

Between the undersigned Local Agent _____ and
 _____ PreferredOne Insurance Company (PIC) and/or
 _____ PreferredOne Community Health Plan (PCHP). *(check each company for which Local Agent will receive commission)*

This Agreement shall become effective _____, 20____.

1. **Authority** – The Local Agent, when properly licensed, shall canvass for applicants for Medical coverage offered by PIC and/or PCHP. The Local Agent shall also have the authority to collect the first premium and consideration thereon.
2. **Territory** – The Local Agent may operate within any territory where properly licensed but no exclusive rights in any territory are assigned to the Local Agent.
3. **Compensation** – The Local Agent shall receive compensation at the rate percentages stated in the following graded level scale on the premiums paid in full by each policyholder which designated the Local Agent as Local Agent and which is for Medical insurance plans issued and underwritten by PIC and/or PCHP. The annual premium schedule and rate percentages are applied separately for each coverage.

A. **Large Groups** (51+ eligible employees)

<u>Annual Premium</u>	<u>Medical Scale</u>
Up to \$10,000	8.00%
From \$10,001 to \$25,000	6.50%
From \$25,001 to \$50,000	5.00%
From \$50,001 to \$100,000	3.40%
From \$100,001 to \$350,000	2.00%
From \$350,001 to \$1,100,000	1.00%
From \$1,100,001 to \$2,100,000	0.50%
From \$2,100,001 to \$4,100,000	0.25%
From \$4,100,001 to \$8,100,000	0.13%

Small Groups (2 to 50 eligible employees)

\$18.00 per covered employee per month

- B. Should the compensation agreement be different from the sliding scale, the dollar amount or flat percentage should be submitted to PIC and/or PCHP on a group-specific basis.

Name of Group _____ Effective Date _____
 Compensation: \$ _____ or _____ %

PIC and/or PCHP reserves the right, upon written notice to the Local Agent, to change the rate of future compensation. Compensation shall be discontinued with respect to a particular employer member upon receipt by PIC and/or PCHP of a request from an employer member that the Local Agent is no longer to act as Local Agent.

4. **Local Agent Authority** – The Local Agent's authority shall be limited to the authority given in Paragraphs 1 and 2 above, and the Local Agent shall not have authority to and shall not:
 - A. Make, alter, or discharge any contract; or waive forfeiture; or extend the time of payment of any premium or waive payment in cash; or contract debts in the name of PIC and/or PCHP or any other person; or cash or endorse checks payable to PIC and/or PCHP.
 - B. Issue or cause to be issued or circulated any written or printed matter or other advertising except as may be authorized by PIC and/or PCHP pertaining to PIC and/or PCHP without first obtaining written approval from PIC and/or PCHP.
 - C. Institute legal proceedings against any applicant for insurance, or policyowner, or against any other party for any cause growing out of business transactions under this Agreement or any other agreement between himself/herself and PIC and/or PCHP unless such action shall have been approved in advance in writing by PIC and/or PCHP.
5. **Assignment** – No assignment of commissions shall be recognized unless it is accepted in writing by PIC and/or PCHP. In no event does PIC and/or PCHP assume any responsibilities for the validity or effect of such assignment. Under no circumstances whatsoever shall there be paid or allowed or offered to be paid or allowed any rebate or premium in any manner whatsoever, directly or indirectly.

6. **Indebtedness** – Any indebtedness due from the Local Agent to PIC and/or PCHP may be offset against any amount due said Local Agent from PIC and/or PCHP. Should PIC and/or PCHP for any reason refund any amounts paid as premiums, any commissions received and such amounts paid as commissions shall be refunded upon demand. It is agreed that commissions provided under this Agreement shall in no event be considered as income for the purpose of any pension plan of PIC and/or PCHP. This is an Agreement as to commissions only and grants no authority whatsoever to any agent other than the specified in Paragraphs 1 and 2 above.
7. **Termination and Amendment** – This Agreement may be terminated at any time by either party to this Agreement and may be amended at any time by PIC and/or PCHP. Termination or amendment will be effective thirty (30) days following mailing of notice to the other party's last known address.

Executed on the date first stated above.

8. **Local Agent Information:**

- A. Social Security No. or Federal Tax ID No. _____ B. Date of birth _____
- C. Residence address _____
 _____ Phone No. _____
- D. Business address _____
 _____ Phone No. _____

I, the Local Agent, certify that I have never been (1) denied bonding status; (2) convicted of a felony; (3) convicted of a misdemeanor involving fraud; or (4) a defendant in an insurance department or state or federal administrative proceeding.

<p style="text-align: center;">Local Agent</p> <p style="text-align: center;">_____ Please Print or Type Name in Which Contract is to be Held</p> <p style="text-align: center;">X _____ Local Agent's Signature</p>	<p style="text-align: center;">PreferredOne Insurance Company and/or PreferredOne Community Health Plan 6105 Golden Hills Drive Golden Valley, MN 55416</p> <p style="text-align: center;">_____ By</p> <p style="text-align: center;">_____ Its</p>
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DIRECTION TO PAY

The undersigned Local Agent (*Assignor*) hereby assigns, sells, and transfers to the Assignee designated below all commissions payable to the Assignor under the terms of the foregoing Agreement, and pursuant to any amendments thereto. PIC and/or PCHP is hereby directed and authorized to pay such commissions to the Assignee, and the Assignor shall hold PIC and/or PCHP harmless from all manner of claims and demands which may arise out of PIC's and/or PCHP's good faith compliance with the terms of this Agreement. It is understood that this Assignment shall not become effective until the Assignee is properly licensed in jurisdictions with such a requirement.

This Assignment shall be effective _____, 20____ or upon PIC's and/or PCHP's approval thereof, whichever is later.

Assignee _____

Address _____

Assignee's Federal Tax ID No. _____ or Social Security No. _____

X _____ Date _____
 Local Agent's Signature

Assignment received and approved _____, 20____

PreferredOne Insurance Company by: _____	_____
and/or	Title
PreferredOne Community Health Plan by: _____	_____
	Title