



**ARHealthNetworks
Appointment Application & Producer's Agreement**

SECTION A – BACKGROUND INFORMATION (PLEASE SUPPLY ALL INFORMATION AS YOU WANT IT TO BE SHOWN ON OUR WEBSITE)		
Full Name	Date of Birth	SSN
Address	Business Phone	FAX #
City	State	Zip Code
Mailing Address (if different)		Email Address
City	State	Zip Code
Commissions are payable to (check one): INDIVIDUAL AGENT <input type="checkbox"/> AGENCY (FIRM) <input type="checkbox"/>		
SECTION B – COMPLETE ONLY IF COMMISSIONS ARE PAID TO AGENCY		
(Note: If commissions are paid to the Agency, both the firm <u>and</u> the individual Agent need to be properly licensed and appointed.)		
Full Agency Name	Tax ID #	
Business Address	Business Phone	
City	State	Zip Code
Licensed Officers Name (attach copy of license)	Title	SSN
** ATTACH A COPY OF YOUR ARKANSAS AGENT LICENSE(s) AND AGENCY LICENSE(s); This form and the appropriate licenses can be faxed to NovaSys Health at 501-228-6532.		

This Appointment Application and Producer's Agreement ("this Agreement") is between NovaSys Health ("the Company" or "We" or "Us" or "Our") and _____ ("You" or "Your" or "Yours" or "Producer").
(Please print or type name)

NovaSys Health will perform the following acts in good faith:

1. **Appointment** – The Company appoints you to represent it for the products we authorize in accordance with this Agreement.
2. **Relationship** – Your relationship to the Company shall be that of an independent contractor. Nothing contained in this Agreement shall make you or your employees an employee of the Company. There is no implied authority pursuant to this Agreement and you have no authority except that which is expressly set forth in this Agreement.
3. **Authority** – NovaSys Health authorizes you:
 - a. To solicit enrollment forms, applications for contracts, and similar or related documents that are needed by the Company prior to effecting coverage. These documents will be promptly forwarded to the Company for its consideration.

- b. To deliver the certificates of insurance, contracts, or other evidences of coverage promptly in accordance with the Company's delivery requirements.
- 4. **Restrictions** – Your authority does not permit you to do any of the following acts or to commit the Company to perform any of the following acts:
 - a: To waive, modify or change any terms, rates conditions, or limitations of any certificate, contract or other evidence of coverage.
 - b: To approve evidence of insurability or bind or commit the Company on any risk in any manner.
 - c: To collect or receive any premiums or charges after the initial premium.
 - d: To extend the time for any premium payment, or reinstate any certificate, contract or other evidence of coverage.
 - e: To adjust or settle any claim.
 - f: To solicit applications or enrollment forms without a valid insurance license and appointment in Arkansas.
 - g: To enter into any legal proceedings pertaining to the Company's business as a representative of the Company.
 - h: To utilize, in the marketing efforts performed under this Agreement, any advertising material other than that furnished to you by the Company or approved in writing by the Company.
- 5. **Licenses** – You must be properly licensed and appointed in Arkansas in order to be paid for commissions on the business you produce.
- 6. **Rights** – The Company reserves the right to:
 - a: To modify, change, amend, delete, or add to any Company procedure.
 - b: To modify, change, amend, delete, or add to any certificate, contract, other evidence of coverage, premium rate, or charge.
 - c: To determine maximum and minimum limitations on any certificate, contract, or other evidence of coverage.
 - d: To change future commission rates.
- 7. **Commissions** – The Company shall pay compensation, in accordance with the Schedule of Compensation, which forms a part of this Agreement, provided:
 - a: You are alive and the agent of record.
 - b: You continue to be an active licensed agent or broker in the insurance business and service the active business written pursuant to this Agreement.
 - c: The Company may at any time change: (1) the Plans contained in the Schedules of Compensation by adding or deleting one or more such Plans; (2) the Commission Amounts (initial and renewal) applicable to the respective Plans. Any change shall be by written or electronic notice to the Producer.

- d: Commission checks will be processed on approximately the 20th of the month for the current month's collections. In the event of refund or return by the Company of premiums, charges, or contributions on which compensation has been paid or credited to your account, the Company at its discretion may require you to reimburse said compensation, or offset said amount of compensation from any future compensation earned.
 - e: You are not entitled to any compensation on those cases that the Company, in its sole discretion, may reject for coverage. No compensation shall be payable on premiums, charges, or contributions which have been waived by the Company.
8. **Accounting By The Company** – We will furnish You with a detailed report to support the calculation of your commission check on a monthly basis. Upon receipt of such statement, You shall examine it, and if not satisfied as to its correctness must notify Us in writing of any discrepancy within 30 days from the date the statement of account is mailed or You shall be deemed to have admitted its accuracy and correctness.
9. **Termination Without Cause** – The Company may terminate this Agreement if you have not produced an amount of business satisfactory to the Company in the last 12 months, or for any other reason.

Renewal commissions shall be paid to you if this Agreement is terminated without cause as long as you continue to be listed with the Company as the agent of record, you are continuously and actively engaged as a licensed agent or broker in the insurance business, and you service the active business written pursuant to this Agreement.

If this Agreement is terminated without cause and cause is later proved to exist, then your remaining rights shall end from the date of the action giving rise to termination for cause, even if this action occurs subsequent to the original termination date.

10. **Termination For Cause** – This Agreement may be terminated for cause for any of the following reasons:
- a. You have wrongfully withheld any funds, commissions or other compensation owed or belonging to the Company, its subsidiaries or associated organizations.
 - b. You have failed to comply with all state and federal statutes and regulations pertaining to the business of insurance and the sale thereof.
 - c. You have knowingly misrepresented any product or service offered by or through the Company, its subsidiaries or associated organizations.
 - d. You have knowingly misrepresented any product or service offered by or through the Company, its subsidiaries or associated organizations.
 - e. You have knowingly failed to comply with the terms of this Agreement in any manner.
 - f. You defrauded or attempted to defraud the Company, its subsidiaries or associated organizations.
 - g. Your license is revoked, suspended, or refused renewal by any regulatory agency.
 - h. You used any advertising materials not authorized by the Company its subsidiaries or associated organization.
 - i. In order to induce the Company to enter into this Agreement, you knowingly furnished false information of a material nature or failed to disclose unfavorable information of a material nature.
 - j. Your death.

If this Agreement is terminated for cause by the Company, you shall not be entitled to any renewal commissions on any business previously submitted to and issued by the Company.

11. **Indebtedness** – Any indebtedness to the Company or any of its associated organizations or subsidiaries incurred by you shall be a first lien on any monies due or to become due under this Agreement. The Company may, at any time, deduct from any monies due you, any such indebtedness together with interest at the legal rate any collecting costs incurred by the Company, including attorney’s fees and expenses.
12. **Assignment** - No assignment of any compensation due or to become due under this Agreement shall be valid unless approved in advance in writing by a duly authorized officer of the Company. Any assignment of compensation shall be subject to any existing or future indebtedness to the Company.
13. **Remittances** – You are responsible for any monies received or collected on behalf of the Company, whether by you or your employees. You shall hold all monies in a fiduciary capacity until remitted in full to the Company and shall not misappropriate, commingle, or withhold any such funds from the Company.
14. **Conduct and Indemnification** – You agree not to engage in any practice harmful to the best interest of the Company. You further agree that any such practice can serve as the basis for the immediate termination of this agreement.

You shall comply with all state and federal statutes and regulations pertaining to the business of insurance and the sale thereof. You shall only perform the services agreed upon under this Agreement in states where You are lawfully licensed and appointed to do so, and whether the Company is legally authorized to transact business. Further, You shall provide all necessary documentation, testimony, or other information as required by Us, relative to pending litigation or requirements of regulatory authorities. Such information shall be provided in a timely manner to meet statutes or for court-ordered time frames

You shall also comply with all policies and procedures established by Us pertaining to the business of insurance and the solicitation of Company products.

Services provided by You pursuant to this Agreement may be subject to state and federal privacy laws and regulations, including but not limited to the Gramm-Leach-Bliley Act and any state statutes or regulations enacted or promulgated as a result thereof (the “GLB Act”). The GLB Act prohibits a non-affiliated third party that performs services on behalf of an insurer from disclosing or using non-public personal information (“NPI”) other than to carry out the purposes for which NPI was disclosed. You are hereby prohibited from disclosing NPI directly or indirectly or using NPI except as necessary to carry out Your obligations pursuant to this Agreement. You represent and warrant that You shall comply with the state and federal laws in connection with Your performance of services hereunder, including, but not limited to, the GLB Act and prohibitions against the use and disclosure of NPI. In addition, if you are notified that a customer opts out, You are prohibited by the GLB Act from using or disclosing NPI received from Company to market other goods and services to that customer.

For purposes of this section, capitalized terms not otherwise defined shall have those meanings ascribed by the Health Insurance Portability and Accountability Act and its implementing regulations, each as amended from time to time (“HIPAA”). In Your capacity as a Business Associate to the Company, You agree:

- a. Not to use or to disclose Protected Health Information (“PHI”) other than as permitted or required by law.
- b. To use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this agreement.

- c. To mitigate, to the extent practicable, any harmful effect that is known to You of a use or disclosure of PHI by You in violation of the requirements of this Agreement.
- d. To report to the Company any use or disclosure of the PHI by You or Your agents including subcontracts, that is not provided for by this Agreement and of which You become aware.
- e. To ensure that any agent, including a subcontractor, to whom you provide PHI received from, or created or received by You on behalf of the Company agrees in writing to the same restrictions and conditions that apply to You under this Agreement with respect to such information.
- f. To provide access, at the request of the Company and in the time and manner it specifies in writing with reasonable advance notice, to PHI in a Designated Record Set, to the Company, or, as directed by Company, to a Policyholder or dependent.
- g. To make any amendment(s) to PHI in a Designated Record Set that the Company directs in response to a request of a Policyholder or dependent, and in the time and manner as the Company may specify in writing with reasonable advance notice.
- h. To make available to the Company, or to the Secretary of the Department of Health and Human Services (the "Secretary"), Your internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by You on behalf of the Company (the "Material"). The Material shall be provided by You in the time and manner specified by the Company in writing with reasonable advance notice to You or designated by the Secretary.
- i. To document disclosures of PHI and information related to such disclosures as would be required for the Company to respond to a request by a Policyholder or dependent for an accounting of disclosures of PHI in accordance with HIPAA.
- j. To provide to Company or an individual designated by the Company, in the time and manner as the Company may specify in writing with reasonable advance notice, information collected in accordance with Section i. above, to permit the Company to respond to a request by a Policyholder or dependent for an accounting of disclosures of PHI in accordance with HIPAA.
- k. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that You create, receive, maintain or transmit on behalf of the Company as required under HIPAA.
- l. To report to the Company any breach of your security of which you become aware.
- m. At termination of this Agreement, to return or destroy all PHI reviewed from the Company, or created, or received by You on behalf of the Company or to extend the protections of the Agreement to the information and to limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as You maintain such PHI.

You hereby agree to indemnify and hold the Company harmless for any and all claims expense, costs, and damages which may be asserted by any other party or parties against the Company arising from Your action or inaction. You further acknowledge that this obligation shall survive the term of this Agreement.

15. **Materials and Records** – Materials developed and provided to you by the Company, including, but not limited to, computer programs, manuals, advertising materials,

underwriting guidelines, or any other information pertaining to the Company's products or their contents shall remain the sole and exclusive property of the Company. These materials shall be used only in the solicitation of enrollment forms or applications and may not be used for any other purpose. Such materials shall be delivered to the Company upon demand and in any event upon the termination of this Agreement for any reason.

You shall maintain complete and confidential Records of all business obtained on our behalf. Such Records shall not be distributed to other insurance carriers or their agents, and only shall be used in the course of transacting the business of insurance for Us. "Records" shall include but not be limited to: all documentation relating to financial arrangements, compensation, point-of-sale, marketing materials, Agent contract, insured information and any information relating to the transaction of Your business with Us. You shall maintain all Records for seven (7) years. Additionally, upon providing written notice to You, We may audit these materials or may designate an independent consultant to review such Records. All Records used by You in the transaction of business under this Agreement shall be delivered to Us upon demand.

16. **Non-Waiver** - The Company, in addition to other legal and equitable rights and remedies, shall be entitled to injunctive relief to restrain any active or threatened breach of this Agreement. Forbearance or neglect of Company to insist upon the performance of any provision of this Agreement at any time or under any circumstances shall not constitute a waiver of that provision or any other provision of this Agreement.
17. **Entire Agreement** - This Agreement together with all amendments and attachments, including the Commission and Product Schedules, set forth the entire understanding between the parties hereto and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof. Nothing in this Section shall be construed to release any obligation or debt incurred under a previous Producer's Compensation Agreement or any other agreement between the parties.
18. **Fees and Supplies** – You shall pay all expenses You incur in the performance of this Agreement, including but not limited to all license/appointment fees and taxes, and We will not be liable for any such expenses.
19. **Amendment** – No modification of this Agreement will bind Us unless it is made in writing and executed by an officer of the Company. This Agreement shall constitute the entire agreement between the parties and cannot be modified by any prior or subsequent verbal promise or verbal statement by whomever made.

We shall have the sole right to amend this Agreement and any attachment, exhibits, or schedules. All amendment to this Agreement except amendments to Commission Schedules shall be in writing and shall become effective thirty (30) days after the mailing of written notice of the amendment to Your last known address. Amendments to Commission Schedules shall become effective immediately upon execution by Us.

In order to determine your eligibility to be appointed with NovaSys Health, NovaSys Health may choose to conduct background checks. Such background checks may include the ordering of "consumer reports" from a "consumer reporting agency" containing information on your criminal and credit history. These terms are defined in the Fair Credit Reporting Act.

I hereby certify that the information I have supplied is an accurate statement of fact. By signing below, I hereby voluntarily authorize NovaSys Health to conduct background checks, including obtaining consumer reports relating to my criminal and credit history, and to use those reports in connection with any insurance appointment I may have or seek, whether now or in the future. I hereby further voluntarily authorize NovaSys Health to disclose information in such reports, as well as information I may provide, to any insurance regulatory authorities. This is a continuing authorization.

I release NovaSys Health and the providers of such information from any and all liability for damage of whatever kind which may at any time result to me, my heirs or assigns, relating to the obtaining, use and disclosure of consumer report information as authorized hereby.

The Producer hereby provides authorization to order consumer reports and background checks as stated above. Furthermore, the Producer agrees to comply with all stated terms and conditions.

Producer:

For NovaSys Health:

Signature

Authorized Officer

(Please print or type name)

Effective Date
(Completed by NovaSys Health)

Date

Producer SSN or TIN

Schedule of Compensation
Effective 1/1/07

<u>Product</u>	<u>Commission Rate</u>
ARHealthNetworks	\$8 per member per month for the initial contract period. \$4 per member per month for renewal contract period(s).