Billing and Collection Agreement

This Billing and Collection Agreement is entered into as of the effective date on Exhibit A hereto by and between Independence Blue Cross on behalf of its affiliates and subsidiaries (collectively, “IBC”), ________________, (“Group”) and ________________ (“Primary Agent”).

WHEREAS, the Group has purchased a fully-insured group health plan from IBC; and

WHEREAS, Primary Agent is an independent contractor and not an employee of the Group or IBC; and

WHEREAS, the Group has engaged the Primary Agent to provide certain benefits advisor services (“Services”) in connection with the purchase of the group health plan for compensation (“Agent Advisory Fees”); and

WHEREAS, the Group and Primary Agent acknowledge and agree that IBC has no involvement in providing the Services or determining the Agent Advisory Fees.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties do hereby agree as follows:

1. The Group will pay the Primary Agent the Agent Advisory Fees set forth in Exhibit A hereto.

2. IBC will collect the Agent Advisory Fees from the Group as the Primary Agent’s agent for this limited purpose. The Group’s payment to IBC of the Agent Advisory Fees in full in valid funds discharges Group’s Agent Advisory Fee obligations to the Primary Agent. Primary Agent constructively receives such funds when IBC receives such funds from the Group, and Primary Agent thereafter has a right to payment of Agent Advisory Fees only from IBC.

3. The Agent Advisory Fees are neither consideration for nor a condition of the Group receiving insurance coverage. Notwithstanding this distinction, for administrative convenience IBC may include the Agent Advisory Fees in the same invoice IBC sends the group to collect insurance premiums.

4. IBC shall pay the Agent Advisory Fees to Primary Agent within thirty (30) days following the end of the calendar month in which IBC receives payment in full in valid funds from the Group. If the Group pays IBC less than full amount of the premium and Agent Advisory Fees then due, the Group may instruct IBC on how to divide the payment between premium and Agent Advisory Fees. Absent such written instruction, IBC shall apply the payment pro rata between premium and Agent Advisory Fees.

5. Primary Agent acknowledges that IBC will keep any income earned on the Agent Advisory Fees before IBC pays the Agent Advisory Fees to the Primary Agent, and that shall be IBC’s sole compensation under this Agreement.
6. IBC shall have no duties or obligations except as explicitly set forth in this Agreement. Without limiting the foregoing, IBC shall not have any duty (a) to pay Primary Agent any amounts except valid funds that IBC actually receives from the Group or (b) to oversee Primary Agent’s performance of the Services.

7. Absent the Group’s written instruction to the contrary, IBC shall, with respect to the Services, (a) issue the appropriate Form 1099 to the Primary Agent and file the information on such Form with the appropriate federal and state taxing authorities under the IBC name and Employer Identification Number; and (b) if applicable for the Group, give the Group a summary of Agent Advisory Fees paid to the Primary Agent on the Group’s behalf for use in Form 5500 reporting. The Group agrees not to seek liability against IBC under any legal theory for any action IBC takes under this Agreement.

8. Any party may terminate this Agreement upon thirty (30) days prior written notice to the other parties, but otherwise it shall continue in effect as long as the Group purchases a fully-insured group health plan from IBC. If the Group notifies IBC in writing of a change in the Primary Agent, this Agreement shall terminate automatically as to the Primary Agent. The new Primary Agent may become a party to this Agreement, and in that event IBC shall bill and collect the Agent Advisory Fees for the new Primary Agent beginning the calendar month after IBC receives written notice of such change.

9. The parties hereto acknowledge that the Agent Advisory Fees have been negotiated independently between Primary Agent and the Group.

10. No party may assign its rights and duties under this Agreement without the prior written consent of the other parties except that IBC may assign this Agreement upon thirty (30) days prior written notice to the other parties. The services to be performed under this Agreement may be performed wholly or in part by IBC or IBC and/or its affiliates, subsidiaries, or subcontractors.

11. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof. Nothing contained in this Agreement will require any party to violate any applicable law.

12. IBC may amend or modify this Agreement with thirty (30) days prior written notice to the other parties. Otherwise this Agreement may only be amended or modified only in writing. Any written amendment must be signed by any authorized representative or officer of each party.

13. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.
14. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof, whether or not similar, nor shall any such waiver constitute a continuing waiver unless otherwise expressly so provided.

(Signature on next page)
IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority and intending to be legally bound, have duly executed this Agreement.

INDEPENDENCE BLUE CROSS
on behalf of itself and its subsidiaries
Keystone Health Plan East, Inc., AmeriHealth
HMO, Inc. and QCC Insurance Company
and as an agent for HIGHMARK BLUE SHIELD

PRIMARY AGENT

By: __________________________
Name: Brett A. Mayfield
Title: Vice President, Marketing
Date: _________________________

By: __________________________
Name: __________________________
Title: __________________________
Firm: __________________________
Date: __________________________

GROUP

By: __________________________
Name: __________________________
Title: __________________________
Date: __________________________

By signing below, I hereby certify that I am the Producing Agent for the Group and acknowledge and agree to the terms of this Agreement among IBC, the Primary Agent and the Group

By: __________________________
Name: __________________________
Title: __________________________
Date: __________________________
Exhibit A

Agent Advisory Fees

AGENT ADVISORY FEE: __________________

EFFECTIVE DATE: ____________________