

INSURANCE AGENT AGREEMENT

THIS INSURANCE AGENT AGREEMENT is made _____, 200_ by and between Athens Area Health Plan Select, Inc. (“AAHPS” or the “Plan”), and _____ (“Agent”).

RECITALS:

WHEREAS, AAHPS is licensed to operate a Health Maintenance Organization (HMO) pursuant to Chapter 21 of the Georgia Insurance Code.

WHEREAS, Agent (the term of which includes “Broker(s)” for purposes of this agreement) is licensed in the State of Georgia as an insurance agent or broker to sell group health insurance and prepaid healthcare plans on behalf of the Plan.

WHEREAS, AAHPS wishes to contract with Agent to market its healthcare plans on the terms and conditions provided for herein.

WHEREAS, Agent desires to enter into an Insurance Agent Agreement with AAHPS for the solicitation of applications from Employer Groups located in the AAHPS service area.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein stated, and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE 1. AGENT OBLIGATIONS

1.1 Solicitation of Applications. Agent is authorized to solicit employer group applications for membership in AAHPS health benefit plans. Agent is only authorized to solicit and secure memberships in AAHPS’s programs at the membership rate and such other underwriting criteria currently in effect at the time of the last notification received by Agent from AAHPS.

1.2 Agent Licensure. Agent represents and warrants as a material term of this Agreement that Agent has, and will continue to have as long as this Agreement remains in effect, a currently valid, unrestricted license as an insurance agent or broker in the State of Georgia to solicit and sell group health benefits and prepaid healthcare plans for health maintenance organizations. Agent shall immediately notify AAHPS of the institution of any disciplinary proceedings against or forfeiture of the license held by Agent. Agent shall also provide, upon AAHPS’s request, all information AAHPS deems necessary to comply with applicable state laws.

1.3 No Prior Disciplinary or Criminal Proceedings. Agent represents and warrants that he/she has never suffered the loss, suspension or termination of any license issued by any governmental authority in connection with the sale of any type of insurance, prepaid health care, hospital or professional benefits agreement, and that he/she has never been convicted of a crime involving moral turpitude.

Agent shall immediately notify AAHPS in the event of a loss, suspension or termination of any license issued to such Agent by any governmental authority in connection with the sale of any type of insurance, prepaid health care, hospital or professional benefits program. Agent shall

also immediately notify AAHPS in the event he or she is indicted of a crime involving moral turpitude.

1.4 Submission of Applications. Agent agrees to comply with AAHPS policies and procedures, as amended from time to time, relating to the completion and submission of applications.

1.5 Representations to Employer Groups. Agent agrees that he/she will make no representation with respect to the nature or scope of the benefits of AAHPS memberships, except through and by means of the written material prepared and furnished to Agent by AAHPS. Agent shall have no authority to make any oral or written alteration, modification or waiver of any of the terms or conditions applicable to AAHPS memberships. Group Health Care Contracts offered by AAHPS are those approved by the Georgia Department of Insurance.

1.6 Nondiscrimination. Agent shall not differentiate or discriminate in marketing to employer groups because of race, color, national origin, ancestry, sex, religion, marital status, sexual orientation, age, health status, or expected or actual claims experience.

1.7 Records. Agent shall maintain such books, records, and information of all transactions pertaining to memberships submitted and accepted hereunder and any other records as are required by AAHPS and/or applicable Georgia and Federal law in connection with Agent's relationship with AAHPS, its subscribers and the public. Agent shall retain such records for the time period provided for in applicable statutes or regulations as may be amended from time to time, or, in the event Agent has been duly notified of an audit or investigation of AAHPS, until the date such audit or investigation is resolved whichever is later. This obligation shall not terminate upon termination of this Agreement.

Agent shall retain such records during the term of this Agreement and for seven (7) years after the termination of this Agreement, or such other time period provided for in applicable statutes or regulations as may be amended from time to time, or, in the event Agent has been duly notified of an audit or investigation of AAHPS, until the date such audit or investigation is resolved, whichever is later.

1.8 Access to Records. Agent shall make all books, records, papers and information of Agent relating to this Agreement available to AAHPS and the Georgia Department of Insurance or other governmental authorities with jurisdiction over AAHPS, at all reasonable times upon demand for inspection, examination and copying at Agent's principal place of business or other mutually agreeable locations in Georgia. AAHPS agrees to reimburse Agent for reasonable expenses incurred for copying documents to comply with this provision.

1.9 Confidentiality. Agent agrees to maintain all information obtained about Employer Groups or AAHPS in the strictest confidence in accordance with applicable law.

1.10 Promotional Materials. Agent shall display promotional materials provided by AAHPS within agent's office. Agent agrees not to employ or make use of any advertisement in which the name of AAHPS is used without the prior written consent and approval of AAHPS. All printed matter, applications and sales literature which AAHPS may furnish to the Agent shall remain the property of AAHPS, subject at all times to its control and shall be returned to AAHPS upon demand.

1.11 Change of Address/Sale of Business/Transfer of Assets. Agent shall notify AAHPS in writing of any change of business address at least thirty (30) days prior to the effective date of such change. If Agent desires to sell, transfer or convey Agent's business, or any substantial portion, or all of his/her business assets to another entity, Agent shall so advise AAHPS at least thirty (30) days prior to the sale, transfer or conveyance date. If this Agreement will be part of the transfer, conveyance or sale and will be assumed by the new entity, the acquiring entity shall certify in writing that the acquiring entity will honor and be fully bound by the terms and conditions of this Agreement. Notwithstanding the above, if AAHPS, in its sole discretion, is of the opinion this Agreement cannot be satisfactorily performed by the assuming entity or does not want to do business with that entity for whatever reason, AAHPS may terminate this Agreement as provided for herein.

1.12 Use of AAHPS' Trade Secrets by Agent. As part of the consideration for AAHPS to enter into this Agreement, Agent agrees that he/she shall not use, or divulge to anyone, AAHPS' trade secrets. A trade secret is defined by Georgia law at O.C.G.A. §10-1-761(4) and in addition as used herein means information, including but not limited to, programs, methods, techniques and processes that have independent economic value from not being generally known to either the public or the other persons who can obtain economic value for its disclosure or use. Examples of AAHPS's trade secrets include but are not limited to, AAHPS customer lists not obtained from agent, compiled information concerning its employer groups not obtained from agent, premium rates and operations manuals. This Paragraph shall not be applicable to information that is already in the public domain or that has been made available to the public by AAHPS or has been made available to AAHPS by agent.

1.13 Miscellaneous Duties.

A. Agent shall not present an Athens Area Health Plan Select, Inc. Group Healthcare Contract to an employer for execution unless the employer has at least two (2) employees who will become members of the Plan and the employer will contribute at least fifty (50%) percent of the single rate premium for each employee.

B. Agent shall not enroll any employees of an employer until both the employer and the Plan have signed the Group Healthcare Contract.

C. Agent shall act in a fiduciary capacity for the Plan in regard to all moneys collected or held by Agent.

D. Agent shall provide the Plan with all information necessary for the Plan to obtain and maintain any agent's certificate of authority to represent the Plan as required by the Georgia Insurance Code or Insurance Department regulations.

ARTICLE 2. AAHPS OBLIGATIONS

2.1 HMO License. AAHPS shall maintain its Georgia HMO license during the term of this Agreement.

2.2 Actions Against AAHPS. AAHPS shall notify Agent of any legal or governmental action concerning or related to AAHPS's licensure as a Health Maintenance Organization by the State of Georgia that would materially impair the ability of AAHPS to carry out its duties and obligations as set forth in this Agreement.

2.3 Discontinued or Altered Programs. AAHPS reserves the right to reject any and all applications submitted by the Agent, and to discontinue writing the Employer Group programs offered.

ARTICLE 3. INDEMNIFICATION

3.1 Indemnification by AAHPS. AAHPS shall defend, indemnify and hold harmless Agent, its officers, employees and agents against any claim, legal action for injunctive relief or damages, and administrative proceeding, by a third party of any type where such claim, legal action or administrative proceeding arises as a result of acts or omissions of AAHPS, its directors, officers, employees or agents (other than Agent) under the terms and conditions of this Agreement to the extent they are not attributable to the actions or failure to act by Agent. Such defense of Agent by AAHPS shall be solely at AAHPS' expense by counsel reasonably acceptable to Agent, and Agent shall have the right, solely within its discretion to take control of its own defense at any time at its own expense.

3.2 Indemnification by Agent. Agent shall defend and hold harmless AAHPS, its directors, officers, employees and agents against any legal action, claim, legal action for injunctive relief or damages, and administrative proceeding, by a third party of any type where such claim, legal action or administrative proceeding arises as a result of acts or omissions of Agent, its directors, officers, employees or agents under the terms and conditions of this Agreement to the extent they are not attributable to the actions or failure to act by AAHPS. Such defense of AAHPS by Agent shall be solely at Agent's expense by counsel reasonably acceptable to AAHPS, and AAHPS shall have the right, solely within its discretion to take control of its own defense at any time at its own expense.

3.3 Sharing of Information. The parties agree to cooperate in good faith in the conduct of the defense of any action to which both parties are named defendants; provided that such cooperation does not impair either party's ability to prepare and present their individual defense; and further provided that neither party shall be required to take any action or provide the other party with information that would jeopardize or result in a waiver of any applicable privilege or violate any duty of confidentiality.

ARTICLE 4. COMPENSATION

4.1 Compensation. AAHPS shall pay to Agent the Service Fees at the rate set forth on the Service Fee Schedule attached hereto as Exhibit A, so long as (1) Agent continues to be actively engaged as a licensed Broker or Agent in the State of Georgia, (2) Agent continues to be designated by the Employer Group ("Group") named in the Policy in writing as the Broker or Agent of record with respect to such Group, (3) this Agreement between Agent and AAHPS is in full force and effect, and (4) the Group continues to be enrolled with AAHPS. Service Fees will be paid to the Agent by AAHPS only after the application has been approved and processed in accordance with AAHPS current underwriting practices and the Group applicant has been accepted and paid the premiums or subscription charges.

4.2 Service Fee Schedule. Agent agrees that AAHPS shall have the right to modify the Service Fee Schedule as it deems appropriate. Modifications and amendments to the Service Fee Schedule shall become effective on the date set forth in any such modification, amendment or endorsement, or upon the date Agent receives notification of a replacement Service Fee Schedule. Service fees shall be payable during the calendar month following the month of receipt by AAHPS of the respective subscription charges on which the service fees are payable. If a

subscription charge adjustment shall be made for any period, then a corresponding adjustment shall be made in the Agent's service fees for the period commencing with the adjusted subscription charges. Notwithstanding the above, modification or amendment of the Service Fee Schedule shall not apply to commissions payable on subscription charges received by AAHPS for Group Healthcare Contracts issued or renewed prior to the effective date of the modification or amendment. Service fees for Group Healthcare Contracts issued prior to the effective date of any modified or amended Service Fee Schedule shall be governed by the Agent's Agreement and the Service Fee Schedule in effect at the time of issuance and shall remain in force until the renewal of said Group Healthcare Contracts. Subsequent service fees shall be paid in accordance with the Service Fee Schedule in effect at the time of renewal of said Group Healthcare Contracts. Agent shall have no claim for commissions except as herein provided.

4.3 Collection of Premiums. Agent shall have no authority, without written permission of AAHPS to collect or provide receipt for premiums other than the first month's premiums; deduct commissions or permissible fees; endorse checks payable to AAHPS; or perform any other act or duty not specifically authorized. Any and all funds received by Agent for the account of AAHPS shall at all times be segregated from the assets of the Agent and shall, within one (1) business day of receipt by Agent, be promptly deposited into a trust account in a state or federal bank, authorized to do business in Georgia and insured by an appropriate federal insuring agency. All such funds shall be transmitted to AAHPS by Agent within five (5) business days after receipt of such funds by Agent.

4.4 Liens on Commissions. Any indebtedness of said Agent to AAHPS shall be a first lien against any commission due Agent or his/her representative or assigns under this Agreement and such commission shall be applied to liquidate such indebtedness.

4.5 Other Expenses. Agent shall have no claim or shall not be entitled to reimbursement for any expenses, unless the incurring of such expenses was authorized in writing in advance by AAHPS.

4.6 Employer Group Non-liability. Agent shall look solely to AAHPS for compensation due Agent from AAHPS under this Agreement. Agent shall not attempt to collect AAHPS' liability for amounts owed to Agent from Employer Groups, notwithstanding the fact that AAHPS fails to discharge its liability to Agent.

ARTICLE 5. INSURANCE

5.1 Agent Liability Insurance. Agent, at its sole cost and expense, shall procure and maintain such policies of general liability, professional liability, errors and omissions, and other insurance as shall be necessary to insure Agent and its employees, contractors, agents, shareholders, directors and officers against any claim or claims for damages arising by reason of Agent's performance of or failure to perform any actions hereunder or use of any property required and provided by Agent hereunder. Agent shall provide AAHPS with not less than thirty (30) days' advance written notice of any cancellation, reduction, or other material change in the amount or scope of any coverage(s) required hereunder.

ARTICLE 6. TERM AND TERMINATION

6.1 Terms of Agreement. The terms of this Agreement shall commence upon the date of execution by both parties and shall remain in effect for one (1) year from that date unless terminated by either party as provided for herein. Thereafter, this Agreement will continue in

effect from year to year, unless terminated pursuant to the terms of this Agreement, provided, however, that the fees set forth on Exhibit A and any other term may be amended by mutual agreement or as otherwise provided for herein.

6.2 Termination Without Cause. This Agreement may be terminated without cause by either party by written notice given to the other party, delivered in person or mail, certified, return receipt requested, at least thirty (30) days in advance of such termination. In the event of termination as provided in this paragraph, the commissions heretofore secured by the Agent shall be continued to be paid to the Agent up to the date of termination.

6.3 Termination for Misconduct by Agent. This Agreement may be terminated immediately if Agent is indicted or convicted of any criminal act, becomes the subject of any licensure or disciplinary action by any government agency, becomes the subject of any investigation for fraud or malfeasance by any government agency, or breaches any material provision of this Agreement. Such termination shall be effective upon mailing of the notice of termination by Certified Mail – Return Receipt Requested, to Agent.

ARTICLE 7. GENERAL PROVISIONS

7.1 Amendments. AAHPS may amend this Agreement in whole or in part upon giving thirty (30) days prior written notice to Agent of such proposed amendment. If the Agent fails to object within the thirty (30) day period the amendment shall become a part of this Agreement. Any amendment by Agent must be approved in writing by AAHPS. All such amendments shall be attached hereto and shall become part of this Agreement.

7.2 Applicable Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of Georgia.

7.3 Arbitration. Any controversy or claim arising out of or relating to this Agreement including, but not limited to, any controversy or claim arising out of or relating in any way to the construction, interpretation, or scope of this Agreement or to any claimed breach of any term or provision of this Agreement, shall be the subject of non-binding mediation. The parties shall appoint a disinterested mediator (if they cannot agree on a mediator, either party may petition the Chief Judge of the Clarke County Superior Court to appoint a mediator), whose expenses shall be shared equally. If the claim or dispute is not resolved by mediation, then either party seeking arbitration must serve written notice of its intent to arbitrate upon the other within thirty (30) days of the conclusion of the mediation process. The claims or dispute shall be arbitrated in Athens, Georgia or such other location mutually agreeable, pursuant to the Rules of Commercial Arbitration of the American Arbitration Association. The parties agree to be bound by any final decision rendered in accordance with said procedure and the decision of the arbitrators may be entered in any court having jurisdiction thereof. Each party shall pay one half of the arbitrators' expenses and fees as a condition of its participation in such arbitration. The arbitrators may award costs and attorneys fees to the prevailing party, but shall not award punitive damages to any party.

7.4 Assignment. Except as provided for herein, this Agreement and the rights, interests and benefits hereunder shall not be assigned, delegated, or transferred in any way, and shall not be subject to execution, attachment or similar process without the prior written consent of both parties. The duties imposed on Agent shall not be subcontracted or delegated without prior written consent of AAHPS. AAHPS and Agent shall have the right to assign this Agreement to another subsidiary entity into which AAHPS or Agent is merged or with which AAHPS or

Agent is consolidated, or to a purchaser of all or substantially all of the assets of AAHPS or Agent or as part of a corporate reorganization.

7.5 Attorneys' Fees. Except as otherwise set forth herein, if any action at law or equity is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which such party may be entitled.

7.6 Confidentiality of this Agreement. To the extent reasonably possible, each party agrees to maintain this Agreement as a confidential document and not to disclose the Agreement or any of its terms without the approval of the other party or Court order.

7.7 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each one of which shall be deemed the original, but all of which shall constitute one and the same instrument.

7.8 Gender. As used herein, the masculine, feminine or neuter gender, and the singular and plural number or tense, each shall be deemed to include the others whenever the context so indicates.

7.9 Headings. Paragraph headings are not to be considered part of this Agreement and are included solely for convenience and reference and are not intended to be full or accurate descriptions of the content thereof and shall have no force or effect.

7.10 Independent Parties. None of the provisions of this agreement are intended to create or shall be deemed or construed to create any relationship between the parties hereto other than that of independent contractors, solely for the purposes of effecting the provision of this Agreement.

7.11 Integration of Entire Agreement. This Agreement, including all exhibits hereto, contains all the terms and conditions agreed upon by the parties regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations or representations of or between the parties, either oral or written, relating to the subject matter of this Agreement, which are not expressly set forth in this Agreement, are null and void and of no further force and effect.

7.12 No Third Party Beneficiary. Nothing in this agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any remedy or claim under or by reason of this Agreement, or any term, covenant, or condition hereof as third party beneficiaries or otherwise, and all of the terms, covenants and conditions hereof shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns.

7.13 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if personally delivered; or, if mailed, upon being placed in the United States mail, certified, postage prepaid, addressed as follows:

If to AAHPS: 295 W. Clayton Street
Athens, Georgia 30601
Attention: CEO

If to Agent: Address Indicated on Signature Page

7.14 Other Agreements. Nothing in this Agreement shall prevent AAHPS and the Agent from contracting with each other for the provision of services not covered by this Agreement. This Agreement is not intended to create any exclusive relationship for AAHPS or Agent.

7.15 Severability. The invalidity or unenforceability of any terms or provisions hereof will in no way affect the validity or enforceability of any other term or provision.

7.16 Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as to be construed to be a waiver of any subsequent breach thereof, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

IN WITNESS WHEREOF, the undersigned have executed this Agreement in Athens, Georgia, effective as of the date written above.

AGENT:

AAHPS:

Agent: By: _____

By: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Georgia License No.: _____

(attach copy of applicable insurance license)

Federal ID No.: _____

Agent's Address: _____

Telephone Number: _____



BROKER BONUS AND COMMISSION SCHEDULE

BROKER COMMISSION SCHEDULE

EMPLOYEES	COMMISSION
	(% OF PREMIUM)
2 – 9	8%
10 – 19	7%
20 – 49	6%
50 – 99	5%
100+	NEGOTIABLE

SMALL GROUPS (20-49 EMPLOYEES)

1 Case.....	\$1,500
2 Cases.....	\$2,000
3 Cases.....	\$2,500
4 Cases.....	\$5,000
5 Cases.....	\$7,500

LARGE GROUPS (50+ EMPLOYEES)

1 Case.....	\$1,500
2 Cases.....	\$3,000
3 Cases.....	\$6,000
4 Cases.....	\$10,000
5 Cases.....	\$15,000

Bonus checks will be issued the month following the effective date. All cases must remain in effect for a minimum of 12 months, or any unearned bonus will be charged back to the commission account.

Respectfully,

Jeff Kunkle
Executive Director