Aetna Commercial Producer Product Addendum
To Aetna's Producer Agreement

This Aetna Commercial Producer Product Addendum ("Commercial Addendum") is attached to and is a part of the Aetna Producer Agreement (the "Agreement") between the Producer and the Company. Terms defined in the Agreement have the same meaning in the Commercial Addendum. Terms and provisions of the Agreement not specifically addressed in this Commercial Addendum remain unchanged. In the event of a conflict between the provisions of this Commercial Addendum and the Agreement, the provisions of the Commercial Addendum will apply.

In consideration of providing Producer with the opportunity to negotiate, solicit, sell and market insurance products offered under this Commercial Addendum, the parties wish to enter into this Commercial Addendum to the Agreement.

1. Products Covered by this Commercial Addendum

Producer is authorized to solicit and submit applications for those Group Products including Group Medicare, Individual Medical Products, Individual Dental Products, Student Health Plan Products (whether sold as Group, Blanket or Individual) and Limited Benefits Plan Products that are available and being offered in such market by Company ("Company Products") as of the Effective Date of this Addendum in the state or states for which Producer is properly licensed, appointed and/or registered by Company, as applicable. Company may at any time cease doing business in any state, add to, delete from or otherwise alter the coverages, rates, provisions or exclusions of any Company Products without the consent of Producer. Producer's authority under this Addendum is non-exclusive.

THIS SECTION SHALL ONLY APPLY TO THE EXTENT PRODUCER RECEIVES COMMISSIONS FROM COMPANY PURSUANT TO THE APPLICABLE COMMISSION SCHEDULE

2. Compensation

a. Commissions. For purposes of this Commercial Addendum, the term "commissions" shall be defined broadly to include any compensation paid by Company out of Company funds to Producer in exchange for the services provided by Producer and described in the Agreement and may include payments based on (i) the amount of premium collected by Company from a customer or (ii) the number of employees eligible for benefits employed by customer, in each case, which are included in the premiums charged by Company, but shall specifically exclude (a) any bonus payments; and (b) any payments made by a customer to Producer for which Company acts as a billing and collection agent or in a similar capacity, including payments that Producer has negotiated directly with the customer and are collected outside of Company's premium. Company will pay Producer commissions on Company Products sold by Producer and issued by Company, if such commissions are required to be paid, in accordance with the terms set forth in the applicable commission schedule, which is hereby made a part of the Agreement. All commissions, including renewal commissions, required to be paid by Company under this Agreement may, in the sole discretion of the Company, be paid to Producer by electronic means.

b. Agent of Record. Commissions will only be paid on such business for the time period which Producer has been designated "Agent of Record" or "Broker of Record" in writing by the customer. Any change in "Agent of Record" or "Broker of Record" designation by the customer must either be (i) in writing on the customer's letterhead and signed by an authorized company officer or other customer personnel acceptable to Company, or (ii) provided to Company during open enrollment by a state- or federally based exchange or on Company form during non-open enrollment period. An "Agent of Record" or "Broker of Record" letter that designates a change for commission payments (including a change in the recipient of such payments) will become effective on the first of the month following receipt by the Company unless another future date is designated in the letter, and the Producer agrees that such change may apply retroactively. If commission payments are adjusted retroactively and Producer is no longer the "Agent of Record" or "Broker of Record" as of an earlier date, Producer agrees that Company can set- off against future commissions and/or require Producer to remit to the Company any excess commission payments made by the Company within ten (10) days of the effective date except to the extent Producer can document, to the reasonable satisfaction of Company, that Producer continued to service such customer during the period between such earlier date and the retroactive

date. Company shall not seek to offset or have the Producer remit any overpayments to Company beyond two years from the date of the event(s) giving rise to such recovery or offset efforts by Company. Notwithstanding the foregoing, the Company shall be entitled to seek to offset or have the Producer remit beyond such two year period if the Company initiates such actions within such two year period. Producer shall not seek to recover any underpayments or non-payments by Company to Producer beyond two years from the date of the event(s) giving rise to such recovery efforts by Producer.

c. **Commission Assignment Rights**.

i. Producer may, with Company's prior written consent, assign commissions payable with respect to Company Products sold by Producer and issued by Company under this Agreement, subject to the following conditions:

1. The assignment must be in writing, in a form acceptable to Company, and irrevocable, and will be honored only when the assignee certifies that (a) the assignor is a true employee of the assignee (or that the assignor is a partner of the assignee if the assignee is a partnership), (b) the assignor is required to assign all commissions to the assignee as a condition of employment and (c) Company shall report such commissions for tax purposes as income to the assignee;
2. The terms of the assignment must be determined by Company not to prejudice the interest of Company;
3. This Agreement is in force and in good standing at the time of assignment; and
4. The Company determines in its sole discretion that such assignment of commissions is lawful.

ii. Any purported assignment or transfer of any interest in Producer's commissions other than in strict compliance with this Paragraph (b) shall be void as to Company.

iii. Any assignment or transfer of any interest in Producer's commission in compliance with this Paragraph (b) will not relieve Producer of its obligation to refund any impermissible commission payments, including, without limitation, payments made to Producer prior to Company's receipt of an "Agent of Record" or "Broker of Record" letter that designates a retroactive change in a customer's agent or broker of record.

d. **Rights to Commissions on Termination**. If the Agreement terminates (other than under Paragraph 2 of Section B of the Agreement), the Company shall continue to pay commissions to Producer at the applicable renewal rates used by Company to pay renewal commissions to Producer on Company Products sold by Producer at the time of termination for as long as Producer continues to be designated as "Agent of Record" or "Broker of Record" by the customer with respect to the Company Product for which renewal commissions are paid.

e. **Loss of Renewal Commissions.**

i. No further commission shall be payable to Producer should Company terminate the Agreement pursuant to Paragraph 2 of Section B of the Agreement.

ii. If Producer is receiving commissions pursuant to post termination rights under Paragraph (c) of Section 2 of this Commercial Addendum, no further commissions shall be payable to Producer if:

1. Producer fails to immediately remit to Company any funds received on behalf of the Company;
2. Notwithstanding Company's right of setoff, Producer shall at any time be indebted to Company for more than sixty (60) days;
3. Producer induces or attempts to induce any customer to give up coverage or replace a Company Product by another company unless such change is clearly in the best interest of the customer;
4. Producer purports to act, or represents that Producer is entitled to act, in any way on behalf of Company other than as expressly permitted by this Agreement; or
5. Producer commits any act of fraud or dishonesty, engages in inappropriate behavior or conduct, breaches any fiduciary duty or does anything which would have been a material default or substantive breach during the period this Agreement remained in effect.

f. **Limitations on Commission Payments**. Subject to the terms of the Agreement, Company will pay to Producer commissions due under this Commercial Addendum within thirty (30) days following the end of each calendar month based on premiums received and recorded by Company, if such commission is required to be paid. However, Company reserves the right to accumulate commissions until commissions due Producer equal at least $100.00. Producer further agrees that to the extent of any indebtedness to Company from Producer, Company shall have a first lien against any compensation which may be due Producer by Company, and such indebtedness may be deducted at the Company's option from any compensation which may be due Producer by Company regardless of how such indebtedness was created. In addition, if Company does not receive a required percentage of the customer's billed premium within thirty (30) days of such billed premium's due date, the Company may withhold payment of any and all commissions that are otherwise due to Producer that are associated with such billed premium. The Company shall disclose any such required percentage in writing to Producer prior to implementing any premium collection requirement. If a return premium charge is due on Producer-generated business, Company has the right to charge back to Producer, or set-off against future commissions due Producer, the amount of commission previously paid to Producer on the amount of returned premium charge in situations in which commission payments by Company to a Producer are based on premiums paid by a customer to Company. If employee eligibility for a customer is retroactively adjusted, Company has the right to charge back to Producer, or set-off against future commissions due Producer, the amount of commission previously paid to Producer based on the number of eligible employees in situations in which commission payments by Company to a Producer are based on eligible employees of the customer.

g. **Disclosure of Compensation**. Producer agrees to disclose in writing to each customer in advance of purchase the nature of any compensation Producer will receive or may be eligible to receive from Company in connection with the placement or servicing of the customer's business, as well as the nature of any other material business relationship that Producer has with Company. Producer will provide any additional disclosure required under state or federal law, including if applicable any disclosure that may be required pursuant to the Federal Department of Labor's ERISA Prohibited Transaction Exemption 77-9. Company may disclose to customers the compensation paid to Producer by Company or for which Producer may be eligible in accordance with Company's policies or applicable law.

3. Producer Obligations.

a. Initial Premiums. Producer may collect initial premium payments when appropriate but only through checks, drafts or money orders payable to the applicable insurance company. Notwithstanding the preceding sentence, any funds that Producer receives for or on behalf of Company shall be received and held by Producer in a fiduciary capacity, shall be separately accounted for, shall not be commingled by Producer with personal funds of Producer or other business accounts managed or owned by Producer, shall be deposited to a trust account in a state or federal bank authorized to do business in the appropriate state and insured by an appropriate federal insuring agency, and shall be remitted to Company promptly but in no event later than five (5) calendar days from the date of receipt.

b. Assistance. Producer shall provide all necessary support including making available any documents so that Company may timely comply with its responsibilities and obligations under applicable law and regulatory guidance.

c. Compliance. Producer will comply, and will assure that its agents comply, with all the rules of Company and with applicable federal, state or other laws and regulations governing the sale of Company Products, including Health Insurance Portability and Accountability Act ("HIPAA") Privacy Rules, and state laws governing the licensing and registration of insurance brokers and agents.

d. Notice. Producer will immediately notify the Company of its receipt of any complaint or inquiry from a regulator or upon obtaining knowledge of any legal or administrative action, investigation or proceeding against the Company or which involves the Company or policyholder(s) of the Company.

e. Records. Producer agrees to maintain complete and separate records for Company for a period of at least ten (10) years of all transactions pertaining to applications submitted to and accepted by Company, and any other documents as may be required by the applicable Department of Insurance or other governmental agency. Any and all records described above or as may otherwise relate to Producer's activities in connection with Company business shall be accessible and available within five (5) days of request to representatives of Company, and to federal, state and local governmental authorities having jurisdiction over Company, or their respective designees, each of whom may audit such records at any time upon reasonable prior notice while this Agreement is in effect or within ten (10) years after termination thereof.

f. Return of Company Materials. Upon termination of this Agreement, or sooner if requested by Company, Producer will immediately deliver to Company any and all literature, documents, data, information, order forms, memoranda, correspondence, customer and prospective customer lists (obtained from Company), customer orders, records, cards or notes acquired, compiled or coming into Producer's knowledge, possession, custody or control in connection with his/her activities as a sales agent/ producer or sales representative of Company, as well as all machines, parts, equipment, rating tools and other materials received by Producer from Company or from any of its customers, agents/producers or suppliers in connection with such activities.

4. Miscellaneous.

a. Quotes. Producer understands and agrees that any quote Producer may develop out of its own system, a third-party vendor system, or in its own format for purposes of discussion with prospective clients shall be for illustrative purposes only and not binding on Company.

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