



EmblemHealth®

EMBLEMHEALTH SELLING AGENT AGREEMENT

WHEREAS Group Health Incorporated (“GHI”), Health Insurance Plan of Greater New York (“HIP”) and HIP Insurance Company of New York (“HIPIC”) hereinafter collectively “EmblemHealth” are in the business of providing hospital and medical insurance benefits and/or health maintenance organization (HMO) benefits in multiple markets including the individual and group markets, and desire to improve and expand distribution and modify the way in which such business is solicited by utilizing the services of licensed Accident and Health Agents and Brokers; and

WHEREAS EmblemHealth has established a network(s) of Selling Agents and brokers, programs and products and General Agents (“GA”); and

WHEREAS Selling Agent possesses a level of familiarity and expertise in the way in which individual and group insurance products are marketed and sold through the use of licensed accident and health agents and/or brokers; and

WHEREAS Selling Agent is willing, qualified and able to perform all of the duties required by EmblemHealth for participation in EmblemHealth’s network of brokers and agents (hereinafter “Network”); and

WHEREAS Selling Agent’s ability to enter into this Agreement and to fulfill the obligations required by this Agreement is in no way restricted by any other agreements;

NOW THEREFORE in consideration of these covenants, the parties identified on the Signature Page agree as follows:

1. Applicable Markets and Products

This Agreement is applicable only to such EmblemHealth companies and products as shown in the commission schedules posted to EmblemHealth’s broker website and they may be amended from time to time by EmblemHealth and shall apply to such EmblemHealth business for which the Selling Agent is designated and approved by EmblemHealth as the selling agent of record.

Except as specifically provided otherwise in this Agreement, this Agreement does not apply to the sale of any health insurance product subsidized, in whole or part, by local, state or federal government.

2. Scope of Authority

Selling Agent is hereby authorized to: (a) solicit applications for insurance coverage in accordance with EmblemHealth’s Network rules and procedures and limits of coverage which shall be set forth and amended from time to time by EmblemHealth; (b) collect and promptly remit initial premium; and (c) service such contracts of insurance issued on those applications. Selling Agent may not alter the terms of any application or contract, and may not change or modify any premium rates for any insurance

contracts or proposals. Selling Agent may only present to EmblemHealth applications for insurance that meet EmblemHealth's rules and requirements. Selling Agent may not modify or change any of EmblemHealth's rules or requirements. Selling Agent further agrees to abide by all EmblemHealth network rules and procedures as shall be set forth and amended from time to time by EmblemHealth.

Without limiting the forgoing in any manner, unless specifically authorized in writing by an authorized officer of EmblemHealth, Selling Agent may not, on behalf of EmblemHealth, incur any expense, alter any contract, discharge any obligation, bind in any way, reject or accept any application for insurance, prepare or render any premium notice, make any payment, waive any obligation due, commence or compromise any litigation, or pay, settle or reject any claim for benefits under any insurance contracts issued by EmblemHealth.

Selling Agent shall utilize the EmblemHealth broker portal when placing or servicing insurance underwritten by EmblemHealth companies, and shall otherwise participate in EmblemHealth e-commerce initiatives relating to the relationship between Selling Agent and EmblemHealth.

3. Indemnification and Insurance

The Selling Agent agrees to indemnify, defend and hold harmless EmblemHealth and its directors, officers, employees, successors and assigns from and against any and all claims penalties, liabilities, losses, damages, suits, settlements, judgments, or costs, including reasonable attorney's fees, which may arise from the acts or omissions of the Selling Agent or its agents, brokers, officers, employees in performing under this Agreement.

Selling Agent shall maintain, during the term of this Agreement, all insurance and/or bonds required by law, including, but not limited to Workers' Compensation insurance at statutory limits inclusive of Employers Liability coverage. Selling Agent shall also maintain General Liability coverage in amounts not less than one (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in aggregate and Professional Liability/Errors and Omissions insurance coverage in amounts of one million (\$1,000,000) per occurrence/claim and three million (\$3,000,000) in aggregate. Such insurance shall include, but not be limited to, liability that Selling Agent may incur as a result of Selling Agent's acts or omission related in any way to this Agreement. Upon request, Selling Agent shall provide EmblemHealth with a certificate(s) of insurance evidencing said coverage.

Selling Agent agrees to promptly notify EmblemHealth in the event of cancellation, termination or material modification of such insurance policies. In the event of termination of this Agreement, or termination of any employees or subcontractors participating in providing services hereunder, Selling Agent, its employees and subcontractors shall ensure that all of the above insurance coverage is maintained to cover the claims which may arise out of this Agreement.

By requiring insurance, EmblemHealth, does not represent that the coverage and limits required by EmblemHealth will necessarily be adequate. Insurance procured by Selling Agent will not reduce or limit Selling Agent's obligation to indemnify and defend EmblemHealth in connection with the performance of this contract. EmblemHealth reserves the right to modify insurance requirements at any time.

4. Premium

Selling Agent may collect only the initial premium in connection with submission of an application for insurance coverage to EmblemHealth. All such premium shall be made payable to the EmblemHealth company underwriting the insurance or to EmblemHealth, as applicable, and shall be immediately forwarded directly to EmblemHealth without prior deduction or off-set. Selling Agent may not commingle any premium collected on behalf of EmblemHealth with any other funds. Selling Agent may not collect any premium other than the initial premium paid with the application for insurance. Selling Agent may not extend the time for the payment of any premium due EmblemHealth.

5. Capacity

The Selling Agent, including its employees, is an independent contractor and shall not be deemed an employee of EmblemHealth. Selling Agent is responsible for payment of all withholding and similar taxes, and for the provision of all statutory benefits (such as, but not limited to Worker's Compensation) for Selling Agent and the Selling Agent's employees, if any. Neither Selling Agent nor its employees shall represent in any manner that they are employees of EmblemHealth.

6. Licensure

At all times while this Agreement remains in effect, Selling Agent shall maintain all valid New York State Department of Financial Services licenses and registrations, as well as any other licenses, permits or registrations necessary for fulfilling its duties and obligations hereunder. Selling Agent shall immediately notify EmblemHealth, in writing in the event that any such license, permit or registration is suspended or terminated, or if Selling Agent is the subject of any disciplinary action initiated by a state insurance regulatory agency or any other regulatory or governmental body or court.

7. Territory

Selling Agent is hereby authorized to solicit applications for insurance products and/or markets designated in commission schedules posted to EmblemHealth's broker website in accordance with this Agreement, EmblemHealth's rules for soliciting and providing insurance in such markets and consistent with EmblemHealth service areas. Selling Agent may solicit applications for insurance only from applicants located or domiciled in the EmblemHealth service area in which the EmblemHealth policy to be sold is offered by EmblemHealth. In no event may Selling Agent solicit applications for insurance pursuant to this Agreement from applicants domiciled outside of New York State.

8. Compensation

8.1. General

Upon appointment of Selling Agent by EmblemHealth, as evidenced by a written or electronic confirmation of appointment from EmblemHealth, Selling Agent shall be entitled to compensation pursuant to the terms of this Agreement.

As full compensation for services provided hereunder, Selling Agent shall receive commissions when applicable, in accordance with EmblemHealth's commission schedules for the EmblemHealth company and product or product class, as applicable, for business for which Selling Agent is approved by EmblemHealth as the broker of record. Commission schedules for Selling Agents are posted to EmblemHealth's broker website and they may be amended from

time to time by EmblemHealth. EmblemHealth reserves the right to establish and periodically revise any production and/or performance standards that further condition Selling Agent's entitlement to compensation under this Agreement. EmblemHealth will notify Selling Agent of the posting of new or modified commission schedules, production and/or performance standards as soon as reasonably possible through EmblemHealth's normal broker notice and/or alert process. Payment of commissions shall be subject to all terms, conditions and limitations set forth in this Agreement.

For large business other than large group HMO business, Selling Agent shall receive commission as specifically agreed to between Selling Agent and the group policyholder as designated by the group policyholder; however, such commission shall not exceed the range set forth in EmblemHealth's large group commission schedule(s). For large group HIP HMO business, EmblemHealth does not pay commission, but may administer a broker fee for the EmblemHealth group policyholder and Selling Agent upon the group policyholder's request. In such a case, the fee agreed upon between Selling Agent and the group policyholder shall be administered by EmblemHealth and Selling Agent in accordance with this Agreement and Selling Agent shall abide by all terms of this Agreement in connection with such business and fee(s).

All commission shall be due and payable after premium is received and credited by EmblemHealth. All commission compensation shall be calculated based upon premium received by EmblemHealth and in accordance with EmblemHealth's rules and protocols for crediting premium. EmblemHealth may unilaterally amend such rules and protocols from time to time. Commission and, if applicable, any other compensation payments pursuant to this Agreement shall be made directly by EmblemHealth to Selling Agent in accordance with EmblemHealth's usual cycles for paying such commissions. If any premium is refunded by EmblemHealth, then Selling Agent shall repay to EmblemHealth the commission compensation applicable to the portion of premium refunded.

EmblemHealth shall only pay commissions provided that: (1) the Selling Agent is living or if a corporation, that the corporation remains an entity; (2) the Selling Agent continues to service the businesses pursuant to the terms of this Agreement; (3) the Selling Agent is actively and continuously engaged as a licensed agent or broker in the insurance business and services the active business written pursuant to this Agreement; and (4) the Selling Agent is not terminated as defined by this Agreement.

In the event that premium has been received by EmblemHealth for business sold by the Selling Agent pending the appointment of the Selling Agent by EmblemHealth, EmblemHealth will pay retroactive commissions to Selling Agent upon appointment; however, EmblemHealth will only pay such commissions in connection with premiums received within twelve (12) months prior to the date of appointment.

EmblemHealth may periodically offer temporary short or long term production or performance-based bonus programs pursuant to this Agreement. When offered, such programs shall be administered according to terms specific to the bonus program as established by EmblemHealth. Such programs may be amended or terminated by EmblemHealth at any time. Only the original Selling Agent that placed the policy with EmblemHealth is eligible for a bonus payment(s).

Payment of bonus compensation is otherwise subject to all terms, conditions, limitations and exclusions set forth in this Agreement except as limited by the terms of the bonus program.

8.2. Broker of Record Changes

Except as specifically provided otherwise in this Agreement, a broker of record change will become effective on the first day of the month following its receipt and approval by EmblemHealth.

8.3. Vesting

There is no vesting of commissions or other compensation pursuant to this Agreement. There is also no vesting of broker fees for large group HIP HMO business.

8.4. Split Commissions

EmblemHealth allows up to four (4) Brokers of Record for each small or large group policyholder. In the event that more than one Selling Agent of record applies to a group, each Selling Agent shall be entitled to his or her share of the commission, as designated to EmblemHealth by the group policyholder, otherwise payable by EmblemHealth if there had been only one Selling Agent.

EmblemHealth allows only one (1) Broker of Record for each individual direct payment policy.

EmblemHealth allows only one (1) General Agent for each small or large group policyholder regardless of the number of Selling Agents. EmblemHealth does not allow General Agents for individual direct payment policies.

8.5. Overpayments

In the event that EmblemHealth makes an overpayment to Selling Agent for any reason, including but not limited to overpayment due to premium refunds, EmblemHealth shall have the right to offset the amount the over-payment against Selling Agent's future compensation under this Agreement or any other producer agreement between the parties and/or immediately upon EmblemHealth's request, Selling Agent shall repay the amount of any un-recouped overpayment to EmblemHealth. If the Selling Agent does not timely re-pay such overpayment, EmblemHealth shall have the right to pursue any and all rights and remedies it may have at law or equity. Selling Agent shall reimburse EmblemHealth for all expenses incurred by EmblemHealth, including but not limited to, collection agency and/or legal fees, if any, to recoup an overpayment(s) from Selling Agent.

9. Grievance Procedures

Any controversy, complaint and/or grievance on the part of Selling Agent, as alleged against EmblemHealth or, if applicable, the General Agent, shall be submitted to EmblemHealth for investigation and resolution pursuant to the applicable EmblemHealth grievance procedure(s) before being submitted to any agency or court. EmblemHealth shall set forth and amend its grievance procedure(s) from time to time.

10. Assignment

This Agreement is for services specific to the Selling Agent, and may not be assigned or transferred by the Selling Agent without the written consent of EmblemHealth.

EmblemHealth may, without Selling Agent's prior consent and to the extent permitted by law, assign, transfer, delegate or subcontract its rights or obligations under this Agreement, and/or this Agreement to (i) an affiliated or related entity, or (ii) a parent entity or an entity that controls, is controlled by, or that is under common control with it now or in the future, or (iii) an entity or entities which succeed to all or part of the EmblemHealth's business through a sale, merger, corporate reorganization, conversion or other corporate transaction involving EmblemHealth and/or its affiliates and related entities.

11. Advertising

Selling Agent shall comply with all EmblemHealth Network rules and procedures regarding all advertising, soliciting and sales materials. Only advertising and sales material created or approved by EmblemHealth may be utilized by Selling Agent. Selling Agent shall not permit or cause any person, firm or entity to use EmblemHealth's name, trade or service mark or logo, including, but not limited to, the name, trade or service mark or logo of EmblemHealth companies, without the express written permission of EmblemHealth's General Counsel. Selling Agent shall comply with all laws, rules and regulations that pertain to advertising and solicitation of the products or services covered hereunder.

12. Supplies

All material furnished to Selling Agent by EmblemHealth, including forms, applications, proposals and related advertising, and sales material are the property of EmblemHealth and, shall be used only in the manner intended and for the furtherance of EmblemHealth's business. Any materials in the Selling Agent's possession or control at the termination of this Agreement shall be promptly returned to either EmblemHealth.

13. Privacy, Security and HIPAA Requirements

Selling Agent shall maintain the privacy and security of all health and financial information pertaining to EmblemHealth members in accordance with applicable federal, state and local laws and regulations and in accordance with the terms of Appendix A of this Agreement. Selling Agent further acknowledges and agrees that it serves as a "business associate" of EmblemHealth pursuant to 45 C.F.R. Parts 160 and 164 (the "HIPAA Regulations") and that Selling Agent shall satisfy all terms and conditions set forth in Appendix A of this Agreement.

14. Termination

This Agreement shall remain in effect until January 1 following its effective date, unless terminated sooner in a manner and for a reason set forth below. The Agreement will automatically renew on January 1 of each subsequent year, subject to the same terms and conditions, unless it is terminated in accordance with the provisions set forth below.

This Agreement may be terminated by either party hereto at any time, with or without cause upon at least sixty (60) days prior written notice to the other party.

Notwithstanding the above, this Agreement shall terminate immediately in the event Selling Agent's license to conduct the business contemplated hereunder is suspended or terminated, or upon five (5) days written notice in the event (a) Selling Agent, or an owner or principal thereof, is convicted of any crime or misdemeanor involving moral turpitude or dishonesty; (b) Selling Agent, or an owner or principal thereof, is subject to disciplinary action by any regulatory or governmental body or court; (c) Selling Agent fails to comply with administrative requirements of EmblemHealth as shall be set forth and amended from time to time; (d) the material furnished by Selling Agent to EmblemHealth, and relied upon by EmblemHealth in issuing this Agreement, contained any misstatement of fact; (e) upon the death of the Selling Agent; or (f) such other grounds as may be set forth in a separate agreement between the Selling Agent and EmblemHealth as applicable, provided that said grounds for termination have been approved by EmblemHealth.

If EmblemHealth reasonably determines that Selling Agent has breached a material term of Appendix A of this Agreement, including, without limitation, any provision of Appendix A governing the use and disclosure of Protected Health Information, EmblemHealth may immediately terminate this Agreement. In the alternative, EmblemHealth at its option may provide Selling Agent with a written notice specifying the nature of the breach and allow Selling Agent the opportunity to cure the breach. If Selling Agent fails to cure such breach within thirty (30) days of EmblemHealth's written notice, EmblemHealth may immediately terminate this Agreement.

Upon termination of this Agreement, Selling Agent shall: a) if feasible, return or destroy all Protected Health Information as defined in Appendix A received from, or created or received by Selling Agent on behalf of, EmblemHealth that Selling Agent still maintains in any form, and Selling Agent shall retain no copies of such information; or b) if Selling Agent and EmblemHealth reasonably determine that such return or destruction is not feasible, extend the protections of Appendix A to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

15. Reservation of Rights

EmblemHealth specifically reserves the following rights, subject to appropriate regulatory approval where applicable:

- 15-1.** To discontinue or withdraw from sale any certificate, contract, marketing material, proposal or special marketing concept;
- 15-2.** To modify, change, cancel or amend any certificate or contract;
- 15-3.** To determine all terms, conditions and limitations on any certificate or contract;
- 15-4.** To modify, change or amend the terms and conditions under which any certificate or contract may be offered;
- 15-5.** To change, delete or add any EmblemHealth procedure;

15-6. To require Selling Agents to sign an acknowledgment of relationship or any other disclosure forms which EmblemHealth deems necessary;

15-7. Upon reasonable notice, to audit and make copies of any and all records in the Selling Agent's possession which relate to the Selling Agent's performance of its obligations under this Agreement.

15-8. To decline a General Agent's request to appoint Selling Agent.

15-9. To modify any EmblemHealth insurance policies and/or products subject to this Agreement.

16. Miscellaneous

16.1. Compliance With Federal, State, And Local Laws

All parties will comply with all federal, state, municipal and local laws, rules and regulations that may be applicable to this Agreement.

16.2. No Waiver of Default

The failure of either party to exercise any right of termination hereunder shall not constitute a waiver of the rights granted herein with respect to any subsequent default.

16.3 Section Titles

Section titles as to the subject matter of particular sections herein are for convenience only and are in no way to be construed as part of this Agreement or as a limitation of the scope of the particular sections to which they refer.

16.4 Governing Law and Choice of Forum

This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Any lawsuit arising from this Agreement shall be commenced in a court of the State of New York located in New York, Suffolk or Nassau county, or in a United States District Court of the Southern or Eastern District of New York.

16.5 Limitation of Liability.

In no event shall EmblemHealth be liable to Selling Agent for any consequential, punitive or special damages for any cause arising out of or related to this Agreement. EmblemHealth's liability, if any, for damages to Selling Agent for any cause whatsoever arising out of or related to this Agreement shall be limited to Selling Agent's actual damages, which shall not exceed the compensation paid to Selling Agent under this Agreement during the twelve (12) month period immediately prior to the date the alleged cause of action arose.

16.6 Severability

If any of the provisions of this Agreement are held to be invalid or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

16.7 Coordination With Previous Agreements

This Agreement embodies the entire agreement between the parties with respect to its subject matter and supersedes and cancels all prior agreements and understandings relating to such subject matter

IN WITNESS WHEREOF the parties have set their hand, on the signature page of this Agreement.