

Individual Products Agency Agreement

This Individual Products Agency Agreement (hereinafter referred to as the “Agreement”) is made by and between BlueCross BlueShield of Tennessee, Inc., a Tennessee not-for-profit corporation (hereinafter referred to as “BCBST”), and the Agency listed on the signature page of this Agreement (hereinafter referred to as the “Agency”).

1. Recitals

BCBST is a Tennessee non-profit corporation which desires to contract with and appoint the Agency to market, sell and distribute certain health insurance products and services of BCBST in accordance with applicable laws. BCBST is an independent corporation operating under a license from the BlueCross BlueShield Association (the “Association”). That license permits BCBST to use the Association’s service marks within its assigned geographical location. BCBST is not a joint venturer, agent or representative of the Association nor any other independent licensee of the Association.

The Agency desires to contract with and be appointed by BCBST to market, sell and distribute BCBST’s offerings in accordance with applicable laws and the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants of the parties, the sufficiency of which is hereby acknowledged, the parties have agreed as follows:

2. Definitions

Defined terms, which are capitalized in this Agreement, shall have the following meanings:

- A. “Addendum” is incorporated into this Agreement by reference, and sets forth the terms and conditions upon which the Agency will solicit and be compensated for placing Business with BCBST, and otherwise amends the Agreement.
- B. “Agency Account” is a Member whose Contract with BCBST is currently in force and was placed through the Agency.
- C. “Application” is the document completed by an individual for the issuance of a Contract from BCBST.
- D. “Business” shall be classified as either:
 - 1. “New Business” which are Contracts with individuals that have not previously been covered by BCBST; or whose coverage from BCBST has lapsed, been canceled, or expired for a period of thirty (30) days or more; or
 - 2. “Renewal Business” which is not New Business.
- E. “Commission” is the compensation paid to the Agency in accordance with the terms of the applicable Addendum.

- F. "Contract" is the agreement between BCBST and the individual.
- G. "Coverage" is the Contract and other documents that describe the covered benefits that BCBST has agreed to provide to Members.
- H. "Laws" are applicable State or Federal statutes, regulations and other requirements.
- I. "Member" is an individual who is enrolled for Coverage under a Contract.
- J. "Officer" is a person so designated by BCBST's Board of Directors, or his/her designee.
- K. "Premiums" are the periodic payments required to keep a Contract in force.
- L. "Producing Agent" is a licensed agent contracted with BCBST, or a licensed agent who is employed by or contracts with the Agency.
- M. "Underwriting Standards" are policies established and distributed by BCBST specifying which individuals are eligible to apply for coverage.

3. Agency Duties and Performance Obligations

A. Appointment. The Agency represents that the information contained in each Producing Agent's application for appointment by BCBST, which is incorporated into this Agreement by reference, is and shall remain true and accurate throughout the term of this Agreement. The Agency shall promptly notify BCBST of any: (1) material changes in the information set forth in a Producing Agent's application; (2) inquiries or disciplinary actions initiated against a Producing Agent by regulatory agencies; (3) cancellation, material modification or non-renewal of the Agency's or a Producing Agent's liability insurance coverage or fidelity bonds; or (4) other matters which adversely affect the Agency's or Producing Agent's ability to perform his/her duties pursuant to this Agreement.

If BCBST elects to contract with the Agency, it will appoint those Producing Agents who are appropriately licensed to place Coverage with BCBST pursuant to applicable Laws. The Agency warrants that its Producing Agent(s) will comply with all applicable Laws, including but not limited to, any and all state and federal privacy and do-not-call laws, when representing BCBST pursuant to this Agreement and that its representation of BCBST will not conflict with its obligations to, or interfere with the rights of, any third parties. Producing Agents shall be bound by the terms of this Agreement when representing BCBST and, if there is any conflict between the terms of this Agreement and any agreement between the Agency and a Producing Agent, this Agreement shall be controlling.

B. Solicitation of Eligible Individuals. The Agency shall exercise its best efforts to identify and solicit eligible individuals to apply for Coverage from BCBST during the term of this Agreement. The Agency shall make reasonable efforts to assure that prospective individuals are eligible for Coverage in accordance with BCBST's Underwriting Standards. BCBST shall furnish the Agency with a copy of its Underwriting Standards, which may be amended upon notice to the Agency during the term of this Agreement. BCBST shall provide the Agency with a reasonable supply of individual Application forms and other solicitation materials necessary to accurately describe the Coverage offered to prospective individuals.

C. Solicitation Materials. The Agency shall not use the name, service marks or symbols or otherwise make reference to BCBST, without the express written consent of an Officer of BCBST. The Agency shall not use the name, service marks or symbols or otherwise make reference to BCBST on any Agency Website without the express written consent of an Officer of BCBST.

D. Modification and use of Materials. Underwriting Standards, Applications, solicitation materials or proposals provided by BCBST shall not be amended or altered by the Agency, shall only be used in connection with the Agency's activities on behalf of BCBST pursuant to this Agreement, shall remain the property of BCBST, and shall promptly be accounted for or returned to BCBST upon request or upon the termination of this Agreement.

E. Submission of Applications. The Agency shall make a good faith effort to submit Applications to BCBST within a reasonable time period prior to the effective date of the Contract. BCBST may postpone the effective date of the Contract if the Agency does not submit a fully completed Application prior to the proposed effective date of a Contract.

The Agency shall not collect any application fees, deposits, or Premiums, other than the initial Premium, from applicants, unless expressly authorized to do so, in writing, signed by an Officer of BCBST. BCBST shall bill individuals for any Premiums payable for their Coverages and pay Commissions to the Agency pursuant to the section of this Agreement entitled "Commission Payments", below, following receipt of such payments.

F. Service Responsibilities. The Agency shall cooperate with representatives of BCBST, upon reasonable request, to assist with the installation of coverage and provision of ongoing support services to Agency Accounts.

G. Limitation of Authority. The Agency shall have no authority to bind BCBST to provide Coverage, alter BCBST's established Premiums, or modify the terms, conditions, limitations or exclusions of BCBST's Coverage, without the prior express written consent of an Officer of BCBST. BCBST shall have the sole discretionary authority to either accept or reject an Application and to establish the terms and conditions upon which it will offer Coverage to any prospective individuals. This Agreement shall not grant the Agency an exclusive or preferential right to represent BCBST, or solicit individuals in a geographical area or to solicit any specified individual or category of individuals, except as otherwise specifically provided in this Agreement or an Addendum.

H. Electronic Marketing. Should the Agency elect to promote BCBST offerings via the Internet, the Agency agrees that it shall:

1. Maintain a state-of-the-art technological infrastructure capable of supporting the needs of users purchasing BCBST offerings. Such infrastructure shall include, but not be limited to:
2. Maintain a state-of-the-art technological infrastructure capable of supporting the needs of users purchasing BCBST offerings. Such infrastructure shall include, but not be limited to:
 - a. consumer accessibility to the Agency's website at least 98% of the time.

3. Be responsible for the following administrative and customer services:
 - a. provide licensed professional insurance agents to respond to information requests of site users; and
 - b. provide Graphical Integration, Website Design, Web Interface(s) and Ongoing Platform Support.

I. Notice of Complaint or Legal Action. The Agency shall immediately notify BCBST of receipt of any customer complaint or if it is served any paper or has knowledge of any legal or administrative action, investigation or proceeding against BCBST or which involves BCBST.

4. BCBST Duties and Performance Obligations

A. Individual Products. BCBST shall provide the Agency with the individual product offerings available under the BCBST brand. BCBST shall provide underwriting, fulfillment, billing, claims processing, adjudication and customer service.

B. Website Support. In the event the Agency elects to promote BCBST offerings via the Internet, BCBST shall provide the Agency with the reasonably necessary resources to allow the Agency to post BCBST offerings on the Agency's website. These resources and materials shall not be amended or altered by the Agency, shall only be used in connection with the Agency's activities on behalf of BCBST pursuant to this Agreement, shall remain the property of BCBST, and shall promptly be accounted for or returned to BCBST upon request or upon the termination of this Agreement.

C. Rights Reserved By BCBST. BCBST specifically reserves the right, without the approval of the Agency:

1. To cease doing business, or discontinue or withdraw from sale any BCBST product anywhere in the state of Tennessee.
2. To modify, change, or amend any certificate, contract or premium rate issued in conjunction with any of its products.
3. To determine all terms, conditions or limitations of any certificate or contract issued in conjunction with any of its products and to modify or change the terms under which any product may be sold, except as otherwise provided in this Agreement.

5. Books and Records.

A. Maintenance. The Agency shall maintain complete and accurate business records concerning its activities pursuant to this Agreement, in accordance with its customary business practices. BCBST shall have the right to review and copy records directly related to the Agency's activities pursuant to this Agreement, at its expense upon reasonable advance notice, at the Agency's offices, during its normal business hours. This section shall survive the termination of this Agreement.

B. Record Ownership. In the event this Agreement is terminated, the Agency's records shall remain the property of the Agency and left in the Agency's undisputed possession. In the event this Agreement is terminated, then BCBST may continue to service BCBST customers directly.

C. Purchasers. Individuals who purchase a BCBST offering from an Agency are neither the property of BCBST nor the property of the Agency. If an individual purchases a BCBST offering, the Agency will be considered to be the agent of such individual for that particular transaction, and the individual shall be a policyholder of BCBST. This Agreement shall not prohibit either the Agency or BCBST from soliciting said individual for other products. The fact that the Agency may have offerings from other carriers shall not be considered to be "solicitation" by the Agency.

6. Commission Payments

A. Commissions. BCBST shall bill and collect all Premiums, other than the initial Premium, from an Agency Account. The Agency shall not, under any circumstances, bill, charge or collect Premiums, other than the initial Premium, or any other charges from Members, unless expressly authorized in writing to do so by an Officer of BCBST. Commissions shall not be due or payable pursuant to this Agreement, until BCBST has received and accepted the Premium payment from a Member pursuant to the individual Contract. Commissions payable by BCBST shall be subject to adjustment in accordance with subsection C, below.

B. Payment of Commissions. Commissions payable pursuant to this Agreement shall be calculated and paid in accordance with the applicable Addendum, within forty-five (45) days after BCBST accepts payment of the Premium from a Member. BCBST shall not be obligated to pay a Commission that would violate applicable state or federal laws. BCBST shall pay Commissions to the Agency, in accordance with the terms of this Agreement, provided:

1. the individual Contract remains in effect and the Agency Account pays required premiums pursuant to that individual Contract; and
2. an Agency Account continues to designate the Agency as its agent of record; and
3. such payments are not prohibited by applicable laws.

C. Adjustment of Commissions. BCBST shall adjust Commission payments to Agency as follows:

1. BCBST shall adjust the Commissions payable to the Agency to reflect any retroactive adjustment of the Premium paid by Agency Accounts in accordance with the terms of their individual Contracts.
2. BCBST may deduct the amount of any refund of Premiums or other indebtedness owed by the Agency to BCBST pursuant to this Agreement from future Commissions payable to the Agency, as a first lien against such payments to the Agency.
3. BCBST reserves the right to require the Agency to repay the amount of any indebtedness, upon reasonable notice, as an alternative to offsetting the outstanding indebtedness against future Commission payments to the Agency.

4. BCBST may modify the premium structure with a replacement Commission Addendum, upon providing the Agency sixty (60) days advance written notice of the modification.

D. Suspension of Commission Payment. BCBST may, in its sole discretion, suspend commission payments if:

1. the Agency's or a Producing Agent's license, liability insurance coverage, or fidelity bonds are cancelled, materially altered, or not renewed.

7. Marketing, Advertising and Publicity

A. In General. BCBST and the Agency shall mutually agree on any BCBST offerings portfolio which the Agency markets.

B. Announcements or Press Releases. Except as may be required by law, neither party hereto shall, without the prior consent of the other, which consent shall not be unreasonably withheld or delayed, make any public announcement or issue any press release with respect to this Agreement. Prior to making any public disclosures required by applicable law, the disclosing party shall consult with the other to the extent feasible, as to the content and timing of such public announcement or press release.

C. Website Linking. BCBST maintains a website with the current URL of www.bcbst.com (this website or any successor website referred to as the "BCBST Website") on which BCBST offers information relating to BCBST's health care benefits. If Agency desires to create a hyperlink to BCBST's Website for use on any of Agency's websites, Agency agrees to comply by the following terms:

a. Linking obligations. Agency shall prominently display the hyperlink on each main introductory page of the Agency's website to the BCBST Website with information provided by BCBST.

b. Rights Granted by BCBST.

1. License. BCBST grants to Agency a nonexclusive, nontransferable (without right to sublicense), license to link to the BCBST Website in accordance with the specifications set forth in this Agreement. Agency shall link to the BCBST Website only through the Agency's website, and shall not link to the BCBST Website through any other URL or mirrored site without the prior written consent of BCBST. In addition, Agency shall not (a) display or use the link in a manner that causes the BCBST Website or any portion of its content to display within a frame, be associated with any advertising or sponsorship not part of the BCBST Website, or otherwise incorporate BCBST Website content into a third party website; (b) display or use an online link to any other information file contained in the BCBST Website; (c) alter, block, or otherwise prevent display of any content of the BCBST Website; (d) link to the BCBST Website if, to a reasonable person, Agency's website may be obscene, defamatory, harassing, grossly offensive, or malicious; and/or (e) display or use the link in any manner that construes BCBST to be a part of or endorse Agency or Agency's products or services, including, but not limited to, display of the BCBST link in a font language larger than other brands on the Agency's website.

2. Trade Marks. BCBST grants to Agency a nonexclusive nontransferable (without right to sublicense) license to use, during the term of this Agreement, BCBST's name, logo and certain other trademarks, trade names and service marks of BCBST (the "BCBST Licensed Marks"), solely for purposes of linking the Agency website to the BCBST Website. Agency agrees that the BCBST Licensed Marks are and will remain the sole property of BCBST and agrees not to contest the ownership of the Marks for its own use. BCBST reserves all rights to control the use of the BCBST Licensed Marks, and Agency shall not use, change, or modify the BCBST Licensed Marks in any manner without prior written authorization from BCBST. Agency shall (1) cause the appropriate designation "TM" or the registration symbol "®" to be placed adjacent to the BCBST Licensed Marks in connection with each use or display thereof and to indicate such additional information as BCBST shall reasonably specify from time to time concerning the use of the BCBST Licensed Marks, and (2) comply with all applicable laws pertaining to trademarks in force.

3. Reservation of Rights. Except as expressly granted in this Agreement, Agency shall have no other rights of any kind in the BCBST Licensed Marks, the BCBST Website or the services therein. Under no circumstances will anything in this Agreement be

construed as granting, by implication, estoppel or otherwise, a license to any of BCBST's intellectual property or proprietary technology other than the use of the BCBST Website and BCBST Licensed Marks in accordance with the terms of this Agreement. Agency acknowledges that the BCBST Website is the sole property of BCBST, and this Agreement only grants Agency a limited right to link to the BCBST Website under the terms and conditions of this Agreement. Agency further acknowledges that use of the BCBST Licensed Marks or the BCBST Website contrary to the terms of this Agreement shall cause irreparable harm to BCBST for which monetary damages are an inadequate remedy. Agency consents to the jurisdiction of any court of equity in which BCBST seeks an injunction restraining such breach or threatened breach and to see specific performance of any provision of this Agreement.

c. Obligation of Agency.

1. Technical Obligations. Agency agrees to provide any graphics, text, or technical services necessary to set-up and maintain the appropriate links to the Agency website for the term of this Agreement and in accordance with the specifications set forth in this Agreement.

2. Disclosure. Agency shall comply with all regulations and policies set forth by BCBST and BlueCross BlueShield Association ("BCBST") and as posted on the BCBST Website and the BCBSA website, as amended and revised from time to time, as such regulations and policies relate to linking to the BCBST Website, including but not limited to disclosure regulations as they relate to BCBST and BCBST Licensed Marks and the brands of BCBST and BCBSA ("Brands"). Agency shall provide Disclosure Statements (as defined below) written within immediate proximity of any link to the BCBST Website or BCBSA's Internet website (the "BCBSA Website"). For purposes of this Agreement, "Disclosure Statement" shall include the following statement, which shall be located in immediate proximity to the appropriate link or Licensed Mark: "BlueCross BlueShield of Tennessee, Inc. serves the businesses and residents of the State of Tennessee and is an independent licensee of BlueCross BlueShield Association, Inc. BlueCross BlueShield Association is an association of independent plans."

3. Privacy Policy. Agency agrees to maintain an appropriate privacy policy that accurately details the privacy practices of their organization. This policy will be reviewed by BCBST to ensure compliance with the HIPAA Business Associate Agreement prior to granting approval for linking to www.bcbst.com.

d. Representations of Agency. Agency represents and warrants that the Agency's website contains no obscene, defamatory, harassing, offensive or malicious material, and Agency further represents that the Agency has no knowledge of any plan to implement any such material into the Agency's website.

e. Termination. Agency may cancel the Website Linking portion of this Agreement at any time on sixty (60) days written notice. Agency may terminate the Website Linking portion of this Agreement without sixty (60) days written notice if BCBST fails to cure a default of a material obligation related to Website Linking within thirty (30) days of receiving written notice specifying such default. BCBST may terminate the Website Linking portion of this Agreement at any time and for any reason without prior notice.

Upon termination of Website Linking portion of this Agreement for any reason, all rights and licenses granted under this Agreement shall terminate, and Agency shall immediately cease use of licensed marks and immediately remove any links to the website.

f. Limitation of Warranties. BCBST shall have no obligation to verify the current or continued accuracy of any information provided by Agency or to verify the accuracy of any hyperlink and is not responsible for any errors contained in any hyperlink. The hyperlinks or any information provided in the BCBST Website regarding the hyperlinks are provided "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. Some jurisdictions do not allow the exclusion of implied warranties so the above exclusion may not apply to Agency. UNDER NO CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, SHALL BCBST BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF DATA OR PROFIT, ARISING OUT OF THE USE, OR THE INABILITY TO USE, THE MATERIALS OR LINKS ON THE BCBST WEBSITE, EVEN IF BCBST OR A BCBST AUTHORIZED REPRESENTATIVE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Some states do not allow the exclusion or the limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to Agency.

g. Indemnification. Each party hereto agrees to indemnify, defend, and hold harmless the other and its directors, officers, employees, agents, parent, subsidiaries, successors, and assigns from and against any and all liabilities, claims, suits, actions, demands, settlements, losses, judgments, costs, damages and expenses (including reasonable attorneys' fees) arising out of or resulting from, in whole or part, the performance of the party pursuant to the Website Linking portion of this Agreement or any negligent acts, errors or omissions of the party, its employees, agents or contractors and its affiliated companies and their employees, agents or contractors in performing under the Website linking portion of this Agreement.

D. Payment Card Industry Data Security Standards. If the Agency accepts or maintains account information, the Agency acknowledges that they are responsible for securing cardholder data pursuant to the Payment Card Industry Data Security Standards. "Account Information" and "Cardholder Data" refer to any information contained on a credit or debit card containing a logo owned by MasterCard, Visa, American Express, or Discover. BCBST may, in its sole discretion, conduct an audit of Agency, within normal business hours and upon forty-eight (48) hours notice, to verify Agency's compliance with this provision.

8. Confidentiality, Proprietary Information, and Technology

A. Nondisclosure. The Agency acknowledges that BCBST may furnish information identified as trade secret, proprietary or confidential information ("Confidential Information") to it during the term of this Agreement. The Agency agrees that it shall not disclose such Confidential Information to third parties without the written consent of an Officer of BCBST. The Agency agrees to promptly return all originals and copies of such Confidential Information to BCBST upon request or upon the termination of this Agreement. Both parties recognize that certain technologies, innovations, and processes may be considered as proprietary trade secrets and agree to make no disclosures of these technologies, innovations or processes except as required by applicable Laws, regulations, or pursuant to a court order.

B. Exceptions. It is understood and agreed between the parties that Confidential Information does not include or encompass information which is generally available to the public other than as a result of breach of this Agreement, nor does it include either of the following: information disclosed pursuant to a court or governmental agency order; or information required to be disclosed pursuant to applicable Laws.

C. Use. The Agency shall only utilize Confidential Information as necessary or appropriate to perform its duties pursuant to this Agreement. The Agency shall not otherwise utilize such Confidential Information for its benefit or the benefit of any third party. The Agency may disclose Confidential Information to its Producing Agents, employees and other representatives (its "Representatives") as necessary to permit the Agency to perform its duties pursuant to this Agreement, but only after informing those Representatives of their obligation to maintain the confidentiality of such Confidential Information. The Agency shall be responsible if its Representatives breach this section of the Agreement.

D. Disclosure to Third Parties. The Agency may disclose Confidential Information to third parties only with BCBST's written consent or if compelled to do so by a subpoena, court order or other legally binding order, but only after providing BCBST with notice of an opportunity to challenge such efforts to compel disclosure of that Confidential Information. This non-disclosure obligation shall not be applicable to any Confidential Information that is or becomes publicly available other than as a result of the Agency's breach of this non-disclosure obligation.

E. Damages. Agency acknowledges that any actual or threatened violation of this section may cause irreparable damages to BCBST that are inadequately compensable by damages or other legal remedies. In the event of any such breach or threatened breach of this section, BCBST may seek and obtain injunctive relief, specific performance, or any other equitable remedies available to it.

F. Joint Technologies. Each party may elect, by a separate Attachment, to license technologies, innovations, or processes for use by the other. Technologies, innovations, or processes developed by either party during the course of this Agreement for use in the sale of products offered through this Agreement shall be considered as joint property of the parties and may not be disclosed to or licensed for use by any third party without the express written consent of both BCBST and the Agency.

G. Health Insurance Portability and Accountability Act ("HIPAA"), Agency agrees to comply with applicable provisions of the Health Insurance Portability and Accountability Act ("HIPAA"), including the HIPAA privacy regulation, 45 CFR 160-164 and the Business Associate Addendum of this Agreement (the "Business Association Addendum"). The Business Associate Addendum shall supercede this subsection if it is determined that there is a conflict between the Business Associate Addendum and any provision of this Agreement. The Business Associate Addendum shall survive the termination of this Agreement.

H. Survival. This section shall survive the termination of this Agreement.

9. Suspension and Termination of Agreement

A. Suspension. The Agency's or Producing Agent's appointment with BCBST may be suspended until final review and resolution of any allegations, if BCBST becomes aware of allegations, from Members, their representatives or any other source BCBST deems credible, such as regulatory authorities, that Agency is engaged or has been engaged in conduct in violation of this Agreement. During the period of suspension, Agency is prohibited from marketing any BCBST products. However, BCBST shall continue to pay commissions in accordance with this Agreement for existing contracts in effect prior to the date of suspension. In the event that BCBST determines, after its investigation of the allegations of misconduct that Agency's actions do not warrant termination, BCBST will reinstate Agency subject to a six month probationary period. At the end of the probationary period, Agency's actions will be reviewed and, if found to be in full compliance with the Agreement, probation will be lifted and no further action will be taken.

B. This Agreement or an Addendum may be terminated:

- 1.** immediately upon written notice if either party loses any license which is required to perform its duties pursuant to this Agreement or an Addendum, or becomes insolvent, or is charged with an act of moral turpitude;
- 2.** upon thirty (30) days advance written notice if either party otherwise breaches this Agreement and does not cure that breach within thirty (30) days of being notified of such alleged breach by the non-breaching party; or
- 3.** without cause upon sixty (60) days advance written notice to the other party.

C. Upon the termination of this Agreement, the Commissions payable to the Agency shall be limited to the Commissions payable on Premiums that:

- 1.** have been paid;
- 2.** are owed prior to termination and subsequently paid to BCBST; or
- 3.** are paid for coverage provided to an Agency Account that continues to designate the Agency as its agent of record after the termination date of this Agreement.

If this Agreement is terminated pursuant to section B(1) above, any obligation by BCBST to provide future compensation under the terms of this Agreement is void.

D. The parties agree to cooperate in good faith to promptly resolve any outstanding administrative or payment issues following the termination of this Agreement.

E. The parties acknowledge that they each have a valuable interest in their relationship with Agency Accounts and Members. BCBST reserves the right to solicit Agency Accounts and Members to continue coverage after termination of this Agreement.

F. This Agreement may also be terminated at any time immediately upon the following:

- 1.** If while the Agency is conducting business on BCBST's behalf, either party fails to comply with the Laws or regulations governing the insurance business in Tennessee;
- 2.** If the Agency makes false or misleading statements about BCBST or BCBST products;
- 3.** If the Agency fails to remit BCBST funds to BCBST or subjects BCBST to any liability (except for that incurred by BCBST under a properly issued policy or contract) or commits any fraud hereunder.

Termination pursuant to subsection F voids any obligation by BCBST to provide future compensation under the terms of this Agreement.

10. Independent Contractor Relationship

A. No Employer-Employee Relationship. The Agency and its Representatives are independent contractors of BCBST. This Agreement shall not be construed to create an employer-employee or joint venture relationship among those parties.

B. Insurance Coverage. The Agency shall obtain and maintain all insurance coverages, including but not limited to errors and omissions, workers' compensation and comprehensive general liability coverages, in amounts that are reasonably acceptable to BCBST, and that are necessary or appropriate to insure the Agency against liability or to comply with applicable Laws. The Agency agrees to submit evidence of such coverages to BCBST upon request. The Agency shall also be responsible for paying all wages, benefits, license fees and taxes for itself and its Representatives related to the provision of services to BCBST pursuant to this Agreement.

C. No Liability for Acts of Other Party. Neither party shall have imputed, constructive or vicarious liability for any loss or expense, including attorneys' fees, incurred in the settlement or satisfaction of any claim, action or judgment proximately resulting from any action or failure to act by the other party, its directors, officers, employees, agents or contractors. The responsible party shall indemnify and hold the other party harmless against any and all vicarious losses or expenses related to such claims, actions or judgments; provided the indemnifying party has received timely notice of and been given the opportunity to defend against such actions.

D. This section shall survive the termination of this Agreement.

11. Miscellaneous

A. Binding Nature of Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

B. Entire Agreement. This Agreement represents the entire agreement between the parties related to its subject matter. All prior agreements, negotiations, understandings, conversations, and communications, if any, that relate to the sale of individual products by the Agency on behalf of BCBST are merged into this Agreement and shall be of no force and effect other than as expressly set forth in this Agreement.

C. Severability. The provisions of this Agreement are severable. If any provision or part of this Agreement is held by any court or other official body of competent jurisdiction to be invalid or unenforceable for any reason, the remaining provisions or parts hereof shall continue to be given effect and shall bind the parties hereto unless the unenforceability or illegality has the consequences of substantially altering the respective rights and obligations of the parties.

D. No Waiver. No waiver of any provision of this Agreement shall be deemed to be or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver

constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. The failure of any party to object to any act, omission or breach by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of any rights or remedies hereunder or otherwise provided at law or in equity.

E. Governing Law. This Agreement shall be governed by and construed in accordance with applicable Tennessee Laws.

F. Execution in Counterparts. This Agreement may be executed by the parties hereto signing the same instrument, or by each party hereto signing a separate counterpart, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The parties agree that documents executed by facsimile shall be acceptable in this transaction, and the signatures thereof shall have the same force and effect as original signatures.

G. Amendments. This Agreement may only be amended with the prior written consent of the parties.

H. Captions. The captions appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such paragraph(s).

I. Construction. This Agreement shall be constructed without regard to the party that drafted it. Any ambiguity shall not be interpreted against either party but shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

J. Assignment. The Agency shall not assign its rights or delegate its obligations pursuant to this Agreement to a third party without the prior written consent of BCBST, which shall not be unreasonably withheld.

K. Notices. Any notice required pursuant to the terms of this Agreement shall either be hand delivered or given in writing, sent by certified or overnight mail, return receipt requested, to the address listed on the signature page of this Agreement or such other address as a party may designate, in writing, during the term of this Agreement.

L. Other Acceptable Forms of this Document. The following shall have the same legal effect as an original: facsimile copy, imaged copy, scanned copy, and/or an electronic version.

M. Signature. A scanned, imaged, electronic, photocopy or stamp of the signatures hereunder shall have the same force and effect as an originally executed signature.

N. Disputes. Any dispute related to this Agreement, which the parties are unable to resolve through informal discussion within thirty (30) days after the initiation of that dispute, shall be resolved through binding arbitration or some other mutually acceptable dispute resolution procedure (e.g., mediation). Such arbitration or mediation shall be conducted by the American Arbitration Association in Chattanooga, Tennessee, or another mutually agreed upon dispute resolution agency. The arbitrator shall be required to issue a written decision explaining the basis of that decision and the manner of calculating any award. The arbitrator may not award punitive or exemplary damages and must have the decision on the terms of

this Agreement and applicable Laws. That decision may be entered and enforced in any State or Federal court. It may only be vacated, modified or corrected for the reasons set forth in section 10 or 11 of the United States Arbitration Act, if the award contains material errors of law or is arbitrary and capricious.

IN WITNESS WHEREOF, the parties have executed this Agreement intending to be bound on and after the ____ day of _____, _____ (to be completed by BCBST)
(Month) (Year)

BlueCross BlueShield of Tennessee, Inc.

By: Charlie Goe

Charlie Goe

Title: Business Segment Director

Agency:

By: _____

Title: _____

Printed Name and Title:

Tax I.D. #: _____

Address/Telephone:

Address/Telephone

1 Cameron Hill Circle

Chattanooga, TN 37402

(423) 535-5600



One Cameron Hill Circle

Chattanooga, TN 37402

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