



Agent Appointment

Application / Contract

Last Updated: 3/12/2018

AGENT APPOINTMENT APPLICATION/CONTRACT

Please follow each of the steps below in order to assure efficient processing of your FirstCare Health Plans agent application/contract. If you have questions, please call Claudia Rojas at 512.257.6442 or toll free 1.800.431.7737.

- STEP 1:** Fully complete and sign the APPLICATION and CONTRACT FOR AGENT APPOINTMENT which begins on Page 3.
- STEP 2:** **If your commissions are to be paid to someone other than you**, please complete and sign the AGENT ASSIGNMENT OF COMMISSIONS on Page 5.
★ **Note:** *If your agency is to be paid, the agency must apply for appointment.*
- STEP 3:** Provide a signed copy of our Business Associate Agreement (BAA).
- STEP 4:** Provide a signed copy of IRS Form W-9.
- STEP 5:** Provide a copy of your Texas Department of Insurance License.
- STEP 6:** Provide a copy of your Error and Omissions (E&O) coverage.
- STEP 7:** Agents who plan on presenting and enrolling qualified individuals into one of FirstCare's qualified health plans through the Health Insurance Marketplace must register with the Centers for Medicare & Medicaid Services (CMS) and supply their National Producer Number (NPN) and registration information to FirstCare prior to the agent submitting the initial enrollment.
- STEP 8:** Appointment fees for SHA, L.L.C., dba FirstCare and Southwest Life & Health Insurance Co. are \$10 each. **Provide a check made payable to the Texas Department of Insurance in the amount of \$20.**
- STEP 9:** Mail the completed Agent Application and Contract, copies of your TDI license and E&O coverage with check for \$20 to:

FirstCare Health Plans
ATTN: Sales Department
12940 N. Highway 183
Austin, TX 78750

APPLICATION FOR AGENT APPOINTMENT *(continued)*

- A. Have you ever been suspended, expelled, fined, barred, censured, or otherwise disciplined or found to have violated any law or rule by any party in the insurance/managed care industry? Yes No

- B. Have you ever been refused a license to sell insurance or managed care products or had an insurance license or HMO license suspended or revoked for cause by any jurisdiction? Yes No

If you answered “Yes” to either of these questions, please attach a detailed explanation.

Assignment Information:

Are commissions to be paid to someone other than the Agent/Agency to be contracted?

Yes No

Note: If your agency is to be paid commission, the agency must apply for appointment.

If you answered “Yes,” please complete the ASSIGNMENT OF COMMISSIONS Form on the next page.

Agent’s Signature: _____ Date: _____

FOR HOME OFFICE USE ONLY

Home Office Authorized Signature: _____

AGENT ASSIGNMENT OF COMMISSIONS

I assign my commissions, both first year and renewal, to the stated assignee in the following manner (check one):

- Business written from this date forward
- All business written

It is understood and agreed that this agreement does not affect the right of SHA, L.L.C., dba FirstCare and/or Southwest Life & Health Insurance Company to deduct any amount owed to Southwest Life & Health Insurance Company by the assignor.

This assignment will continue in force until rescinded in writing by the assignor and accepted by the said assignee, except that no acceptance by the assignee is required if the assignor rescinds this assignment only as to commissions earned on business written after the date of the rescission.

ASSIGNOR:

(Print or type Agent's name)

(Agent's Social Security #)

ASSIGNEE:

Name: _____
(Print or Type)

Address: _____

Tax ID #: _____

MUST BE NOTARIZED:

(SEAL)

Signed this _____ day of _____, 20____.

Assignor's Signature: _____

Notary Public: _____ Date commission expires: _____



AGENT CONTRACT

SHA, L.L.C., dba FirstCare and Southwest Life & Health Insurance Company (hereinafter referred to as the "Company,") and _____ (Agent's Name) of _____ (Agent's Address), hereinafter referred to as "Agent".

RECITALS

Whereas, Company holds a valid Certificate of Authority, granted by the Texas Department of Insurance, to operate a basic service health maintenance organization (HMO) within the State of Texas under registered service mark and doing business name of FirstCare. Products available through FirstCare include large and small group HMO plans, individual HMO plans, and a point of service (POS) plan, and,

Whereas, Company owns Southwest Life & Health Insurance Company (SWLH), and through SWLH provides certain indemnity and preferred provider organization (PPO) health benefit plans, group term life insurance benefits, and,

Whereas, Agent is duly licensed by the State of Texas to solicit, sell, and service group and individual life and health insurance products, and desires to sell and market Company's products to both existing and new clients,

Now therefore, in consideration of the mutual promises and agreements set forth herein, the parties hereby agree as follows:

I. APPOINTMENT AND RELATIONSHIP

- A. The Company hereby appoints the Agent to act on its behalf, and represent it only to the extent authorized herein.
- B. The Agent is an independent contractor with respect to the Company, and nothing contained herein shall create or be construed to create the relationship of employer and employee between the Company and the Agent, or between the Company and any employee of the Agent, or any other legal relationship than that of independent contractor.

II. AGENT AUTHORITY

- A. The Agent is hereby authorized on behalf of the Company provided that the Agent is in compliance with all applicable State and Federal laws and regulatory licensing requirements at the time of solicitation, to solicit applications for the approved products offered by the Company in the Region.
- B. The Agent is authorized to collect the initial payment only for any evidence of coverage or contract issued upon applications solicited by the Agent and to deliver and service contracts and evidences of coverage so issued, provided:
1. Receipts for such payments shall only be given on forms furnished by the Company for that purpose;
 2. All such payments shall be received and held in a fiduciary capacity by the Agent as trustee for the Company shall be forwarded to the Company within three (3) business days of receipt; and
 3. All checks should be made payable to the Company unless the Agent receives prior permission from the Company to the contrary, and in no event is any Agent authorized to accept any check in excess of \$5,000 not specifically made payable to the Company.
- C. The Agent shall provide assistance in collecting any delinquent premiums due from Company's clients where the Agent is the agent of record on the Company's books. Groups with delinquent premiums are listed on the broker portal at www.FirstCare.com, and are updated during the third week of every month.
- D. The Agent shall immediately forward by overnight mail or facsimile all Texas Department of Insurance complaints and/or inquiries received by the Agent and all correspondence from attorney's contesting claims or other adverse decisions and all notices received of the commencement of any legal proceedings that relate to the Company or its products. Such notices should be directed to the Company's Complaints and Appeals Department.

III. LIMITS ON AUTHORITY

- A.** The Agent shall adhere to all underwriting guidelines and premium rates established by the Company and shall have no authority to modify any rate or quotation or to make, alter, modify, or discharge any evidence of coverage or contract; extend any provision thereof; extend the time for payments; waive any forfeiture; deliver any individual evidence of coverage or contract unless previously approved by the Company; incur any debts or expenses for which the Company may be liable; accept risk of any kind for, or on behalf of the Company or its products; bind the Company by promise or agreement except as may herein or elsewhere specifically, in writing, be authorized by the Company; withhold or convert to his own use or for belonging to the Company; fail to submit promptly to the Company any applications for evidences of coverage; or accept payments other than in current funds of the United States.
- B.** The Agent shall have no authority to endorse or present for collection any check, draft, or other instrument made payable to the Company.

IV. AGENT COMPENSATION

- A.** As full compensation for services performed hereunder, the Company will pay to the Agent commissions as set forth in the attached Commission Schedule(s).
- B. Provisions Relating to All Commissions**
- 1.** The Agent shall pay over promptly to the Company gross payments and other monies received or collected on behalf of the Company and shall not deduct or retain commissions which may be payable hereunder without express written consent of the Company.
 - 2.** Any commissions to which the Agent may be entitled hereunder shall be payable to the Agent only after receipt of the gross payment in cash by the Company at its Corporate office.
 - 3.** No commissions will be payable on account of waived payments or payments refunded for any reason except as expressly approved by the Company in writing. Any commissions received on account of any waived or refunded payment shall be promptly returned in full to the Company by the Agent and shall constitute an indebtedness to the Company until returned.
 - 4.** No commissions will be payable on individual conversion plans.
 - 5.** There shall be no additional compensation or reimbursement to the Agent for expenses incurred in performing services hereunder.

6. Commissions payable with respect to the same policy or contract may be divided between the Agent and other Agents licensed with the Company. In such cases, earned payments for such policy or contract shall be allocated among Agents proportionately, by the Company, for commission purposes only.
7. This is a conditionally vested Contract subject to the following provisions:
 - a. If the Agent is a natural person, this Contract shall terminate immediately upon the death of the Agent, and any commissions due and payable to the Agent at the time of death or thereafter under this Contract shall be paid to the executor or administrator of the Agent's estate, or to the assignors of the Agent as applicable.
 - b. If this Contract terminates because of the dissolution of the Agent, no commissions shall be payable hereunder subsequent to the date of dissolution.
 - c. If the total compensation from all lines to the Agent from the Company in any calendar year is less than \$500.00, this Contract may be terminated by notice from the Company and no further commissions shall be payable after the termination date.
 - d. Commissions shall be payable for so long as the Agent is designated as "Agent of Record" by a participating employer or by the policyholder when payments are received by the Company, and the Agent is servicing the business in a manner satisfactory to the Company.
8. Commissions payable according to any Commission Schedule may be amended by notice in writing from the Company and such amendment shall take effect at the time specified in the notice, but in no event prior to thirty (30) days from the time such notice is received. The notice shall be mailed to the Agent's last known address as reflected in the Company's records. No such amendment shall affect commissions payable with respect to any policy or contract issued upon application taken prior to the effective date of such amendment.

V. GENERAL PROVISIONS

- A. Agent Conduct.** The Agent shall be free to exercise personal judgment as to the time and manner of performing services authorized under this Contract, but shall be guided by such rules as many be adopted by the Company concerning general business conduct. In all cases, the business of the Agent shall be conducted in

accordance with all federal, state, and local laws and regulations of the jurisdictions in which the Agent is authorized to represent the Company.

- B. Records and Supplies.** All records maintained by the Agent hereunder and all books, rate manuals, forms, and other supplies furnished to the Agent by the Company shall be and remain the property of the Company, and shall be returned to the Company promptly following termination hereof.
- C. Underwriting.** The Company reserves the right at its sole option to decline any application for coverage, to refuse to renew any coverage, to withdraw any policy or contract form, or to return directly to covered persons or applicants any payments submitted to the Company without liability to the Agent, as allowed by State or Federal law or regulation.
- D. Prior Contracts Superseded.** This Contract shall supersede any and all prior Contracts for commissions on group and/or individual policies or contracts between the parties hereto, whether written or oral, regarding the services of the Agent performed for the Company with respect to such products, except that commissions payable to the Agent by the Company under prior written contracts between parties hereto shall continue to be governed by the terms and provisions of such prior Contract.
- E. Indebtedness.**
1. Any advance, loan, or extension of credit, which the Agent at any time and in any manner may secure from the Company, shall constitute an indebtedness to the Company. If any check or draft the Agent used to transfer monies to the Company is dishonored upon presentment for payment, the amount thereof shall constitute an indebtedness of the Agent to the Company.
 2. Provisions Relating to Indebtedness.
 - a. The entire indebtedness to the Company of Agent as recorded in the records of the Company may be deemed due and payable in full to the Company at any time.
 - b. The Agent shall be responsible for any costs, including reasonable attorney fees and other collection expenses, incurred by the Company in connection with the recovery from the Agent of any indebtedness of the Agent to the Company.
 - c. The Agent hereby grants to the Company a first security interest in all commissions becoming due hereunder to secure any indebtedness of the Agent to the Company, and the Company may at any time apply

commissions payable to the Agent hereunder or any other monies payable to the Agent by the Company or by any company controlled by or under common contract with the Company to reduce any such outstanding indebtedness.

F. Assignment. No assignment or other transfer of any rights, title, or interest herein, or of any benefits accruing hereunder, in whole or in part, unless the written consent of the Company thereto has first been given. Any assignee of rights or benefits hereunder shall be subject to all the terms and provisions hereof.

G. Amendment.

1. This Contract may be amended at any time, and from time to time by written notice from a duly authorized officer of the Company to the Agent; provided, however, no such amendment shall affect commissions payable with respect to any policy or contract issued upon application taken prior to the effective date of the amendment.
2. This Contract may be amended at any time by mutual agreement of the parties hereto.

H. Hold Harmless. The Agent agrees to indemnify, defend, and hold the Company harmless from any losses, expenses, costs, and damages resulting from acts or omissions of the Agent, or Agent's employees, agents, or representatives.

The Company agrees to indemnify, defend, and hold the Agency harmless from any losses, expenses, costs, and damages resulting from acts or omissions of the Company, or Company's employees, or Company's representatives.

VI. TERMINATION

- A.** This Contract may be terminated without cause by either party upon at least thirty (30) days prior written notice to the other party to that effect. Such termination shall be effective thirty (30) days after the mailing of written notice thereof, or on the date specified in such notice if later.
- B.** This Contract may be terminated by the Company without notice for "cause," which term shall include the following:
 1. Commission of a fraudulent, illegal, or dishonest act;
 2. Violation of the laws, regulations, or rules of any jurisdiction in which the Agency operates, or of any governmental authority exercising jurisdiction over the Agent; and

3. Failure to maintain licensure.

Termination will result in forfeiture of all commissions which may be due under this Contract as of the termination date, or which may become due thereafter.

In the event of termination, those groups or individuals who are currently being serviced by the terminated agent will be reassigned by FirstCare.

VII. SIGNATURES

I hereby accept and am in possession of the Agent Contract form. I understand said Contract will not be in effect until such time when I am in receipt of the countersigned copy of this signature page of the Contract.

The undersigned parties agree to the terms of this Agent Contract as specified herein, or as such terms may be amended from time to time as permitted by the Agent Contract.

EXECUTED BY THE AGENT

Name (print or type)

X _____
Signature

Date

FOR HOME OFFICE USE ONLY

EXECUTED ON BEHALF OF THE COMPANY BY:

Name (print or type)

Title

X _____
Signature

Date

This Agent Contract shall be governed by the laws of the State of Texas and shall take effect as of the ____ day of _____, 20____.

AGENCY COMMISSION SCHEDULE

Effective January 1, 2018

Commissions to authorized Agency will be paid monthly based upon **paid** premiums.

New fully insured groups, 2 to 50 eligible employees 5%
New fully insured groups, 51 or more eligible employees 5% default or Negotiated
Individual Product – CMS Certified Agents 4%

Self-Funded commission will be negotiated based on the following options per client:

- A per employee per month (PEPM) fee built into the administrative rate
- Agent retention of 100% of commission paid by reinsurance carrier, if reinsurance is secured by the selling agent, or
- Agent paid a negotiated percentage of the commission paid by the reinsurance carrier, if the reinsurance is secured by FirstCare Administrative Services.

Group Term Life Insurance (all groups):

15% up to \$20,000 in paid premium
10% of next \$20,000 in paid premium
5% of next \$50,000 in paid premium
2% of next \$100,000 in paid premium
1% of next \$1,000,000 in paid premium

Broker Bonus Program varies from year to year, and will be made available to the Agent before the start of each bonus qualification period, and will become part of this contract as of the date of official announcement.

X

Agent Signature

X

Home Office Signature

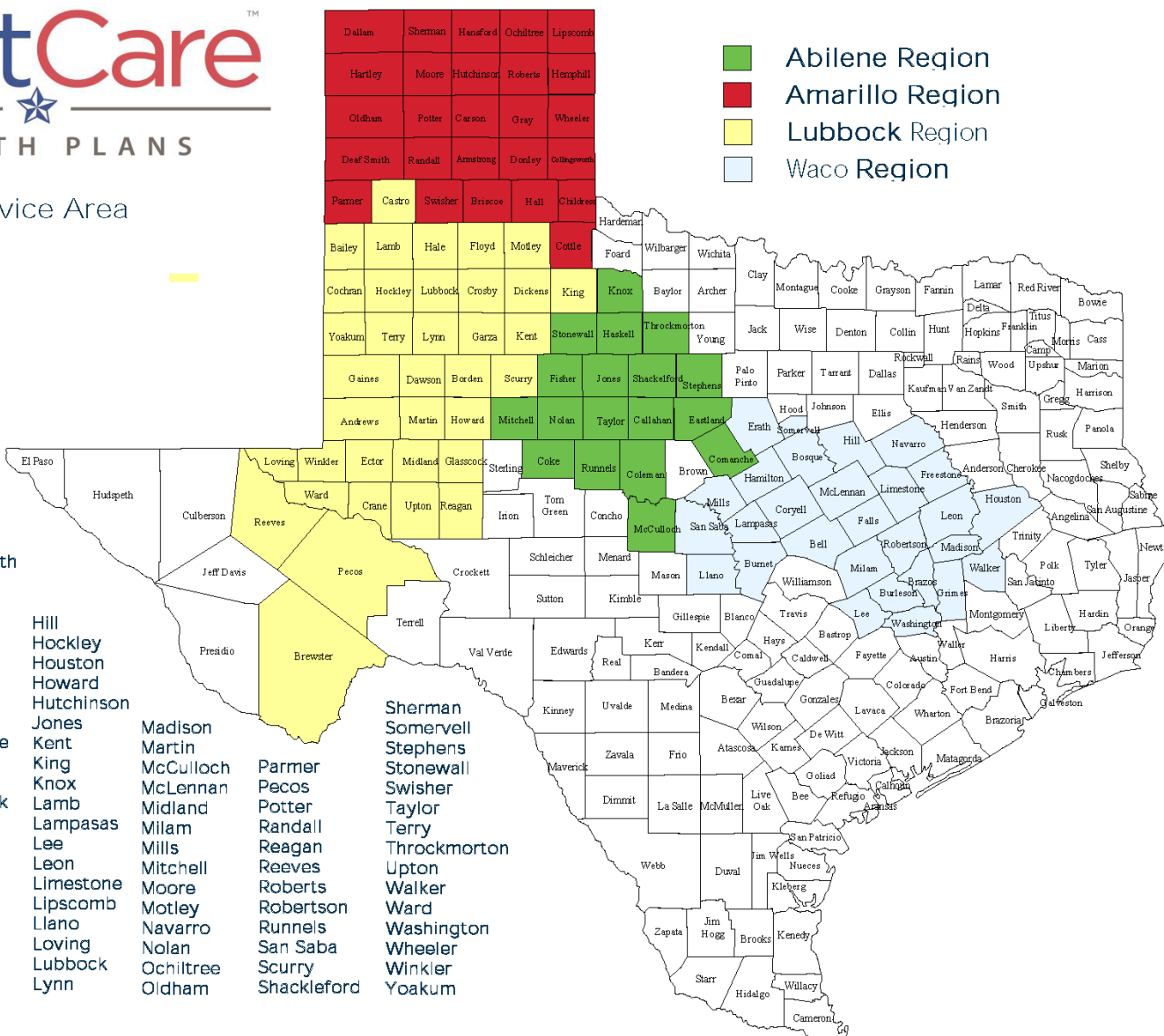
Date

FirstCare Service Area Map



Service Area

- Abilene Region
- Amarillo Region
- Lubbock Region
- Waco Region



Service Area

- | | | | | | |
|---------------|------------|------------|-----------|------------|--------------|
| Andrews | Dallam | Hill | Madison | Parmer | Sherman |
| Armstrong | Dawson | Hockley | Martin | Pecos | Somervell |
| Bailey | Deaf Smith | Houston | McCulloch | Stonewall | Stephens |
| Bell | Dickens | Howard | McLennan | Swisher | Taylor |
| Borden | Donley | Hutchinson | Midland | Terry | Throckmorton |
| Bosque | Eastland | King | Milam | Texas | Upton |
| Brewster | Ector | Kent | Mills | Walker | Ward |
| Briscoe | Erath | Knox | Mitchell | Washington | Wheeler |
| Burlison | Falls | Lamb | Moore | Winkler | Yoakum |
| Burnet | Fisher | Lampasas | Motley | | |
| Callahan | Floyd | Lee | Navarro | | |
| Carson | Freestone | Leon | Nolan | | |
| Castro | Gaines | Limestone | Ochiltree | | |
| Childress | Garza | Lipscomb | Oldham | | |
| Cochran | Grimes | Llano | | | |
| Coke | Hale | Loving | | | |
| Coleman | Haskell | Lubbock | | | |
| Collingsworth | Hemphill | Lynn | | | |
| Comanche | | | | | |
| Coryell | | | | | |
| Cottle | | | | | |
| Crane | | | | | |
| Crosby | | | | | |