

# Broker's Contract



THIS AGREEMENT, by and between Anthem Life Insurance Company (hereinafter called Company) with its Administrative Offices in Worthington, Ohio and

NAME \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_

(street)

(city)

(state)

(zip)

(hereinafter call Broker).

WITNESSETH, that consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

1. TERRITORY-- The Broker is authorized to solicit business in the following territory, but said territory is not assigned exclusively to him/her: all states where Broker and Company are licensed. The Company may, without affecting this contract, appoint other Brokers/Agents in the territory designated herein. It also retains the right to make changes in the territory or to withdraw at any time.

2. RELATIONSHIP -- Solicitation by the Broker hereunder shall be limited to those policies set forth in the Commission Supplement(s) attached to and made a part of this contract and/or to those other plans offered by the Company from time to time and for which Broker is provided additional or revised Commission Supplements. The Broker shall not engage in any solicitation hereunder until and unless he/she is properly licensed by law and also has all other approvals required for the solicitation of any product.

The Broker shall be free to exercise his/her own judgement as to persons solicited and the time and place of solicitation, but the Company may from time to time prescribe rules respecting conduct of the business covered hereby, not interfering with such freedom of action of the Broker, which rules shall be observed and conformed to by the Broker. The Broker shall at all times be deemed an independent contractor and understands that there is no contractual relationship with the Company other than through this contract, and he/she shall refrain from holding himself/herself out as an employee, partner, joint venturer, or associate of the Company, and nothing contained herein shall be construed to create such a relationship.

3. MONIES HELD IN TRUST/BOND-- All monies the Broker receives or collects for or on behalf of the Company (or its insurance carriers) shall be held in a fiduciary capacity for its benefit, and shall be immediately forwarded to the Company. The Broker is not authorized to endorse or cash checks, drafts, or money orders made payable to the Company. The Company reserves the right to require surety bonds satisfactory to the Company. Errors and omissions coverage is required. The level of coverage will be set by the Company.

#### 4. RESPONSIBILITY AND AUTHORITY

(a) The Broker shall have no authority to change, omit, add to, or waive any question, statement or answer on any application for life insurance, and shall have no authority to change omit, add

to, waive or discharge any provision of the policy of insurance issued by the Company; to waive forfeitures, extend time of premium payments, quote rates other than those published by the Company, or to obligate or bind the Company in any way not specifically authorized by this contract or in writing by the President or Vice President of the Company.

(b) The Broker shall be responsible to the Company for all monies and materials received for or on behalf of the Company and will immediately turn over to the Company or its authorized agent all such monies received, including those paid at the time any application for insurance is written. Promissory notes are not acceptable for monies payable to the Company.

(c) The Broker shall indemnify and save the Company harmless from any and all expenses, costs, causes of action and damages, including attorney's fees, resulting from or growing out of unauthorized acts or transactions of the Broker and/or persons employed by or contracting with the Broker.

(d) The Broker shall not deliver any policy except where coverage has been provided under a conditional receipt and the policy was issued as applied for, unless all insureds thereunder (and the premium payor if a Payor Benefit is included) are in good health and have been approved by the Company at the time of delivery of said policy and unless the first premium for the same has been fully paid.

(e) The Broker shall not publish, distribute or circulate advertising of any character on behalf of the Company or the Broker (if it involves Company products) without prior written consent of the Company. The term "advertising" shall include all forms of communication by any medium including, but not limited to print, radio, television, billboards, direct mail, booklets, leaflets, business cards and stationery.

(f) The Broker will not fix liability on the Company for licenses or taxes of any type whatsoever.

#### 5. GENERAL PROVISIONS

(a) The Company will have the full authority to act or not to act on any application submitted. No right of action against the Company by the Broker will arise because of refusal, delay or postponement by the Company, for any reason, to issue a policy on any application submitted by the Broker.

(b) The Company may prescribe the form, plan and character of policies for which applications may be solicited and may from time to time change or discontinue any form, plan or character of policy now or hereafter in use.

(c) The Broker shall bear all the expenses incurred in the performance of this contract and shall receive as full compensation from the Company the applicable commissions on first year and renewal premiums received by the Company on policies issued on applications obtained by the Broker under the authority of this contract and accepted by the Company, as set forth in the Commission Supplement(s) made a part of this contract and any subsequent amendments and/or additions thereto.

(d) If the Company shall return the premiums on a policy or any portion of such premium for any cause, the Broker shall repay to the Company, on demand, the amount of commissions received on account of such policy or premium.

(e) The Company may at any time offset against any commissions, renewals, service fees, bonuses, or any other remuneration accrued or to accrue to the Broker, any debt or amounts due to the Company for any reason, including those

arising from transactions under this contract. This right shall survive this contract.

(f) The Company reserves the right to revise the terms of this contract, including commissions as set forth in the Commission Supplement(s) on any one or all of the policies at any time it deems such revision advisable, but such revision(s) with respect to commissions will apply only to insurance thereafter issued.

(g) This contract will be the sole and only contract between the Broker and the Company and any changes, interlineations, modifications made, or amendments will be invalid unless signed and dated by the President or a Vice President of the Company.

(h) Failure of the Company to enforce or insist upon any of the provisions of this contract in any instance(s) will not be construed as a waiver of its rights to enforce or insist upon such provisions either currently or in the future.

(i) If any provision of this contract is found to be illegal or otherwise unenforceable, the remainder of this contract shall not be affected and shall remain fully enforceable.

(j) This contract is not transferable. No rights or interest arising therefrom will be subject to assignment except with prior written consent of the Company.

(k) Commissions, if any, will be determined and payable by the company in any and all of these cases: change in plans, classified risks, reinsured policies, family benefits and term conversions. No commissions, including first year and renewal commissions, shall be payable and no commissions will accrue thereafter, if Broker's license or appointment has been suspended, revoked, expired, terminated, or otherwise becomes inactive.

(l) Neither first year commissions, renewal commissions, bonuses, nor service fees will be payable on any premium until such premium is actually paid and accepted by the Company at its Office in Columbus, Ohio.

(m) The Company will from time to time, at its option, offer new plans of insurance not listed in the Commission Supplement(s) of this contract, which will be included under this contract and may be sold by the Broker. The commission rates applicable to such policies will be announced by the Company by letter addressed to the Broker at the time such policies are introduced, and the Broker agrees to be bound by such commissions as specified by the Company by amendment and/or additions to the Commission Supplement(s) of this contract.

(n) Remittances -- the Broker shall return to the Company promptly all new individual policies entrusted to him/her for delivery which have not been placed within the period described by the Company. He/she shall deposit with the Company together with the application, the premiums in full on all prepaid applications for insurance, and on all non-prepaid cases shall pay or remit to the Company the premiums immediately upon delivery of the policy. All monies or other property received or collected for or on behalf of the Company by the Broker, or his/her employees, or those persons contracted with the Broker, shall be remitted immediately to the Company.

(o) Broker guarantees and agrees to pay broker's indebtedness to Company as may be charged from time to time to Broker's account(s). Further, Broker agrees that the failure to perform Company duties and obligations under Broker's contracts or the exercise or waiver of any one or more of Company rights under Broker's contracts, without notice to Broker, will not affect, impair, discharge or release this guarantee. The term "broker's

indebtedness" means the individual or aggregate indebtedness of a broker or brokers, or any person under contract with the Broker (as shown in Company books and records).

Prior to charging the broker's indebtedness to Broker's account(s), Company will terminate such broker's contract and make written demand upon the broker for payment of such indebtedness. Thereafter, if the broker fails to pay such indebtedness, Company will charge it to Broker's account.

Upon full payment to Company of broker's indebtedness charged to Broker's account(s), Broker will be subrogated to Company's rights under broker's contracts to collect broker's indebtedness.

(p) Broker shall be responsible for ensuring, and hereby certifies, that the backgrounds of all agents have been thoroughly checked and that Broker and all its agents comply with all applicable federal laws, including without limitation laws, relating to confidentiality, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Violent Crime Control And Law Enforcement Act of 1994, and with all applicable state laws. Further, Broker shall comply with all applicable current policies and guidelines of Company including, without limitation, policies relating to broker compensation and reporting, electronic commerce, confidentiality and account reporting.

## 6. TERMINATION

(a) This agreement will automatically terminate upon the death of the Broker or upon the permanent or prolonged disability of the Broker as judged by the Company or upon the discontinuance of the Company to operate in the market or territory of the Broker or upon the appointment of a receiver for the estate of the Broker or if the Broker shall be adjudicated as bankrupt.

(b) This agreement may be terminated immediately if the Broker, as judged by the Company, fails to maintain any books and records requested by the Company or fails to have all such book and records open for inspection at all reasonable times, fails to hold all monies in trust for the Company and account for, deposit, and pay over to the Company all such monies as directed by the Company, or fails to comply with the laws and regulations of the countries, states, and territories in which he/she is authorized to do business, or is involved in fraud or any type of discreditable conduct or violates any other provisions of this contract.

(c) This agreement may be terminated at any time by either party on 30 days written notice via certified mail to the last known address of the other party.

(d) Upon termination, the Broker shall immediately deliver to the Company, or its representative, all rate manuals, policyholder record cards, application forms, letters, written correspondence with policyholders and representatives of the Company, records, sales materials, equipment, and all other supplies and materials connected with, authorized or printed by and belonging to the Company or any of its affiliates.

Termination of appointments as used in this contract shall mean termination of authority either through cancellation of the

appropriate license or registration as required by this paragraph or through termination of this entire contract.

7. FORFEITURE -- At any time while this contract is in effect or after it is terminated, the Broker shall forfeit all remuneration, including commissions, if he/she violates any provisions of this contract, or endeavors to induce any policyholder of the Company to relinquish a policy with the Company.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed by each of them on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the contract's effective date.

Executed in duplicate.

\_\_\_\_\_  
*(Print Broker's Name)*

\_\_\_\_\_  
*(Broker's Signature)*

Acknowledged, approved, and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.



\_\_\_\_\_  
*(Signature of Anthem Life Officer)*