

CID: \_\_\_\_\_

## BCN AGENT FEE PROCESSING AGREEMENT

This agent fee processing agreement ("Agreement") is effective \_\_\_\_\_, 20\_\_\_\_, and is made among Blue Care Network, with offices at 441 E. Jefferson Avenue, Detroit, Michigan 48226 ("BCN"),

with offices at \_\_\_\_\_ ("Group")  
and \_\_\_\_\_, with offices at \_\_\_\_\_ ("Agent").

Whereas, Group and Agent have negotiated an agent fee ("Agent Fee") that Group will pay Agent;

Whereas BCN is willing to assist Group with the payment process of the Agent Fee;

Now therefore, in consideration of the mutual promises set forth below, the parties agree as follows:

1. Group and Agent have negotiated and agreed to the following Agent Fee for the period beginning \_\_\_\_\_ until terminated by any party as set forth below:
  - a. \$\_\_\_\_\_ per month; or
  - b. \$\_\_\_\_\_ per contract per month (only for non-quarterly settled Groups)
2. Group and Agent acknowledge and agree that such Agent Fee is reasonable compensation for Agent's services.
3. In addition to the services that BCN performs pursuant to an administrative services contract ("ASC") with Group, BCN is willing to assist Group with the payment process for the Agent Fee.
4. BCN will add the Agent Fee to Group's monthly invoices, which include the ASC administrative fee.
5. Group will pay BCN the Agent Fee in addition to Group's required ASC payments and on the same schedule, terms and conditions as set forth in the ASC.
6. BCN will process all Agent Fee payments on a pass-through basis and BCN will only submit payment to the Agent (through Blue Cross Blue Shield of Michigan) if BCN receives such amount from Group. BCN will report the Agent Fee to Group for Group's Form 5500. BCN will also report the Agent Fee to the Internal Revenue Service and issue Form 1099s to the Agent.
7. Group may change the Agent and/or Agent Fee by giving BCN a new, fully executed Agent Fee Agreement which will be effective for the new Agent and/or Agent Fee on the 1<sup>st</sup> day of the following month from the date that the request was received.
8. Group and Agent acknowledge that BCN's process does not allow for any retro-changes to the Agent or Agent Fee.
9. This Agreement may be terminated by any party by giving the other parties 30 days prior written notice.
10. The terms and conditions of this Agreement shall be confidential and shall not be disclosed or released to any third party without the prior written consent of all parties.
11. General Terms.
  - a. Waiver. The failure of any party at any time to require performance of any provision of this Agreement shall not affect in any way that party's full right to require such performance at any time thereafter.
  - b. Compliance with Laws. Agent shall comply with all state and federal laws and regulations applicable

to Agent's representation. Agent shall also comply with all rules and instructions issued by Blue Care Network of Michigan, including but not limited to underwriting rules, regarding the marketing, sale and servicing of any Products offered.

- c. Severability. If any provision of this Agreement is invalid, illegal, or unenforceable for any reason, that provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.
- d. Merger Clause. This Agreement shall be the entire agreement of the parties and supersedes all previous agreements whether oral or written among BCN, Group and Agent.
- e. Assignment. The Agent Fee shall not be assignable to any third party without the prior written consent of all parties.
- f. Law. This Agreement is entered into in the State of Michigan and shall be construed according to the laws of Michigan.
- g. Amendment. This Agreement may be amended only by a written amendment duly executed by authorized representatives of each party.
- h. Indemnification. Group and Agent shall indemnify, defend, and hold BCN harmless from and against any and all claims, actions, loss, damage, liability, cost or expense resulting from Group or Agent's acts or omission with respect to this Agreement, unless caused by BCN's gross or willful misconduct. In addition, BCN shall not be liable for any indirect, incidental, reliance, special consequential or punitive damages (including lost revenue, lost profit, or loss of business opportunity) of any Party, including third parties, whether or not such damages are foreseen or unforeseen.

**Group**

**Agent**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Print Name and Title

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

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

**BCN**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

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