



OHIO INSURANCE PRODUCER AGREEMENT

This Ohio Insurance Producer Agreement is between Medical Mutual of Ohio (the "Company") and _____ (the "Producer").

Recitals

A. The Company desires to promote the sale and renewal of the programs, products, policies and services (the "Products") offered by the Company, or its parent company, subsidiaries and affiliated companies as described herein.

B. The Producer is willing to sell and renew the Products on behalf of the Company.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Company and the Producer hereby agree as follows:

Provisions

1. COMMISSIONS

A. The Company shall pay, subject to all the terms, conditions, and limitations hereof, commissions for Products as set forth in the Company's Ohio Standard Commission Schedule for Health and Life Accounts ("Schedule A").

B. The Company may, at any time, modify Schedule A on a prospective basis upon thirty (30) days prior written notice to the Producer.

C. Commissions will be computed as provided in Schedule A. Such commissions shall be payable as long as the Producer remains the Producer of Record for a group, as recognized by both the group and the Company. The Company will make available monthly commission statements to the Producer, or a designee, and the Producer shall be responsible for reviewing the accuracy of each monthly commission statement.

D. Except for clerical errors or undisclosed material facts, the commission statement that the Company makes available to the Producer shall be deemed to be an accurate and complete record of (1) all commissions the Company owes the Producer; and (2) all commission accounts between the Producer and the Company purporting to be covered by that statement. Questions or discrepancies must be brought to the attention of the Company, in writing, within one hundred eighty (180) days from the date of the commission statement, or the information on the commission statement will be deemed accepted by the Producer.

E. Except as provided herein, any assignment or other alienation of any commissions payable under this Agreement shall be valid only with the written consent of the Company.

F. The Company will honor a Producer of Record letter from the group designating the Producer to receive commissions for the group purchaser if that Producer has been appointed by the Company, or if the Company agrees to prospectively appoint the Producer. Producer of Record changes will not be accepted on any new group during the first twelve (12) months following the group's effective date of coverage. After the initial twelve-month (12) period, Producer of Record changes will be accepted, and commissions shall be paid to the Producer pursuant to Producer of Record designation.

G. The Company may cancel, nonrenew or otherwise terminate or reduce coverage on any insurance policy that Producer places with the Company at any time, as permitted by law, at the Company's underwriting discretion. If any Product sold is cancelled or terminated for any reason or cause, all right to commissions that might otherwise have been due hereunder shall cease. Producer agrees to refund commissions on policy cancellations, terminations or coverage reductions in each case, whether initiated by the Company or the insured, at the same rate at which such commissions were originally paid. No commissions shall accrue on any coverage issued to any employee under any conversion privilege in any Product.

H. Any indebtedness of the Producer to the Company arising at any time shall, at the Company's discretion, be deducted from any monies due the Producer, and the Company shall have a first lien upon any future commissions or allowances due the Producer hereunder.

I. If any product sold is terminated for any reason or cause, all right to any commissions that might otherwise have been due hereunder shall cease. No commissions shall accrue on any coverage issued to any employee under any conversion privilege in any Product.

2. TERM

The term of this Agreement shall begin on the date it is signed by Company (the "Effective Date") and shall continue until terminated.

3. PRODUCER'S LICENSE

The Producer warrants and represents that the Producer and all subagents or employees that are designated by the Producer and authorized and appointed by the Company under the terms of this Agreement are duly licensed under Ohio law as insurance producers to transact life, accident and health insurance, and agrees to assure that all said licenses are maintained in full force and effect during the term hereof and to notify the Company immediately of any termination, suspension, or expiration of any such licenses.

4. AUTHORITY OF THE PRODUCER

The Producer is hereby appointed as the Company's Producer, and the Producer's authority is limited by the Company's underwriting rules and practices, by such bulletins, documents and other notices as the Company may transmit to the Producer from time to time, and by the terms, conditions and provisions set forth in this Agreement. The Producer is hereby specifically authorized:

- A. To solicit and forward applications for Products to the Company.
- B. To service Products under the terms and conditions of this Agreement.

C. Subject to specific authorization and appointment by the Company, to designate subagents and employees who will act on behalf of the Producer to discharge the Producer's obligations under this Agreement.

5. OBLIGATIONS OF THE PRODUCER

In accepting this appointment, the Producer agrees:

A. To perform, and to cause its employees and subagents to perform, its obligations under this Agreement in good faith using reasonable care and professional judgment. The Producer shall also perform, and cause its subagents and employees to perform, its obligations under this Agreement in compliance with the terms of this Agreement, all current and future Company procedures and policies applicable to activities under this Agreement and applicable law.

B. To fully explain the terms of any Products marketed hereunder, state all relevant facts with respect thereto, and make no untrue statements.

C. To have and maintain any necessary license, bond, and insurance required by applicable law to perform its obligations under this Agreement. The Producer shall also ensure that all of its employees, salesmen, and subagents have, and at all times maintain, any licenses, bonding, and insurance required by applicable law for such subagents and employees to perform services for the Producer under this Agreement. The Producer shall provide copies of such licenses to the Company at the Company's request.

D. To familiarize itself and comply with (1) all laws, rules and regulations applicable to producers; and (2) all Company policies that are provided to the Producer by the Company.

E. To be responsible for and pay all expenses and fees that the Producer incurs in carrying out the terms of this Agreement.

F. To deliver to the Company evidence of any claims for benefits under the Products immediately upon receipt.

G. To be solely and fully responsible for training and supervising the Producer's designated subagents and employees to ensure compliance with the standards set forth in this Agreement as though such subagents and employees were parties to this Agreement.

H. To be solely responsible for compensating its subagents and employees for services provided under this Agreement. In the event of nonpayment by the Producer, no subagent or employee of the Producer shall have recourse against the Company.

I. To notify the Company immediately if (1) any event occurs that would serve as grounds for the Company to terminate this Agreement with cause; (2) the Producer, or any subagent or employee, is the subject of an inquiry or proceeding by an insurance department or other governmental agency relating to it or its conduct as a producer; (3) any complaint is made to any insurance department regarding the Producer's conduct as a producer; (4) the Producer's sales contract terminates with any other insurer for reasons other than insufficient sales; or (5) a Producer, its subagents or employees, working on the Company's account is convicted of, or pleads guilty or no contest to a felony.

- J. To maintain the necessary legal authority to bind its subagents and employees.

6. LIMITATIONS ON AUTHORITY OF THE PRODUCER

The authority granted to the Producer under this Agreement shall be limited to the authority necessary for the Producer to perform its activities described under this Agreement. The Producer, its subagents, and its employees shall not have the authority to:

- A. Adjudicate, adjust or settle any claim under any Product or make any promise or representation to any group purchaser or enrollee in connection with any claim under a Product;
- B. Alter or change the provisions of any Product sold under this Agreement or the rates charged therefore;
- C. Incur any debt or liability on behalf of the Company or bind coverage under any Product;
- D. Waive any claims that the Company may have against a third party;
- E. Receive or collect monies on behalf of the Company except to the extent specifically authorized in writing; or
- F. Use any marketing materials or other information regarding the Company to the competitive advantage of any competitor of the Company. All such materials provided to the Producer shall be immediately returned to the Company upon termination of this Agreement.

7. WARRANTIES OF PRODUCER

- A. The Producer warrants that it will comply with the rules, regulations, policies and procedures relating to the completion and submission of any and all applications for coverage. The Producer agrees not to make any representation concerning any Product that is inconsistent with the written material prepared and furnished to the Producer by the Company or on the Company's behalf. The Producer shall have no authority to alter, vary, forfeit, modify, amend or waive any of the terms or conditions applicable to the Products.
- B. The Producer warrants that it will diligently and to the best of its ability ensure that the representations made by any applicant in any application or related form submitted are true and correct. The Producer further warrants that it will fully inform the applicant that the Company will rely solely upon these representations, conditionally accepting or contracting with the applicant; and that the subsequent discovery by the Company of material facts known by the applicant and either not disclosed or misrepresented on any application or related form can result in the rescission or cancellation by the Company of any contract entered into in reliance thereon, and the applicant shall not be accepted for coverage unless and until the application is reviewed and approved by the Company and the applicant receives a written notice and agreement from the Company setting forth the terms of the coverage.
- C. The Producer warrants that it will promptly disclose and identify to all concerned parties any applicant or group seeking insurance coverage or administrative services from the Company for which, or with respect to which, (1) the Producer acts in a representative, fiduciary or other similar capacity under relevant and applicable federal or state law; or (2) from which the Producer receives compensation for identifying and placing such coverages or obtaining such services. The Producer agrees to indemnify the Company from and against any loss or liability

that results, or might result, from an undisclosed agency relationship directly or indirectly involving the Company.

D. The Producer warrants that it will not in any way complete or assist in the completion of any application for insurance, medical health questionnaire or portion thereof. The Producer further warrants that it will not provide any advice or instruction to any person completing such application or questionnaire with regard to (1) the nature or accuracy of any representations set forth therein, or (2) the disclosure, in whole or in part, of any prior or current medical or health condition (regardless of any law or regulation), with the exception that the Producer may advise that all representations must be true, complete and accurate.

E. The Producer warrants that neither it nor any subagent or employee has ever been convicted of a federal or state felony involving dishonesty or a breach of trust; or, if so, the Producer has received the written consent of the applicable state insurance regulatory official granting permission to work in the insurance industry, as required by 18 U.S.C. §1033, as amended.

F. The Producer warrants that at all times it maintains liability insurance covering the Producer and the Producer's subagents and employees against claims for damages based on actual or alleged professional errors or omissions in an amount and with an insurer reasonably acceptable to the Company. Proof of such insurance shall be furnished to the Company upon request, and the Producer shall notify the Company immediately if for any reason such insurance coverage ceases to be in effect.

8. TERMINATION WITHOUT CAUSE

This Agreement may be terminated without cause by any party giving thirty (30) days notice in writing to the other party or such other time period as may be specified by applicable state law or mutually agreed upon by the parties, at the expiration of which time period this Agreement shall terminate.

9. TERMINATION FOR CAUSE

A. Grounds for Termination. A party may terminate this Agreement for cause, immediately after providing written notice to the other party, upon the occurrence of:

- (1) the insolvency, dissolution, bankruptcy, or receivership of the other party;
- (2) the failure of one of the parties or its subagents or employees to maintain the appropriate licenses required by this Agreement;
- (3) the commission of a material breach of this Agreement by one of the parties or its subagents or employees;
- (4) the commission of a fraudulent, dishonest, or illegal act by one of the parties or its subagents or employees;
- (5) the willful violation of laws, rules, or regulations by one of the parties or its subagents or employees; or

(6) the determination by a court of competent jurisdiction that this Agreement is illegal or inoperable or that it has been substantially impaired by operation of law.

B. Material Breach. A material breach of this Agreement includes, but is not limited to:

(1) the Producer's failure to provide the Company with written notice of the Producer's assignment or conveyance of all or substantially all of the Producer's book of business;

(2) the Producer's failure to refund commissions to the Company;

(3) the Producer's failure to maintain errors and omissions insurance as required by this Agreement;

(4) the violation by the Producer or its subagents or employees of Company policies, that are provided to the Producer by the Company;

(5) the wrongful failure of a party to turn over funds belonging to another party or to any applicant or insured who has obtained or is seeking to obtain any product; and

(6) the failure of a party, without legal excuse, to perform any obligation which substantially constitutes the consideration upon which this Agreement is based, or is a substantial factor that is relied upon and without which this Agreement would not have been made.

10. EFFECT OF TERMINATION WITHOUT CAUSE

A. The Producer's Obligations. In the event this Agreement is terminated without cause, the Producer shall ensure that the Producer or its subagents and employees:

(1) immediately cease all marketing activities under this Agreement, including soliciting applications for policies covered by this Agreement; and

(2) within thirty (30) days after termination, transfer to the Company, at the Producer's expense, all records, files, manuals, forms, materials, supplies, stationery, literature and promotional materials, seminar materials, computer software, diskettes, licenses, papers, and books relating to this Agreement.

B. The Company's Obligations. In the event this Agreement is terminated without cause, the Company shall pay commissions earned by the Producer up to the effective date of termination. After the effective date of termination, no further commissions shall be due or payable to the Producer.

11. EFFECT OF TERMINATION FOR CAUSE

A. "For Cause" Termination by Company. In the event that the Company properly terminates this Agreement for cause, the Company shall pay commissions at the applicable rate on products issued as a result of applications submitted prior to the effective date of termination. The Company shall not be obligated to pay any commissions whatsoever after the effective date of termination of this Agreement.

B. “For Cause” Termination by Producer. In the event the Producer properly terminates this Agreement for cause, the Company shall pay commissions at the applicable rate on products issued as a result of applications submitted prior to the effective date of termination. The Company shall not otherwise be obligated to pay any commissions whatsoever after the effective date of termination of this Agreement.

12. LITERATURE, PROMOTIONAL MATERIALS AND ADVERTISING

The Producer shall obtain the Company’s prior approval of all literature, sales aids, any promotional materials or promotional efforts issued by the Producer, its subagents and employees in conjunction with the Products. Any e-mail authorized by the Company that is sent by the Producer, its subagents or employees shall comply with the “Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003.” The Producer, its subagents and employees shall also comply with any federal or state “Do Not Call” laws if marketing insurance over the telephone on behalf of the Company.

13. RECORDS

The Producer agrees to maintain records, including records of account, producer commissions paid, and the Products issued, pursuant to this Agreement. In addition, the Producer shall keep complete and accurate records of the activities of the Producer, its subagents and employees under this Agreement. The Company shall, upon reasonable notice and demand, have access during regular business hours to any such records maintained by the Producer. Such records shall be maintained during the term of this Agreement and the longer of the following periods: five (5) years after termination of this Agreement, or such other time period required by law.

14. INDEMNIFICATION, HOLD HARMLESS

The Producer agrees to indemnify and save the Company harmless from all loss, expense, cost and liability resulting from unauthorized acts or transactions by the Producer, its subagents or employees or any other persons engaged or acting on the Producer’s behalf.

15. INDEPENDENT CONTRACTOR

The Producer is an independent contractor and not an employee of the Company. The Producer shall not be held out as an agent of the Company for any purpose other than as described in this Agreement. Nothing in this Agreement or any attachments shall be construed to create a principal-agent relationship between the Producer and the Company except to the extent that Producer acts as an insurance producer and may solicit business for the Company. Likewise, nothing in this Agreement or any attachments shall be construed to create an employer-employee relationship between the Producer and the Company.

16. CONFIDENTIALITY

The Producer acknowledges that there are other Producers in competition with the Producer in the same geographic area, and, therefore, also acknowledges that this Agreement must remain confidential. The Producer agrees that it shall not disclose to any person or entity the fact of this Agreement, the terms of this Agreement, or other facts relating to this Agreement.

It shall not be considered a violation of the confidentiality provisions of this Agreement for the Producer to disclose to any third party that retains, or seeks to retain the Producer as its agent

for purposes of obtaining insurance coverage and/or insurance related administrative or consulting services either/or both of the following: (1) that the Producer is compensated by the Company for actions taken to solicit and/or place individual and group insurance and insurance related contracts and policies underwritten or otherwise provided by the Company and its parent companies, subsidiaries and affiliated companies; and (2) the direct commissions payable, and total amounts payable, to the Producer in connection with a policy or contract issued, or to be issued, to such third party; provided that the Producer shall in no event disclose any information considered by the Company to be trade secrets or proprietary information including, without limitation, marketing plans and programs, commission formulas, override and bonus programs and similar information.

17. PROTECTED HEALTH INFORMATION

The Producer will be given access to individually identifiable health information ("Protected Health Information") as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), P.L. 104-191, 110 Stat. 1936. The Producer agrees that:

A. The Producer shall not use or disclose Protected Health Information except as provided in this Agreement or as required by law.

B. The Producer shall implement and maintain appropriate safeguards to prevent the use or disclosure of Protected Health Information other than as provided herein.

C. The Producer shall report to the Company any use or disclosure of Protected Health Information in violation of this Agreement of which Producer becomes aware.

D. The Producer shall ensure that any subcontractors or sub-agents to whom it provides Protected Health Information received from or on behalf of the Company agree to the same conditions that apply to Producer with respect to such information.

E. The Producer shall make Protected Health Information available to the individual subjects of such information as required by law, and shall incorporate any amendments or corrections to such information as required by law.

F. The Producer shall provide an accounting of users and disclosures of Protected Health Information as required by law.

G. The Producer shall make its internal policies, books and records relating to the use and disclosure of Protected Health Information received from or on behalf of the Company available to the Secretary of the Department of Health and Human Services for purposes of determining the Company's compliance with the Privacy Regulations.

H. At termination of this Agreement, the Producer shall return or destroy all Protected Health Information received from or on behalf of the Company.

A violation of any of the terms of this Section by the Producer is grounds for immediate and automatic termination of this Agreement.

The rights, duties and obligations set forth in the terms of this Section shall survive termination of this Agreement.

23. ENTIRE AGREEMENT

This Agreement contains the entire agreement of the parties hereto and no modification, amendment, change or discharge of any term or provision of the Agreement shall be valid or binding unless the same is in writing and signed by all parties hereto.

The parties agree that this Agreement supersedes and renders void any previous agency agreements between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

MEDICAL MUTUAL OF OHIO

PRODUCER

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Ohio Producer Information

Checks should be made payable to: _____
(Please Print Clearly)

Social Security Number - Producer/
Federal Tax I.D. Number - Agency: _____

Business Address: _____
(State, Zip Code) (Street) (City)

Producer Name and Title: _____
(Please Print Clearly)

List the names and social security numbers of each Producer within your agency.
