

**AGENCY AGREEMENT**  
(between HealthPlus and Agency)

THIS AGREEMENT, effective the date appointment is procured through the Office of Financial and Insurance Regulation (“OFIR”),<sup>1</sup> is between HEALTHPLUS OF MICHIGAN, INC., a non-profit corporation (“HPM”) and \_\_\_\_\_ (“Agency”), an agency licensed to engage in business as an insurance agency by the State of Michigan and having its principal office at:

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

WHEREAS, HPM is a health maintenance organization licensed as such under the laws of the State of Michigan; and

WHEREAS, Agency is an accident and health insurance agency licensed under the laws of the State of Michigan to act as such in connection with the sale or marketing of health benefits;

NOW THEREFORE, the parties agree as follows:

In consideration of the mutual promises herein contained and other good and valuable consideration, the parties agree as follows:

1. APPOINTMENT OF AGENCY - GENERAL POWERS AND DUTIES
  - A. HPM appoints Agency as an agency with authority to solicit applications for issuance of HPM’s plans including, individual Medicare plans, including but not limited to HealthPlus MedicarePlus Advantage HMO and Supplemental HMO plans.
  - B. Agency agrees that it will be covered by an errors and omissions policy of insurance to such an extent as is consistent with currently accepted practice within the insurance business.
  - C. Agency agrees to notify HPM of any termination, suspension, or expiration of its license to engage in the health insurance business within the State of Michigan.
  - D. Agency will comply with HPM’s underwriting regulations and other pertinent rules and regulations.
  - E. Agency agrees to obtain a subscription rate quote from HPM prior to submitting or presenting any rate quote to any account.
  - F. Neither Agency nor its employees or sub-agencies will make representations with respect to HPM’s benefit coverage except as may be contained in the written

<sup>1</sup> Appointment date through OFIR by HPM: \_\_\_\_\_, \_\_\_\_\_, (to be filled in by HPM ONLY).

material prepared and furnished to the Agency by HPM and will make no oral or written alteration, modification or waiver of any of the terms or conditions applicable to that coverage without the express prior written consent of HPM.

- G. Agency agrees that all printed matter, applications, sales literature and other written material which HPM may furnish will remain the property of HPM, subject at all times to its control, and will be returned to HPM upon demand.
- H. Agency, its employees or sub-agencies, will not employ or make use of any advertisement or material in which HPM's name and/or corporate symbols are contained, without the express prior written consent of HPM.
- I. Agency will indemnify and save harmless HPM from any and all claims, liability, costs, damage or expense, for or on account of any damage or loss, occurring by reason of any failure by the Agency, its employees or sub-agencies to comply with this Agreement, or actions in soliciting business for HPM.
- J. For the period of this Agreement and for two (2) years after termination or nonrenewal of same, Agency will not divulge any confidential information which it has obtained, by reason of its association with HPM, about the business of HPM.
- K. Agency may not appoint sub-agencies under this Agreement without the express written consent of HPM, and will exercise all authority conferred herein personally or through its employees and no others.
- L. Agency agrees that all Groups enrolled under this Agreement will be billed directly by HPM unless expressly otherwise written, and not through any intermediary, including Agency.
- M. Agency agrees to give reasonable notice to HPM of open enrollment meetings and to allow an HPM marketing representative to be present at all open enrollment meetings.
- N. Agency will not reward or remunerate any person for procuring or inducing business, furnishing leads or prospects. Agency will not sell or attempt to sell HPM benefits by means of intimidation or threats, whether expressed or implied. Agency will not induce the purchase of health benefits by means of a promise to sell goods, to lend money, to provide services, or a threat to not do so.
- O. HPM and Agency agree that HPM (and not Agency) will communicate with HPM subscribers concerning the program administration.

## 2. COMPENSATION

- A. HPM agrees to pay to Agency commissions on subscription rates paid to HPM on accounts solicited by Agency. Such commissions will be paid in accordance with Exhibit 1 of this Agreement.
- B. Commissions on non-Medicare plans will be deemed earned when the subscription rates on which they are based are paid to HPM. Commissions are payable only on adjusted rates actually paid to HPM during any given plan year. Commissions on Medicare plans will be deemed earned when an enrollment is submitted and approved by CMS or HPM.

- C. Commissions on non-Medicare plans will be paid on a calendar year monthly basis within thirty (30) days after the end of the month in which HPM receives payment of the subscription rates on which they are based. HPM will pay the agreed upon commissions for Medicare plans on a monthly basis, no more than thirty (30) days following the end of the month in which the enrollment became effective.
- D. HPM will maintain a record for all accounts subject to this Agreement. Said record will list one agency for each account, unless otherwise agreed by HPM.
- E. Commissions for accounts will be payable to the Agency giving the first quote to an account; provided, however, that in the event a dispute arises as to the person entitled to a commission, such commission, if otherwise due, will be paid by HPM only to the Agency of record for the account.
- F. Commissions for subscription rates paid for second and subsequent plan years will be payable only if this Agreement continues to be in effect, Agency is or continues to be recognized as the Agency of record by the account, Agency participates in the renewal of the account, and Agency assists in the continuation and proper administration of the account in any manner satisfactory to the company.
- G. Subject to the termination provisions set forth in this Agreement, commissions will not be payable unless and until the premium charges to which they apply are received by HPM and Agency has complied with the terms of the Agreement and guidelines set out in HPM's underwriting regulations.
- H. Any indebtedness of Agency to HPM will be a first lien against any commission due the Agency under this Agreement, and such commission will be applied first to liquidate such indebtedness before being paid to the Agency.
- I. HPM will have the right to discontinue writing or to alter the coverage under any contract executed between a Group and HPM according to the terms of the contract. If HPM rescinds the contract with a Group and returns premium charges, Agency will repay to HPM, on demand, the amount of commissions he or she has received on the returned premium charges.
- J. No commissions will be payable under this Agreement until the Agency's appointment is procured with OFIR.
- K. Should a disenrollment occur within the first ninety (90) days of a new Medicare policy, HPM is entitled to a refund of the full commission. Per CMS guidelines, should disenrollment occur between months four (4) to twelve (12), commissions will be owed for only those months the policy is active. HPM shall be responsible for reconciliation of enrollment status to commission payment.

### 3. RELATIONSHIP BETWEEN THE PARTIES

- A. The relationship of the Agency and its employees or sub-agencies to HPM is and will be that of an independent contractor. As such, Agency is responsible for all expenses incurred pursuant to the Agency's exercising of the agency created hereunder, unless the reimbursement of such expenses has first been expressly authorized by HPM in writing.

- B. Nothing contained in this Agreement will be construed as creating the relationship of employer-employee between the parties.

4. REPORTS AND AUDITS

- A. HPM agrees to remit to Agency a Commission Statement on a monthly basis depicting the premium charges collected and commissions paid thereon.
- B. Agency agrees to remit to HPM such reports of its activities at such time and on such form as are required by HPM.
- C. HPM will have the right to audit Agency and Agency will have the right to audit the billing and collection of its accounts at such reasonable time and place as is agreed upon by both parties. Such agreement is not to be unreasonably withheld.
- D. Agency agrees to reimburse HPM for the expenses of any audit arising out of the fraud or intentional misrepresentation of Agency or its employees or sub-agencies.

5. LICENSES AND TAXES

Agency will obtain any and all licenses required by the State of Michigan or local laws or regulations and will pay all license, income, self-employment, unemployment, and any and all other taxes and levies upon the business of the Agency and will save harmless HPM from all liability for the same. Agency (and any Agents working under Agency) must be licensed to sell accident and health insurance under Michigan law, must maintain such licensure at all times and not be subject to any disciplinary status. Agency shall notify HPM immediately of any expiration, termination, suspension or other action affecting Agency's license (or any Agent's license working under Agency).

6. TERMINATION AND ASSIGNMENT

- A. This Agreement may be canceled at any time, by either party, by the giving of ninety (90) days prior written notice. Termination will take effect from the expiration of the notice so given. In the event of termination, the commissions payable hereunder will be paid to the Agency only so long as the Agency is recognized by the Group as the Agency of Record. In order to qualify for the continued payment of commissions beyond the effective date of termination, Agency will furnish to HPM a current Agency of Record letter thirty (30) days prior to the anniversary following termination of each Group on which commissions were payable hereunder as of such termination date. Agency agrees that for any year an Agency of Record letter is not so provided and for any year(s) thereafter (whether an Agency of Record letter is provided or not), Agency will be entitled to no further commission payments under this Agreement as to such Group.
- B. This Agreement will automatically terminate with respect to Medicare plans upon request or order of CMS or any other government agency responsible for overseeing HPM's individual Medicare plans.
- C. This Agreement may be terminated pursuant to the terms of Section 8.F. below.
- D. This Agreement will automatically terminate if, at any time, the license granted to the Agency from the State of Michigan is suspended or canceled and/or if the Agency breaches

any provision guidelines set out in HPM's underwriting regulations and guidelines, as amended from time to time.

- E. Upon termination of the Agreement, all material furnished to Agency by HPM will be promptly returned to HPM.
- F. This Agreement will not be assigned by the Agency without the prior written consent of HPM.
- G. This Agreement will inure to the benefit of any successor(s) in interest of HPM or the Agency.

### 7. MEDICARE PROVISIONS

- A. Agency agrees to comply with any and all applicable Medicare laws, regulations and rules, as the same may be amended from time to time or interpreted by any governmental authority or court ("Medicare Laws"). Agency also agrees to comply with any and all applicable Medicare administrative guidelines, manuals, bulletins, requirements, or directives that are issued from time to time by CMS or the Department of Health and Human Services ("DHHS"), as the same may be amended from time to time or interpreted by any governmental authority or court ("Medicare Guidelines").
- B. Agency agrees to comply with all rules and instructions issued by HPM regarding the marketing, sale, enrollment, and servicing of individual Medicare plans offered by HPM, including but not limited to HealthPlus MedicarePlus Advantage HMO and Supplemental HMO plans. Agency shall participate in periodic training from HPM, including an initial training and testing program and an annual retraining and testing program.
- C. Agency agrees that the services performed hereunder shall comply with the obligations of HPM under its contract with CMS. Agency agrees to perform its services in a manner that allows HPM to comply with its CMS contract and all Medicare Laws and Medicare Guidelines. Agent agrees that all marketing materials related to HealthPlus MedicarePlus Advantage HMO plans must be approved by CMS.
- D. Agency acknowledges that HPM is responsible to oversee the activities of Agency in order to monitor compliance with all Medicare Laws, Medicare Guidelines and federal health care laws. Agency agrees to allow HPM to monitor the performance of Agency (and any agents working under Agency) in any manner that HPM deems appropriate. Agency agrees that any coordinated marketing to be carried out by Agency (and any agents working under Agency) must be done in compliance with all Medicare Laws, Medicare Guidelines and federal health care laws (including civil monetary penalty laws).
- E. Agency shall not provide cash, gifts, prizes or other monetary rebates as an inducement for enrollment in any of HPM's individual Medicare plans. Agency shall not provide promotional items or gifts to prospective members in excess of the nominal value established by the Secretary of the DHHS.
- F. Agency shall not have any unsolicited means of direct contact with prospective members, including door-to-door marketing or outbound telemarketing without the prospective member initiating contact. All permitted telemarketing activities must comply with all Medicare Laws, Medicare Guidelines, applicable state law and applicable federal laws,

including but not limited to all requirements of the Federal Trade Commission and the Federal Communications Commission.

- G. Agency shall not send any unsolicited e-mails to a prospective member, unless he or she agrees to allow e-mails and has given consent to Agency.
- H. Agency shall obtain advance written agreement with a prospective member about the scope of every marketing appointment. Agency shall clearly identify the types of plans that will be discussed. Agency shall not sell or attempt to sell any non-health related products in conjunction with any marketing of HPM's individual Medicare plans.
- I. Agency shall not provide for meals of any sort, regardless of value, to prospective members at promotional or sales activities. Agency shall not conduct sales and marketing activities for the enrollment of prospective members at educational events or in health care settings in areas where health care is delivered, except in common areas.
- J. Prior to enrollment or at the time of enrollment of a prospective member, Agency shall disclose that it is contracted with HPM and that it may be compensated based on his/her enrollment in HPM.
- K. Agency acknowledges that some payments under this Agreement are made, in whole or in part, from federal funds and that this Agreement is subject to all laws applicable to recipients of federal funds. Agency shall comply with all laws applicable to recipients of federal funds, including but not limited to Title VI of the Civil Rights Act, the Age Discrimination Act, the Rehabilitation Act and the Americans with Disabilities Act.
- L. To the best of its knowledge, Agency agrees with the following:
  - (i). Agency or any agents working under Agency do not appear on the List of Excluded Individuals/Entities as published by the DHHS Office of Inspector General, nor on the List of Debarred Contractors as published by the General Service Administration.
  - (ii). Agency or any agents working under Agency have not been criminally convicted nor has a civil judgment been entered against any of them for fraudulent activities nor have any of them been sanctioned under any federal health care or prescription drug program.
  - (iii). There are no past or pending investigations, legal actions or other matters involving Agency or any agents working under Agency related to issues involving payments from governmental entities, either federal or state, for health care or prescription drug services.

Agency agrees to notify HPM immediately should there be any changes to any of the above items.

- M. Agency shall maintain accurate and timely records for HPM individual Medicare members in accordance with all applicable federal and state laws and regulations concerning confidentiality and disclosure of member health information and in a manner that safeguards the privacy of any identifiable member information. Records shall be maintained for at least ten (10) years after termination of this Agreement, or completion of

any audit by HPM or any governmental entity, whichever is later. Agency shall permit the DHHS, the Comptroller General, or their designees to audit, evaluate or inspect any books, contracts and other records relating to any services performed under this Agreement. Such access shall be permitted for up to ten (10) years after termination of this Agreement, or completion of any audit, whichever is later.

- N. Agents working under Agency that have clients who are HealthPlus members as a result of business the agent brought to HealthPlus will have the right to solicit their clients' enrollment into a HealthPlus MedicarePlus Advantage HMO, Advantage PPO or Supplemental HMO plan. HealthPlus' communication with its commercial members who are "aging-in" to Medicare eligibility will include a reference to contact HealthPlus or their personal agent.
- O. All agents working under Agency must complete Medicare compliance training and have Medicare compliance certification to sell Medicare Advantage Prescription Drug Plans. Agents must provide HPM with a copy of the certificate prior to selling, or accompanying the first sale of a HealthPlus MedicarePlus Advantage HMO plan.
- P. All agents working under Agency must complete HealthPlus MedicarePlus product-specific training and have MedicarePlus product knowledge certification to sell Medicare Advantage Prescription Drug plans. Training and certification will be provided by HPM at no cost to the agent.

8. BUSINESS ASSOCIATE PROVISIONS (for purposes of this Section, HPM shall be referred to as "Covered Entity" and Agency shall be referred to as "Business Associate")

A. Obligations of Business Associate.

- 1. Business Associate agrees to not Use or Disclose PHI other than as permitted or required by this Agreement or as Required by Law.
- 2. Business Associate agrees to use appropriate safeguards to prevent inappropriate Use or Disclosure of PHI, other than as provided for by this Agreement.
- 3. As required by 45 CFR § 164.530(f), Business Associate agrees to mitigate, to the extent practical, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of HIPAA.
- 4. Business Associate agrees to report to Covered Entity in writing any Use or Disclosure of the PHI not provided for by this Agreement and/or in violation of HIPAA within time frames specified in Section 13402(d) of the HITECH Act.
- 5. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, created by or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply to Business Associate with respect to such information.
- 6. If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to provide access, at the request of Covered Entity, and in the time and manner reasonably designated by Covered Entity, to PHI in a

Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements of 45 CFR § 164.524.

7. If Business Associate receives PHI from Covered Entity in a Designated Record Set, Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity reasonably directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner reasonably designated by Covered Entity.
8. Business Associate agrees to make its PHI and internal practices, books, and records, including policies and procedures, relating to the Use and Disclosure of PHI received from, created by or received by Business Associate on behalf of Covered Entity available to the Covered Entity, or to the Secretary, in the manner lawfully designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA. Business Associate shall provide to Covered Entity a copy of any PHI that Business Associate provides to the Secretary concurrently with providing such PHI to the Secretary.
9. Business Associate agrees to document its Disclosures of PHI and information related to such Disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.
10. Business Associate agrees to provide to Covered Entity in a time and manner reasonably designated by Covered Entity, information collected in accordance with this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.
11. Business Associate (and its agents or subcontractors) shall only request, Use and Disclose the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure.
12. Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 CFR § 164.314.
13. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Electronic PHI, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
14. Business Associate agrees to report within one (1) to five (5) days to Covered Entity any Security Incidents to which Business Associate becomes aware and assumes liability related to PHI security breaches attributable to Business Associate.
15. Business Associate acknowledges that Business Associate has no ownership rights with respect to the PHI.

### B. Permitted Uses and Disclosures by Business Associate



Except as otherwise limited in herein, Business Associate may Use or Disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Agreement, provided that such Use or Disclosure would not violate HIPAA if done by Covered Entity.

C. Specific Use and Disclosure Provisions

1. Except as otherwise limited in this Agreement, Business Associate may Use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
2. Except as otherwise limited in this Agreement, Business Associate may Disclose PHI for the proper management and administration of the Business Associate, provided that such Disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information 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, and the person agrees to notify the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
3. Except as otherwise limited in this Agreement, Business Associate may Use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B).
4. Business Associate may Use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR § 164.502(j)(1).

D. Obligations of Covered Entity

1. Upon request, Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's Notice of Privacy Practices in accordance with 45 CFR § 164.520, to the extent that such limitation(s) may affect Business Associate's Use or Disclosure of PHI.
2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to Use or Disclose PHI, to the extent that such changes may affect Business Associate's Uses and Disclosure of PHI.
3. Covered Entity shall notify Business Associate of any restriction to the Use or Disclosure of an Individual's PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's Use or Disclosure of PHI.
4. Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA or HIPAA will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

E. Permissible Requests by Covered Entity.

Covered Entity shall not request Business Associate to Use or Disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

F. Term and Termination.

1. Term. Notwithstanding the termination of this Agreement, these Business Associate provisions shall remain in effect until all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this section.
2. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
  - (i) Provide a reasonable opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
  - (ii) Immediately terminate this Agreement if Business Associate has breached a material term of these Business Associate provisions and cure is not possible; or
  - (iii) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
3. Effect of Termination.
  - (i) Except as provided in paragraph F.1. of this section, within sixty (60) days upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of PHI.
  - (ii) If Business Associate reasonably determines that returning or destroying PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

G. General.

1. Defined Terms. Terms used, but not otherwise defined, in this section shall have the same meaning as those terms in 45 CFR Parts 160 and 164.

2. Regulatory References. A reference in this Section to a section in HIPAA means the section as in effect or as amended, and for which compliance is required.
  3. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of HIPAA.
  4. Interpretation. Any ambiguity in this Section shall be resolved in favor of a meaning that permits Covered Entity to comply with HIPAA.
- H. State Law. Where the mandatory terms of HIPAA or this Agreement conflict with obligations imposed under *state law* (as defined by HIPAA) relating to the privacy of individually identifiable information and state law is *more stringent* (as defined by HIPAA) than this Agreement or HIPAA, Business Associate shall follow the state law with regard to the proper Uses and Disclosures of PHI. However, prior to taking any action in furtherance of a state law the Business Associate has interpreted is contrary to and more stringent than this Agreement or HIPAA, Business Associate shall notify Covered Entity in writing of its interpretation. If Covered Entity disagrees with the Business Associate's interpretation and believes either that Business Associate is able to comply with state law and this Agreement (and HIPAA), or that HIPAA (and not state law) controls the Use and Disclosure of PHI, then Covered Entity's interpretation shall prevail with respect to the creation, receipt, Use or Disclosure of PHI in connection with the services provided by Business Associate to Covered Entity under this Agreement.

## 9. MISCELLANEOUS

- A. Governing Law. This Agreement will be governed by and enforced in accordance with laws of the State of Michigan.
- B. Enforcement. Each of the parties will have the right at all times to enforce the provisions of this Agreement in strict accordance with the terms hereof notwithstanding any conduct or custom on its part in refraining from doing so at any time. The failure of either party at any time to enforce its rights hereunder strictly in accordance with the same will not be construed as having created a custom contrary to the specific provisions hereof or as having in any way modified or waived the same.
- C. Headings. The headings in this Agreement are for convenience only and do not in any way limit or amplify the terms or conditions of this Agreement.
- D. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to this Agreement. No amendment or modifications will be binding unless in writing and duly executed by authorized representatives of both parties.
- E. Severability. The provisions of this Agreement will be severable, and if any provision of this Agreement is held to be invalid or unenforceable, it will be construed to have the broadest interpretation which would make it valid and enforceable. Invalidity or unenforceability of one provision will not affect any other provision of this Agreement.

- F. Counterparts. This Agreement may be executed in one or more counterpart copies, each of which will be deemed an original and all of which will together be deemed to constitute one agreement and a photostatic, electronic, or telephonic facsimile of this Agreement, counterparts or signatures thereon will be as effective as the original. The return of the executed signature page is sufficient and shall constitute Agency's acceptance of the terms of this Agreement.
- G. Notices. All notices and other communications required or permitted under this Agreement will be in writing and will be deemed given when delivered personally or by registered or certified mail (return-receipt requested), addressed as follows (or any other address that is specified in writing by either party):

If to Agency: (Address)

\_\_\_\_\_

If to HPM:  
 HealthPlus of Michigan  
 2050 S. Linden Road  
 P.O. Box 1700  
 Flint, Michigan 48501-1700

10. EFFECTIVE DATE

This Agreement will be effective as of \_\_\_\_\_, \_\_\_\_\_,<sup>1</sup> and will continue in force until either party hereto elects to terminate it.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the day and in the year first above written.

HEALTHPLUS OF MICHIGAN, INC.

\_\_\_\_\_  
(AGENCY)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

<sup>1</sup> To be filled in by HPM ONLY (appointment date through OFIR).

**EXHIBIT 1  
TO AGENCY AGREEMENT  
COMMISSION SCHEDULE**

TERMS:

**NON-MEDICARE GROUP PLANS**

<u>Number of Subscribers initially enrolled</u>	<u>Commission Level</u>
Sole Proprietor	3.0% of monthly paid premium
2 to 99 eligible employees	5.0% of monthly paid premium
100+ eligible employees	3.0% of monthly paid premium
HealthPlus direct sold with Agency of Record Letter (Orphan Groups)	2.5% of monthly paid premium on effective date of Agent of Record assignment. At renewal, paid according to the base commission schedule.

1. These terms are available for group sales only.
2. Commissions are generated by the 30th of each month on all premiums due and collected from the previous month. Agency is responsible for reviewing the commissions paid by HPM. No adjustments will be made, due to errors, beyond ninety (90) days of the date commissions were first paid.
3. Commissions are payable on all business for which the Agency has an Agency of Record letter on the date said business becomes effective with HPM. However, in no event will commissions be paid retroactively.
4. The sale of a product upgrade or downgrade will not affect the above specified terms.
5. Agencies that lose a group and subsequently reinstate it, do so at the above specified terms.
6. HPM may offer promotional incentives in addition to those outlined above when and how it sees fit.

**NON-MEDICARE INDIVIDUAL SIGNATURE PLANS**

1. 15% of monthly paid premiums on new business.
2. 10% of monthly paid premiums on renewal business.

**MEDICARE PLANS**

1. HPM will pay Agency a commission of fifteen percent (15%) of monthly premium paid by individuals for each individual HealthPlus MedicarePlus Supplemental HMO plan sold under this Agreement.
2. HPM will pay Agency a commission for each individual HealthPlus MedicarePlus Advantage HMO plan sold under this Agreement as follows:

\$300.00 upon initial enrollment  
\$150.00 for each renewal

Commissions for HealthPlus MedicarePlus AdvantageHMO plans may be adjusted annually according to CMS guidelines.

3. Agency is responsible for reviewing the commissions paid by HPM.
4. Agency shall look solely to HPM for payment of all commissions under this Agreement and shall not look to or have any recourse against any actual or prospective HPM member for commissions due hereunder.
5. Renewal commissions payable hereunder will cease upon termination of a policy by the member.

Note:

HPM retains the right to establish production standards and other objective criteria to qualify for commissions or other incentives payable hereunder. Such standards and criteria will become effective upon being communicated in writing to Agency.