new licenses for existing Producing Agents, etc.) Contractor must furnish Insurer with immediate notice of all new or terminated, suspended or expired health licenses for all Producing Agents and Consumer Direct Market Sub-Broker/Agents of Contractor. Notice shall be furnished to Insurer’s Broker Contracting & Compliance Department.

FOR CONTRACTOR:

Signature: _____________________________ Date: _____________________________
Printed Name: ___________________________ Title: _____________________________
Witness: ______________________________ Date: _____________________________

FOR INSURER:

Signature: _____________________________ Date: _____________________________
Printed Name: Rita Costello Title: Senior Vice President of Strategic Marketing
Witness: ______________________________ Date: _____________________________
EXHIBITS

Broker/Agent Agreement
For GROUP MARKET Products

Exhibit A  Group Market Bonus Programs
Exhibit B  Requirements for Errors & Omissions Insurance
Exhibit C  Group Market Schedule of Fees
EXHIBIT A

Group Market Bonus Programs

I. PERSISTENCY BONUS
    A. Bonus will be paid to qualified Broker/Agent only and will be calculated using all Group lines of Insurer business. Broker/Agent has the right to opt out of any bonus program.
    B. Medical contracts from all Group lines-of-business will be combined to meet minimum qualifying threshold for bonus calculations. No retroactivity will be applied to either the Broker/Agent Fee or Bonus based on the assignment of business during the year.
    C. Qualified contracts are contracts associated with Insurer paid premiums for qualified accounts. Qualified medical contracts will not include, nor will any bonus be calculated, on any premium or contracts from combined blocks of business originating from separate Brokers, Brokerages, Agents or Agencies.
    D. The Persistency Bonus is payable only on eligible Group contracts. Group contracts include medical as well as Group Medicare Supplemental and includes self-employed business as determined by Insurer. All Group contracts count towards Persistency Bonus calculation.
    E. Qualified medical contracts do not include contracts on an account that the Broker/Agent has chosen to waive fees/compensation from Insurer, unless approved in writing by Insurer’s Senior Vice President of Sales. When fees/commissions from Insurer are waived, Broker/Agent is not eligible for bonus payments on these contracts, although they are still counted in the total block of business.
    F. Any 51+ Business: Broker/Agent must receive commissions from Insurer >1% but <5.0% to be Bonus eligible. Contracts are used in the contract count to calculate net contract Persistency Ratio. However, because the Broker/Agent has chosen to waive compensation, these contracts are not used in the calculation of the Bonus (i.e. PCPM Bonus Rate.)
    G. Contracts for an account related to a consultant arrangement do not qualify towards the calculation of the net contract Persistency Ratio.
    H. Broker/Agent must have at least five (5) Groups or two (2) Groups with five-hundred (500) lives to qualify for Persistency Bonus regardless of Group size.
    I. Exceptions and decisions regarding qualified contracts can only be approved by Insurer’s Senior Vice President of Sales for Insurer. Any such agreements must be obtained and specified in a written approval directly from Insurer’s Senior Vice President of Sales.
    J. Network lease and shared processing arrangements are excluded from Bonus calculations.
    K. For NCAS/CFA/CFA, LLC business, the following will apply:
        1. Applicable only to 51+ NCAS/CFA business
        2. Insurer paid contracts associated with the following will qualify for and will be included in the Persistency Bonus calculation:
            a. Paid administrative fees to Insurer/NCAS/CFA/CFA LLC.
            b. Add on Commission to administrative fee must be paid to Broker/Agent by Insurer/NCAS/CFA/CFA, LLC. Excludes stop loss commission paid by preferred stop loss vendor, but remitted by Insurer/NCAS/CFA to broker.
            c. Paid premium associated with stop loss issued by the Insurer or stop loss issued by Insurer’s preferred stop loss vendors as of December 31, 2013. Accounts electing no stop loss coverage, contracts will be included in bonus calculation.
        3. Loss of Groups and accompanying contracts are included in the Persistency Ratio calculations.
II. **PERSISTENCY BONUS QUALIFIER**

A. Minimum of 251 enrolled medical contracts;

B. Net overall growth in the number of Insurer contracts subject to this Agreement as measured by the difference between the contracts on the Beginning Date of business with Insurer subject to this contract and those contracts in effect on December 31, 2014. New Business is included in Persistency Bonus calculation and ratio described above.

C. Insurer shall have the authority to determine qualifications and final ratios for any qualifying Broker/Agent.

D. When two blocks of business merge, the new basis for the Persistency Bonus becomes the start number from both blocks as of January 1st of the year of the merger. All terminations/additions from both blocks combine into the new block.

E. USable Life/Disability Premium Persistency Bonus Qualifier
   1. Must already have a 90.0% persistency to achieve additional medical contract equivalents.
   2. For each $100,000 of annualized USable Premium sold an additional 40 Medical contracts will be added to your 2014 Eligible Medical contract counts.
   3. The additional contract counts earned for 2014 USable Premiums do not rollover to 2015.
   4. Payment rate for the additional contacts earned will be at the rate based on the Medical Bonus Payout Scale.

III. **PERSISTENCY BONUS QUALIFYING LEVELS**

A. Provided a 90% or greater Persistency Ratio in qualified medical contracts written by Broker/Agent for Insurer Group Medical Business to be eligible for Medical or Dental Persistency. Paid as an annual per Contract amount based upon December 31st final contract count. Broker/Agent Fee, extended to all contracts for Bonus eligible accounts.

B. Paid as a rate per Contract on an annual basis seventy-five (75) days after the close of the calendar year.

C. Persistency Cap of 1,000 contracts per account for gains and losses.

D. Payment limit to the first 1,000 contracts per account.

E. Persistency payment cap of $2,000,000 for Medical business if Persistency level is 98% or above. If Persistency is below 98% the payment cap is at $1,500,000.

<table>
<thead>
<tr>
<th>Qualifying Contract Level</th>
<th>Persistency Goal 90-94.99%</th>
<th>Persistency Goal 95-99.99%</th>
<th>Persistency Goal 100-104.99%</th>
<th>Persistency Goal 105-109.99%</th>
<th>Persistency Goal 110%+</th>
</tr>
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<tbody>
<tr>
<td>251-575</td>
<td>$13.00</td>
<td>$15.00</td>
<td>$19.00</td>
<td>$20.00</td>
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<tr>
<td>576-1,100</td>
<td>$30.00</td>
<td>$35.00</td>
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<tr>
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<tr>
<td>1,651+</td>
<td>$60.00</td>
<td>$70.00</td>
<td>$84.00</td>
<td>$89.00</td>
<td>$93.00</td>
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### DENTAL PAYOUT SCALE

<table>
<thead>
<tr>
<th>Persistency Goal</th>
<th>Persistency Goal</th>
<th>Persistency Goal</th>
<th>Persistency Goal</th>
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<tbody>
<tr>
<td>95-99.99%</td>
<td>100-104.99%</td>
<td>105-109.99%</td>
<td>110%+</td>
</tr>
<tr>
<td>$11.00</td>
<td>$12.00</td>
<td>$12.50</td>
<td>$13.00</td>
</tr>
</tbody>
</table>

- All Risk and Non-Risk Dental contracts are eligible for payout.
- TDN business not eligible for Dental Bonus.
- Eligibility dependent upon Broker/Agent having either five (5) accounts or two (2) accounts with a minimum of five-hundred (500) lives.

### IV. SUPPLEMENTAL PERSISTENCY BONUS PAYOUT SCALE

<table>
<thead>
<tr>
<th>NET CONTRACT</th>
<th>BASE PAYOUT ELIGIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,651+</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>1,101-1650</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>576-1,100</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>251-575</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>&gt;100%</td>
<td>Onetime Bonus to be paid</td>
</tr>
</tbody>
</table>

### V. Persistency Bonus Plan 2-50 Market

**A. QUALIFIER**
1. Supplemental program for accounts with 2-50 insured contracts.
2. Must achieve 92% or above persistency for insured contracts in force 12/31/2013 compared to same insured contracts at 12/31/2014.
3. Does not count towards the $2,000,000 cap
4. $20 per contract will be paid after achieving 92% or above.

### VI. GROUP NEW BUSINESS BONUS FOR 51+ ACCOUNTS for Risk Business ONLY

**A. QUALIFIER**
1. 51+ Group New Business Bonus is effective with Group New Business sales between January 1 and December 1, 2014. A bonus of thirty dollars ($30.00) per contract will be paid to Broker/Agent for up to a maximum of 300 contracts per New Business medical account.
2. For the purposes of calculating this bonus only, New Business is defined as all Subscribers (contracts) within a new Insurer Risk Business Medical Group Contract, and excludes Subscribers and members of an existing Insurer Group or Consumer Direct Contract regardless of Product (including growth within any Group or Association,) any Group and/or Subscribers and Members transferring from any current existing Group or Consumer Direct Market Medical Group, regardless of Insurer Product.
3. The New Business Bonus will be administered as an annual program, calculated cumulatively throughout the year, but will be paid out on a monthly basis.
4. NOTE: New Business Bonus shall only be calculated on paid premium associated with risk business. No bonus shall be calculated upon revenue related to administrative services performed for self-insured business or premium related to stop-loss coverage. Risk business consists of contracts written on a fully insured basis pursuant to contracts regulated by a State insurance regulator and for which Insurer is fully at risk for losses.

### VII. GROUP MARKET, NEW BUSINESS BONUS FOR 1-50 ACCOUNTS
A. **QUALIFIER**


2. Once a minimum qualification requirement of one-hundred (100) New Business Medical Contracts are sold between January and December 2014, a bonus of thirty dollars ($30.00) per Medical contracts will be paid to Broker/Agent for Group New Business contracts for eligible medical accounts, beginning with the first eligible contract. This applies to all products except HealthyBlue while HealthyBlue has its own incentive program.

3. For the purposes of calculating this bonus only, New Business is defined as all Subscribers (contracts) within a new Insurer Risk Business Medical Group Contract, and excludes Subscribers and members of an existing Insurer Group or Consumer Direct Contract regardless of Product (including growth within any Group or Association,) any Group and/or Subscribers and Members transferring from any current existing Group or Consumer Direct Market Medical Group, regardless of Insurer Product.

4. New Business Bonus for 1-50 accounts will be administered, calculated and paid out on a monthly basis.

5. Risk Business consists of contracts written on a fully insured basis pursuant to contracts regulated by a State Insurance regulator and for which Insurer is fully at risk for losses.

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**VIII. “GROUP NEW BUSINESS” DEFINITION**

A. For purposes of Bonus administration for the 51+ and/or 1-50 New Business Bonus, “Group New Business” is either:

1. Risk business only; and

2. Group Medical contracts associated with such Medical Group contracts, written for Groups which had no prior Group Medical coverage with Insurer, or

3. Group Contracts written for former Groups whose contract with Insurer has lapsed, been cancelled or expired for a period of six (6) months (180 calendar days) or more; and

4. Does not include NCAS or CFA business

5. Does not include self-funded or ASO business

6. Does not include P.O.P. (Premium Only Plans)
Contractor shall submit to Insurer evidence of Errors & Omissions coverage with a minimum $1,000,000.00 per occurrence and $2,000,000.00 aggregate. Errors & Omissions policy shall provide for coverage for duties and responsibilities set forth in this Broker/Agent Agreement. If the aforementioned policy is written on a claims-made basis, the retroactive date of the policy, if any, shall precede or be concurrent with any prior periods in which Broker/Agent had an in-force Broker/Agent Agreement with Insurer.

A Certificate of Insurance (COI), or other evidence acceptable to Insurer shall be submitted and attached to this Agreement and furnished to Insurer as evidence of coverage. At time of Broker/Agent Agreement application to Insurer, and upon request by Insurer, proof of coverage must immediately be supplied to Insurer according to Insurer procedures and instructions that may include a third party.

Broker/Agent shall submit a Certificate of Insurance (COI) evidencing current Errors & Omissions insurance with a carrier having a rating of not less than A- or captive approved by Insurer. The COI shall contain a Cancellation Provision of not less than thirty (30) days.
**EXHIBIT C**
**GROUP MARKET SCHEDULE OF FEES**

**Broker/Agent Fees** will be earned by qualified **Broker/Agents** for **Insurer Group** business as follows: Fees are based on paid enrolled **Group** Market Contracts; amounts are per Contract, per Month (PCPM).

### GROUP MARKET SCHEDULE OF BROKER/AGENT FEES

<table>
<thead>
<tr>
<th>Medical &amp; RX</th>
<th>1-50 Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD Indemnity</td>
<td>$13.00</td>
</tr>
<tr>
<td>BluePreferred PPO</td>
<td>$25.00</td>
</tr>
<tr>
<td>HMO</td>
<td>$23.00</td>
</tr>
<tr>
<td>HealthyBlue 2.0 &amp; HRA/HSA (BlueFund)</td>
<td>$27.00</td>
</tr>
<tr>
<td>HealthyBlue 2.0 &amp; HRA/HSA(Compatible)</td>
<td>$25.00</td>
</tr>
<tr>
<td>CDH</td>
<td>$21.00</td>
</tr>
<tr>
<td><strong>NON-Medical</strong></td>
<td></td>
</tr>
<tr>
<td>Vision</td>
<td>$2.00</td>
</tr>
<tr>
<td>Dental</td>
<td>$6.00</td>
</tr>
</tbody>
</table>

51+ = Add on Fee

**Notes:**

1. Broker/Agent Fees shall not be payable for any Insurer discounted dental or discounted vision plans and products.
2. For 51+ business: Any Broker/Agent Fee paid by **Insurer** for Risk Business Only, not ASO, cannot exceed 5.0%. Any Broker/Agent Fee paid by **Insurer** equal to or less than 1% must be approved in writing, in advance, by the Insurer’s Senior Vice President of Strategic Marketing. Dental Fee cannot Exceed 8.0%.
3. Any Direct Business with Insurer will not be eligible for any Broker/Agent Fee unless Broker/Agent Fee has been included in the rates or administrative fees quoted to and accepted by Group.
4. PCPM rate for all CDH Groups (new and existing) that elect to use our integrated administrative services, the rate is at the BlueChoice or BluePreferred level, respectively.
5. Parity Groups are paid under the 1-50 schedule.
6. Medicare Advantage commission paid at 51+ rates. Must be trained and certified to sell this product.
7. HealthyBlue 2.0 Bonus Program