

BROKER AGREEMENT

After you have your first piece of approved Health Net business to submit, you may mail the forms and application to Health Net's broker relations using the enclosed envelope. You've made an excellent decision to join Health Net's team of brokers. Our brokers enjoy committed support and excellent incentive plans.

To become contracted with us, please include the following:

- A copy of approved business
- A copy of your Life Agent license from the Department of Insurance/Nonresidence license
- A completed Agent/Broker Agreement using your agent/company name as stated on your new DOI license (Please complete all of page 1, and sign/date pages 4, 6 and 8.)
- The declaration page of your E&O insurance
- A W-9 form (if a company or corporation)

If you have more questions, please call Health Net's Broker Relations at 1-800-448-4411, option 4.

Again, thank you for your interest in Health Net.





FOR INTERNAL USE ONLY	
BROKER NUMBER:	_____
BROKER REGION CODE:	_____
COMMISSION AGREEMENT DATE:	_____

AGENT / BROKER INFORMATION

(Please Print) (ALL INFORMATION IS REQUIRED TO PROCESS COMMISSION PROPERLY)

LICENSED AGENT / BROKER NAME: _____

DBA: _____

STREET ADDRESS: _____

CITY, STATE AND ZIP CODE: _____

PLEASE CHECK APPROPRIATE BOXES:

INDIVIDUAL / SOLE PROPRIETOR CORPORATION PARTNERSHIP OTHER _____

TAXPAYER ID: _____ or SOCIAL SECURITY NUMBER: _____

BUSINESS PHONE: () _____ \ FAX: () _____

EMAIL ADDRESS: _____

DOI LIFE AGENT LICENSE NUMBER: _____ EXP. DATE: _____

A COPY OF YOUR *CURRENT LIFE AGENT LICENSE AND PROOF OF ERRORS & OMISSIONS INSURANCE* MUST BE RETURNED WITH YOUR SIGNED COMMISSION AGREEMENTS.

Please sign and return the Health Net Agent / Broker Agreements and Commission Schedules, only after you have sold or assumed your first Health Net Group contract or after you have written your first Individual & Family Plans contract.

AGENT/BROKER SIGNATURE: _____ DATE: _____

Please return to: Health Net Broker Relations P.O. Box 9103 Van Nuys, CA 91409

HEALTH NET OF CALIFORNIA, INC. AGENT / BROKER AGREEMENT AND COMMISSION SCHEDULE

THIS AGREEMENT, made this _____ day of _____, 200 _____ by and between Health Net of California, Inc. hereafter called the "Company", and _____

hereinafter called the "Agent/Broker":

WITNESSETH:

The Company hereby agrees to consider applications for coverage under any and all contracts ("Company's Group and Individual and Family Plan Programs") as the Company may distribute to Agent/Broker from time to time, excluding those group programs commonly known as Conversion and COBRA, produced by Agent/Broker, subject to the following terms and conditions:

1. Agent/Broker is independently engaged in business as an insurance broker and/or agent. This business includes the solicitation of applications for membership in the Company's Group and Individual and Family Plan Programs and the collection of dues in respect to such memberships. Agent/Broker shall be free to determine for himself/herself the persons from whom he/she will solicit applications as well as the time and place of solicitation. Agent/Broker hereby agrees to appointment by Company's subsidiary Health Net Life Insurance Company with the California Department of Insurance.

Agent/Broker agrees to make and file all reports and returns required or demanded by any Federal or State statute or regulation now or hereafter in force and to pay all contributions or other sums

that may be levied, or assessed upon on, in connection with the commissions paid to Agent/Broker by the Company in accordance with the provisions of this Agreement and its Exhibits.

Agent/Broker agrees that he/she will use due diligence to solicit and secure memberships in the Company's Group and Individual and Family Plan Programs at the membership premium rates currently in effect at the time of the last notification received by Agent/Broker from the Company. For the purpose of this paragraph, Agent/Broker will be deemed to have received notification upon the date his/her office signs a certified or registered return receipt for said notification or the expiration of seven (7) days from the date of mailing said notice to him/her by the Company, whichever is earlier.

Agent/Broker represents that he/she is duly licensed under the laws of the State of California as an insurance broker and/or agent licensed to transact life insurance and agrees to keep said license in full force and effect during the term hereof. Agent/Broker shall promptly notify the Company of the initiation of any disciplinary proceedings against it or against any of its principal persons or

employees relating to any license issued to any such person by the California Insurance Commissioner.

Agent / Broker represents and warrants that he/she has never suffered the loss, suspension or termination of any license issued by any governmental authority in connection with the sale of any type of insurance, prepaid health care, hospital or professional benefits agreement, and that he/she has never been convicted of a crime involving moral turpitude.

2. Agent / Broker agrees to comply with the Company's rules and regulations relating to the completion and submission of applications for coverage under Company's Group and Individual and Family Plan Programs and, as a material part of the consideration for the making of this Agreement by the Company, agrees that he/she will make no representation whatsoever with respect to the nature or scope of the benefits of the Company's memberships except through and by means of the written material prepared and furnished to Agent / Broker for that purpose by the Company. Agent / Broker shall have no authority to and will not purport to make any oral or written alteration, modification or waiver of any of the terms or conditions applicable to such memberships.

Agent / Broker warrants that he/she will diligently and to the best of his/her ability ensure that the facts set forth by an applicant in the applications that Agent / Broker solicits are true and correct. Agent / Broker further warrants that he/she will fully inform each applicant that Company will rely solely upon these representations in rejecting, conditionally accepting or contracting with applicant, that the subsequent discovery by Company of material facts known by applicant and either not disclosed or misrepresented on the application can result in the rescission or cancellation by Company of any contract entered into in reliance thereon. Agent / Broker further agrees and understands that applicant shall not be accepted for coverage under the Company's Group and Individual and Family Plan Programs, unless and until the applications are reviewed and approved by the Company.

Should Agent / Broker have access to Protected Health Information (PHI) or Individually Identifiable Health Information (IIHI), Agent / Broker agrees to protect any PHI or IIHI in its possession as required under the applicable HIPAA privacy regulations and in accordance with the Company's Notice of Privacy Practices.

Should Agent / Broker accept funds of employer groups and subscribers in the form of checks made payable to Company, Agent / Broker shall forward such checks to Company by the close of the business day following receipt thereof.

Agent / Broker shall not, except at Agent / Broker's own expense, voluntarily make any payment, assume any liability or incur any expense on Company's behalf, or otherwise bind the Company in any way without the prior written consent of Company.

3. Agent / Broker shall be entitled to receive from the Company a commission based on the premiums paid and subject to compliance with the terms of this Agreement, including the Commission Schedules. Commissions shall be paid to the Agent / Broker by the Company subject to the latter's acceptance and approval of applications for coverage and timely receipt of initial and periodic payment of subscription charges as remitted by the employer or policyholder.

Agent / Broker shall perform services in connection with pertinent terms of group agreements issued to employers in a manner satisfactory to the Company.

4. Agent / Broker agrees that the Company shall have the right to amend the Agreement and Commission Schedules as it deems appropriate. Modifications and amendments to the Agreement and Commission Schedules shall become effective on the date set forth in any such modification, amendment or endorsement

or upon the date the Agent / Broker receives notification of the Amendment or replacement Commission Schedule as defined below, whichever is earlier. Agent / Broker will be deemed to have received notification upon the date his/her office signs a certified or registered return receipt of said notification or the expiration of seven (7) days from the United States Post Office post mark date of mailing to him/her by the Company, whichever is earlier.

Notwithstanding the above, modification or amendment of the Commission Schedule shall not apply to commissions payable on subscription charges received by the Company for Group and Individual and Family Plan Programs contracts issued prior to the effective date of the modification or amendment. Modified or amended Commission Schedules shall apply prospectively only to new Group and Individual and Family Plan Programs contracts applications submitted to the Company by Agent / Broker. Commissions for Group and Individual and Family Plan Programs contracts issued prior to the effective date of any modified or amended Commission Schedule shall be governed by the Agent / Broker Agreement and Commission Schedule in effect at the time of issuance of said Group and Individual and Family Plan Programs contracts.

Commissions shall be payable during the calendar month following the month of receipt by the Company of the respective subscription charges on which the commissions are payable. If a subscription charge adjustment is made for any period, then a corresponding adjustment shall be made in the Agent / Broker's commission.

5. Any indebtedness of Agent / Broker to the Company shall be a first lien against any commission due to said Agent / Broker or his / her representative or assignee under this Agreement. Such commission shall be applied to liquidate such indebtedness.
6. Agent / Broker may not assign this Agreement or any rights hereunder, or delegate or subcontract Agent / Broker's obligations hereunder, without the prior written consent of the Company. The Company may assign this Agreement upon written notice to Agent / Broker.
7. The Company reserves the right to reject any and all applications submitted by Agent / Broker, to discontinue writing or alter the Group and Individual and Family Plan programs offered.
8. If the Company shall cancel or rescind a Group or Individual and Family Plan Programs contract handled by the Agent / Broker and return the premium charges paid thereon, the Agent / Broker shall repay the Company, on demand, the amount of commissions received on subscription charges returned. However, in no event shall the Agent / Broker be responsible for repayment of commissions received on any rescinded contract in an amount more than that paid on first year's premium charges.
9. Agent / Broker shall have no claim to commissions except as herein provided. Unless Agent / Broker was given prior written authorization by Company, he / she is not entitled to reimbursement for any expenses.
10. All printed collateral, applications and sales literature that the Company may furnish to the Agent / Broker shall remain the property of the Company, subject at all times to its control and shall be returned to the Company upon demand.
11. All funds received by Agent / Broker for the account of the Company shall at all times be segregated from the assets of the Agent / Broker and shall, within one (1) business day of receipt by Agent / Broker, be promptly deposited into a trust account in a State or Federal bank, authorized to do business in California and insured by an appropriate federal insuring agency. All such funds shall be transmitted to the Company by Agent / Broker within five (5) business days after receipt of such funds by Agent / Broker.
12. If Company receives notice from the Employer Group of termination

of its current Broker of Record, commission for that Agent/Broker will cease for that Group on the last day of the month during which notification was received. If the Employer Group appoints a new Broker of Record who has an executed Agent/Broker Agreement with Company, the new Agent / Broker will earn commission commencing on the first day of the month following receipt of notification.

13. The term of this Agreement shall be one (1) year, subject to the termination provisions set forth in Article 14 of this Agreement and subject to the right of the Company to amend or modify the Commission Schedule as set forth in Article 4 of this Agreement. Thereafter, this Agreement shall renew automatically for additional one-year terms until terminated by either party pursuant to Article 14 hereof.
14. This Agreement may be terminated at any time by either party giving ten (10) days prior written notification of termination to the other. Written notification of termination shall be delivered in person or by certified mail with return receipt requested. In the case of the Agent/Broker, notice shall be effective if given to his / her last known address as shown on the records of the Company. In the case of notification to the Company, to Health Net – Broker Relations, P.O. Box 9103 Van Nuys, California 91409-9103. The effective date of termination shall be the tenth day following the date of mailing the notice, unless said notice specifies and the parties agree to a longer period of time. In the event of termination without cause as provided in this Article, the commissions heretofore secured by the Agent/Broker shall continue to be paid to the Agent / Broker up to the date the group or subscriber terminates.

Notwithstanding any other provision of this Article 14, this Agreement may be terminated for cause. If this Agreement is terminated for cause, any and all compensation and commissions shall cease to be due and payable to Agent/Broker following the effective date of the termination of this Agreement for cause. The following acts or omissions by Agent /Broker shall constitute a sufficient basis for termination for cause: (1) fraud, (2) embezzlement, (3) willful violation of any law or any ruling of the State or applicable regulatory agency, (4) misrepresentation in any representation or warranty in this Agreement, whether or not the misrepresentation was knowing and willful, (5) non-disclosure or misrepresentation of group or subscriber information or other material facts, (6) failure to comply with Agent/Broker obligations under the Agreement.

15. Agent/Broker shall keep full and complete records of all transactions pertaining to this Agreement and any and all other records pertaining to memberships submitted and accepted hereunder and any and all other records that may be required by any governmental entity or regulatory agency in connection with Agent /Broker's relationship with the Company, its enrollees, and the public. Agent/Broker shall preserve all books and records for a period of not less than five (5) years; the first two (2) years of which shall be in an easily accessible place at the offices of the Agent/Broker. Thereafter, such records may be warehoused or stored, subject to their availability to the Company and to the Department of Managed Health Care within five (5) days of request thereof.
16. When an Agent/Broker creates advertising, which includes, but is not limited to, print advertising, broadcast graphics, direct mail, business cards and Internet address, posting or links, Agent / Broker agrees to comply with the Company's logo usage guidelines. Any inappropriate use of the Company logo may be considered a material breach of this Agreement. The guidelines require that such advertisements;
- A. Only feature Company information;
 - B. Indicate directly after Agent/Broker name, that Agent/Broker is an "authorized agent" and include the Agent/ Broker's DOI Life Agent license number;

C. Adhere to the following requirements;

- 1) Company logo must appear in the ad and must, at a minimum, be the same size as any other logos that may appear in the advertisement;
- 2) Company logo may only be used to market plans sold by the Company;

D. The advertising may not represent that the Agent/Broker and the Company are one and the same or that any employee – employer relationship exists. Furthermore, there can be no implication of Company's ownership of Agent / Broker's agency or business; and

E. In Yellow or White Pages directory print advertising, listing must be listed under Agent/ Broker's name, include the designation as either an "Authorized Agent of Health Net", or " Independent Agent of Health Net", and the Company name must appear on a separate line.

Agent/Broker may use the Company logo on its web site as a link to Company's web site. Any other use of Company logo on the Agent/Broker's web site must be approved by Company prior to its use.

17. Agent/Broker agrees to indemnify, defend, and save harmless the Company from any and all claims, liability, loss, cost, damage, or expense for, or on account of injury to or death of persons, damage to, destruction or loss of property occurring by reason of any misfeasance or nonfeasance by the Agent / Broker or Agent / Broker's failure to conform to the provisions of this Agreement. And without limiting the generality of the foregoing, further agrees to reimburse the Company for any expenses which it may incur in enforcing the Agent/Broker's obligations hereunder, including but not limited to court costs and attorney's fees. The obligations of Agent / Broker to indemnify the Company shall survive the termination of the Agreement.
18. This Agreement shall become effective when and only when it has been executed by the Agent/Broker and the Company. This Agreement contains the entire of the Agreement of the parties with respect to the subject matter hereof. No additions, amendments, modifications or waivers of any of the provisions of this Agreement shall be valid unless in writing and signed by a duly authorized officer of the Company.
19. This Agreement shall be binding upon the heirs, administrators, executors, successors and assigns of the parties hereto.
20. Agent / Broker shall comply with and shall cause its principal persons and employees to comply with all applicable provisions of the Knox- Keene Act and the rules thereunder.
21. Agent / Broker shall at all times maintain Errors and Omissions insurance in amounts consistent with industry standards, but no less than \$1,000,000 per occurrence and \$1,000,000 aggregate limit of all claims filed in a policy year for Agent / Broker and its employees and agents. Upon the execution of this Agreement, and no less than annually thereafter, Agent / Broker shall provide Company with written proof of same.
22. Binding/Mandatory Arbitration: The parties agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement. Such good faith meet and confer shall be a condition precedent to the filing of any arbitration demand by either party. In addition, should the parties, prior to submitting a dispute to arbitration, desire to utilize other impartial dispute settlement techniques such as mediation or fact-finding, a joint request for such services may be made to the American Arbitration Association ("AAA"), Judicial Arbitration and Mediation Services ("JAMS"). Or the parties may initiate such other procedures as they may mutually agree upon at such time.

The parties further agree that any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, whether involving a claim in tort, contract, or otherwise, shall be settled by final and binding arbitration, upon the motion of either party, to arbitration under the appropriate rules of the AAA or JAMS, as agreed by the parties. The arbitration shall be conducted in Sacramento, Los Angeles or San Francisco, California by a single neutral arbitrator who is licensed to practice law. The written demand shall contain a detailed statement of the matter and facts and include copies of all related documents supporting the demand. The party seeking arbitration must initiate arbitration within six (6) months after the alleged controversy or claim giving rise to the dispute occurred, by submitting a written demand to the other party. The failure to initiate arbitration within that period shall conclusively mean the complaining party shall be barred forever from initiating such proceedings as to the controversy or claim giving rise to the dispute.

All such arbitration proceedings shall be administered by the AAA or JAMS, as agreed by the parties; however, the arbitrator shall be

bound by applicable state and federal law, and shall issue a written opinion setting forth findings of fact and conclusions of law. The parties agree that the decision of the arbitrator shall be final and binding as to each of them. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The arbitrator shall have no authority to make material errors of law or to award punitive damages or to add to, modify, or refuse to enforce any agreements between the parties. The arbitrator shall make written findings of fact and conclusions of law and shall have no authority to make any award which could not have been made by a court of law. The party against whom the award is rendered shall pay any monetary award and/or comply with any other order of the arbitrator within sixty (60) days of the entry of judgment on the award. The parties waive their right to a jury or court trial.

In all cases submitted to arbitration, the parties agree to share equally in paying the administrative fee as well as the arbitrator's fee, if any, unless otherwise assessed by the arbitrator. The filing fees shall be advanced by the initiating party subject to final apportionment by the arbitrator in an award.


Agent/Broker:

By: _____

Title: _____

Date: _____

Health Net of California, Inc.

By:  _____

Title: President _____

Date: _____

COMMISSION SCHEDULE

The Company agrees to pay Agent /Broker commissions in accordance with the schedule below and in the manner and on the terms and conditions set forth in the Agent /Broker Agreement and Commission Schedule, on subscription charges paid in cash to the Company for Employer Group Agreements issued on or after the Commission Schedule effective date set forth below, and for which Agent /Broker continues to be designated by the Employer Group as Broker of Record.

Exhibit A LARGE GROUP – HMO, SELECT (POS), ELECT (POS), Elect Open Access COMMISSION SCHEDULE		
ANNUALIZED PREMIUM		PERCENTAGE
0	- \$ 50,000	6%
50,001	- 100,000	4%
100,001	- 300,000	3%
300,001	- 500,000	2%
500,001	- 750,000	1%
750,001	- 1,000,000	.5%
1,000,001	- 2,000,000	.2%
2,000,001	- and over	.1%
Exhibit B SMALL GROUP – HMO, SELECT (POS), ELECT (POS), Elect Open Access COMMISSION SCHEDULE		
7% Flat commission on monthly premiums received (good for the life of the account) applies <u>only</u> to groups effective February 1, 2004 and thereafter , with annualized premiums of \$500,000.00 or less. Any Small Group annualized premium above this range is negotiable		
ANNUALIZED PREMIUM		PERCENTAGE
0	- \$ 500,000	7.00%
500,001	- or more	negotiable
Commissions for in-force Employer Groups, with effective dates on and before January 31, 2004 , will continue to be paid according to the schedule (including the one below) in effect at the time the Employer Groups contracted with Health Net of California, Inc.		
ANNUALIZED PREMIUM		PERCENTAGE
0	- \$ 30,000	10.00%
30,001	- 50,000	6.00%
50,001	- 100,000	3.00%
100,001	- 250,000	1.65%
250,001	- 500,000	1.25%
500,001	- 1,000,000	.80%
1,000,001	- or more	negotiable

Exhibit C SENIORITY PLUS HMO AND POS	
Group Seniority Plus (available in all Health Net service areas)	\$5.00 PMPM
Individual Seniority Plus (available in all Health Net service areas)	New sales - Not Available * Renewal - \$12.00 PMPM
<p>* Compensation for new sales of Individual Seniority Plus plan contracts effective on and after October 1, 2005, is not available under this Agreement. An Agent/Broker interested in selling and receiving commission for new Individual Seniority Plus contracts must execute a separate Medicare Broker Agreement with Health Net's Senior Products Division.</p> <p>Renewal Commissions Renewal compensation on Individual Seniority Plus contracts effective on or before September 30, 2005, will continue per the requirements set forth in the following paragraphs:</p> <p>** <u>\$12 per member per month</u> (PMPM) commission is subject to the following terms and conditions:</p> <ul style="list-style-type: none"> • Commissions are payable for up to a maximum of six (6) <u>continuous</u> years from the member's original Individual Seniority Plus contract's effective date. Commissions will cease upon any interruption in the member's enrollment during the six years. • \$12 PMPM commission will continue to be payable for members who maintain their enrollment but relocate to another Individual Seniority Plus county during the six years. • \$12 PMPM commission will terminate for members who maintain their enrollment but relocate to a non-Individual Seniority Plus county during the six years, effective on the date of such relocation. • Individual Seniority Plus is not subject to, but does contribute to, any Health Net six (6) subscriber-minimum threshold requirement for renewal commissions. • If members do not pay their full monthly premiums, including any buy-up option premiums, commissions will be calculated according to the following formula, with adjustment for any later payment of the balance due for that period. <p style="text-align: center;">Commission = $\frac{\text{Premium received from Member}}{\text{Required Monthly Standard and any Buy-Up Premiums}} \times \\12.00 PMPM</p>	

Exhibit D INDIVIDUAL AND FAMILY PLAN HMO, POS / Elect Open Access COMMISSION SCHEDULE (New and Renewal Accounts)	
<p>Compensation for each sale of a preferred individual health insurance plan contract, effective on or after January 1, 2005, produced by Agent/Broker shall, in the first year of any such sale, be 20% of premium received by Company and 10% of premium received in the second year and thereafter.</p> <p>To be eligible to receive commissions for the second year and beyond on sales of Individual & Family Plan contracts (herein after referred to as Affected Subscriber contracts in this Exhibit D), with an original effective date on or after December 1, 1999, Agent/Broker must meet the minimum requirements set forth in the following paragraph:</p> <ol style="list-style-type: none"> (1) As of month thirteen (13) and thereafter following the sale of an Affected Subscriber contract that commenced on or after December 1, 1999 so long as this Agreement remains in effect, Agent/Broker's book of contracts shall include a minimum of six (6) Individual subscribers where the original applications were solicited and submitted by Agent/Broker, accepted, contracts were issued therefor, and premiums paid on or before bill due date. (2) Credit toward reaching the six (6) Individual subscriber minimum will include all Affected Subscriber, Individual Seniority Plus, Individual Medicare Supplement and Individual Medicare Advantage PPO plan contracts where the Agent/ Broker is designated as the Broker of Record. (3) Alternatively, the minimum requirement under (1) of this Exhibit will be waived for as long as the Agent/Broker is the Broker of Record on at least one (1) Large Group (51+ eligible subscribers) or at least one (1) Small Group (2-50 eligible subscribers) that is enrolled in a Health Net of California, Inc. or Health Net Life Insurance Company medical plan. (4) Commissions under this Exhibit shall not be paid retroactively for any period prior to the effective date of this Agreement during which Agent/Broker qualified under the minimum requirements set out in (1) and (3) of this Exhibit. (5) Commissions paid for Individual HIPAA Guarantee Issue plan contracts shall be paid in an amount no less than the amount of commissions paid for the same plan when issued on an underwritten basis to non-HIPAA enrollees. <p>Commission will be paid by Company to Agent/Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect. Agent/Broker shall not be entitled to payment of commissions on any individual covered under COBRA Continuation of a group plan or any individual conversion plan.</p>	

HEALTH NET LIFE INSURANCE COMPANY AGENT / BROKER AGREEMENT AND COMMISSION SCHEDULE

THIS AGREEMENT, made this _____ day of _____, 200 _____

by and between Health Net Life Insurance Company, hereafter called the "Company," and _____

hereafter called the "Agent/Broker":

WITNESSETH:

The Company hereby agrees to consider applications for coverage under any and all contracts ("Company's Group Health, Individual and Family Plan and Life Programs") as the Company may distribute to Agent/Broker from time to time, excluding those group programs commonly known as Conversion and COBRA, produced by Agent/Broker, subject to the following terms and conditions:

1. Agent/Broker is independently engaged in business as an insurance broker and/or agent. This business includes the solicitation of applications for memberships in the Company's Group, Individual and Family Plan and Life Programs and the collection of dues in respect to such memberships. Agent/Broker shall be free to determine for himself / herself the persons from whom he / she will solicit applications as well as the time and place of solicitation. Agent/Broker hereby agrees to appointment by Company with the California Department of Insurance.

Agent/Broker agrees to make and file all reports and returns required or demanded by any Federal or State statute or regulation now or hereafter in force and to pay all contributions or other sums that may be levied or assessed upon or in connection with the commissions paid to Agent/Broker by the Company in accordance with the provisions of this Agreement and its Exhibits.

Agent/Broker represents that he/she is duly licensed under the laws of the State of California as an insurance broker and/or agent licensed to transact life insurance and agrees to keep said license in full force and effect during the term hereof. Agent/Broker shall upon renewal of said license continually provide company during the terms of this agreement with copies of current licenses required by this Contract. Agent/Broker shall promptly notify the Company of the initiation of any disciplinary proceedings against it or against any of its principal persons or employees relating to any license issued to any such person by the California Insurance Commissioner.

Agent/Broker represents and warrants that he/she has never suffered the loss, suspension or termination of any license issued by any governmental authority in connection with the sale of any type of insurance, prepaid health care, hospital or professional benefits agreement, and that he/she has never been convicted of a crime involving moral turpitude.

2. Agent/Broker agrees to comply with the Company's rules and regulations relating to the completion and submission of applications for coverage under Company's Group, Individual and Family Plan and Life Programs and, as a material part of the consideration for the making of this Agreement by the Company, agrees that he/she will make no representation whatsoever with respect to the nature or scope of the benefits of the Company's memberships except through and by means of the written material prepared and furnished to Agent/Broker for that purpose by the Company and also that Agent/Broker shall have no authority to and will not purport to make any oral or written alteration, modification or waiver of any of the terms or conditions applicable to such insured.

Agent/Broker warrants that he/she will diligently and to the best of his/her ability ensure that the facts set forth by an applicant in

the applications, that Agent/Broker solicits are true and correct. Agent/Broker further warrants that he/she will fully inform each applicant that the Company will rely solely upon these representations in rejecting, conditionally accepting or contracting with applicant, that the subsequent discovery by Company of material facts known by applicant and either not disclosed or misrepresented on the application can result in the rescission or cancellation by the Company of any contract entered into in reliance thereon. Agent/Broker further agrees and understands that applicant shall not be accepted for coverage under the Company's Group and Individual and Family Plan Programs, unless and until the applications are reviewed and approved by the Company.

Should Agent/Broker accept funds of employer groups and subscribers in the form of checks made payable to Company, Agent/Broker shall forward such checks to Company by the close of the business day following receipt thereof.

Should Agent/Broker have access to Protected Health Information (PHI) or Individually Identifiable Health Information (IIHI), Agent/Broker agrees to protect any PHI or IIHI in its possession as required under the applicable HIPAA privacy regulations and in accordance with the Company's Notice of Privacy Practices.

Agent/Broker shall not, except at Agent/Broker's own expense, voluntarily make any payment, assume any liability or incur any expense on Company's behalf, or otherwise bind the Company in any way without the prior written consent of Company.

3. Agent/Broker shall be entitled to receive from the Company a commission based on the premiums paid and subject to compliance with the terms of this Agreement, including the attached Commission Schedule. Commissions shall be paid to the Agent/Broker by the Company subject to the latter's acceptance and approval of applications for coverage and timely receipt of initial and periodic payment of subscription charges as remitted by the employer or policyholder.

Agent/Broker shall perform services in connection with pertinent terms of group agreements issued to employers in a manner satisfactory to Company.

4. Agent/Broker agrees that the Company shall have the right to amend the Agreement and Commission Schedules as it deems appropriate. Modifications and amendments to the Agreement and Commission Schedules shall become effective on the date set forth in any such modification, amendment or endorsement or upon the date the Agent receives notification of the Amendment or replacement Commission Schedule as defined below, whichever is earlier. Agent/Broker will be deemed to have received notification upon the date his/her office signs a certified or registered return receipt of said notification or the expiration of seven (7) days from the United States Post Office post mark date of the mailing to him/her by the Company, whichever is earlier.

Notwithstanding the above, modification or amendment of the Commission Schedule shall not apply to commissions payable on premium charges received by the Company for Group, Individual and Family Plan and Life Programs contracts issued prior to the effective

date of the modification or amendment. Modified or amended Commission Schedules shall apply prospectively only to new Group, Individual and Family Plan and Life Programs contracts applications submitted to the Company by Agent / Broker. Commissions for Group, Individual and Family Plan and Life Programs contracts issued prior to the effective date of any modified or amended Commission Schedule shall be governed by the Agent/Broker Agreement and Commission Schedule in effect at the time of issuance of said Group, Individual and Family Plan and Life Programs contracts.

Commissions shall be payable during the calendar month following the month of receipt by the Company of the respective premium charges on which the commissions are payable. If a subscription charge adjustment is made for any period, then a corresponding adjustment shall be made in the Agent/Broker's commission.

5. Any indebtedness of Agent/Broker to the Company shall be a first lien against any commission due to said Agent/Broker or his / her representative or assignee under this Agreement. Such commission shall be applied to liquidate such indebtedness.
6. Agent / Broker may not assign this Agreement or any rights hereunder, or delegate or subcontract Agent/Broker's obligations hereunder, without the prior written consent of the Company. The Company may assign this Agreement upon written notice to Agent / Broker.
7. The Company reserves the right to reject any and all applications submitted by the Agent/Broker, to discontinue writing or alter the group and Individual and Family Plan programs offered.
8. If the Company shall cancel or rescind a Group, Individual and Family Plan or Life Programs contract handled by the Agent / Broker and return the premium charges paid thereon, the Agent/ Broker shall repay the Company, on demand, the amount of commissions received on premium charges returned. However, in no event shall the Agent/Broker be responsible for repayment of commissions received on any rescinded contract in an amount more than that paid on first year's premium charges.
9. Agent / Broker shall have no claim to commissions except as herein provided. Unless Agent / Broker was given prior written authorization by Company, he / she is not entitled to reimbursement for any expenses.
10. All printed collateral, applications and sales literature that the Company may furnish to the Agent / Broker shall remain the property of the Company, subject at all times to the Company's control and shall be returned to the Company upon demand.
11. All funds received by Agent/Broker for the account of the Company shall at all times be segregated from the assets of the Agent / Broker and shall, within one (1) business day of receipt by Agent / Broker, be promptly deposited into a trust account in a state or federal bank, authorized to do business in California and insured by an appropriate federal insuring agency. All such funds shall be transmitted to the Company by Agent / Broker within five (5) business days after receipt of such funds by Agent / Broker.
12. If Company receives notice from the employer group of termination of its current Broker of Record, commission for that Agent/Broker will cease for that group on the last day of the month during which notification was received. If the employer group appoints a new Broker of Record who has an executed Agent / Broker Agreement with Company, the new Agent/Broker will earn commission commencing on the first day of the month following receipt of notification.
13. The term of this Agreement shall be one (1) year, subject to the termination provisions set forth in Article 14 of this Agreement and subject to the right of the Company to amend or modify the Commission Schedule as set forth in Article 4. Thereafter, this Agreement shall renew automatically for additional one-year

terms until terminated by either party pursuant to Article 14 hereof.

14. This Agreement may be terminated at any time by either party giving ten (10) days prior written notification of termination to the other. Written notification of termination shall be delivered in person or by certified mail with return receipt requested. In the case of the Agent / Broker, notice shall be effective if given to his / her last known address as shown on the records of the Company. In the case of notification to the Company, to Health Net Life Insurance - Broker Relations, P.O. Box 9103 Van Nuys, California 91409-9103. The effective date of termination shall be the tenth day following the date of mailing the notice, unless said notice specifies and the parties agree to a longer period of time. In the event of termination without cause as provided in this Article, the commissions heretofore secured by the Agent / Broker shall continue to be paid to the Agent / Broker up to the date the group or subscriber terminates.

Notwithstanding any other provision of this Article 14, this Agreement may be terminated for cause. If this Agreement is terminated for cause, any and all compensation and commissions shall cease to be due and payable to Agent/Broker following the effective date of the termination of this Agreement for cause. The following acts or omissions by Agent / Broker shall constitute a sufficient basis for termination for cause: (1) fraud, (2) embezzlement, (3) willful violation of any law or any ruling of the State or applicable regulatory agency, (4) misrepresentation in any representation or warranty in this Agreement, whether or not the misrepresentation was knowing and willful, (5) non-disclosure or misrepresentation of group or subscriber information or other material facts, (6) failure to comply with Agent/Broker obligations under the Agreement.

15. Agent/Broker shall keep full and complete records of all transactions pertaining to this agreement and any and all other records pertaining to memberships submitted and accepted hereunder and any and all other records that may be required by any governmental entity or regulatory agency in connection with Agent / Broker's relationship with the Company, it's enrollees, and the public. Agent / Broker shall preserve all books and records for a period of not less than five (5) years; the first (2) years of which shall be in an easily accessible place at the offices of Agent / Broker. Thereafter, such records may be warehoused or stored, subject to their availability to the Company and to the Commissioner of Insurance within five (5) days of a request thereof.
16. When an Agent/Broker creates advertising, which includes, but is not limited to, print advertising, broadcast graphics, direct mail, business cards and Internet address, postings or links, Agent / Broker agrees to comply with the Company's logo usage guidelines. Any inappropriate use of the Company logo may be considered a material breach of this Agreement. The guidelines require that such advertisements;
 - A. Only feature Company information;
 - B. Indicate directly after Agent/Broker name, that Agent/Broker is an "authorized agent" and include the Agent/Broker's DOI Life Agent license number;
 - C. Adhere to the following requirements;
 - 1) Company logo must appear in the ad and must, at a minimum, be the same size as any other logos that may appear in the advertisement;
 - 2) Company logo may only be used to market plans sold by the Company;
 - D. The advertising may not represent that the Agent/Broker and the Company are one and the same or that any employee – employer relationship exists. Furthermore, there can be no implication of Company's ownership of the Agent / Broker's

agency or business; and

E. In Yellow or White Pages directory print advertising, listing must be listed under Agent/Broker's name, include the designation as either an "Authorized Agent/Broker of Health Net" or "Independent Agent of Health Net", and the Company name must appear on a separate line.

Agent/Broker may use the Company logo on its web site as a link to Company's web site. Any other use of Company logo on the Agent/Broker's web site must be approved by Company prior to its use.

- 17. Agent/Broker agrees to indemnify, defend, and save harmless the Company from any and all claims, liability, loss, cost, damage, or expense for, or on account of injury to or death of persons, damage to, destruction or loss of property occurring by reason of any misfeasance or nonfeasance by the Agent / Broker or Agent / Broker's failure to conform to the provisions of this Agreement. And without limiting the generality of the foregoing, further agrees to reimburse the Company for any expenses which it may incur in enforcing the Agent/Broker's obligations hereunder, including but not limited to court costs and attorney's fees. The obligations of Agent / Broker to indemnify the Company shall survive the termination of the Agreement.
- 18. This Agreement shall become effective when and only when it has been executed by the Agent/Broker and the Company. This Agreement contains the entire of the Agreement of the parties with respect to the subject matter hereof. No additions, amendments, modifications or waivers of any of the provisions of this Agreement shall be valid unless in writing and signed by a duly authorized officer of the Company.
- 19. This Agreement shall be binding upon the heirs, administrators, executors, successors and assigns of the parties hereto.
- 20. Agent / Broker shall comply with and shall cause its principal persons and employees to comply with all applicable California statutes and the regulations thereunder.
- 21. Agent /Broker shall at all times maintain Errors and Omissions insurance in amounts consistent with industry standards, but no less than \$1,000,000 per occurrence and \$1,000,000 aggregate limit of all claims filed in a policy year for Agent / Broker and its employees and agents. Upon the execution of this Agreement, and no less than annually thereafter, Agent/Broker shall provide Company with written proof of same.
- 22. Binding/Mandatory Arbitration: The parties agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement. Such good faith meet and confer shall

be a condition precedent to the filing of any arbitration demand by either party. In addition, should the parties, prior to submitting a dispute to arbitration, desire to utilize other impartial dispute settlement techniques such as mediation or fact-finding, a joint request for such services may be made to the American Arbitration Association ("AAA"), Judicial Arbitration and Mediation Services ("JAMS"), or the parties may initiate such other procedures as they may mutually agree upon at such time.

The parties further agree that any controversy or claim arising out of or relating to this Agreement, or the breach thereof, whether involving a claim in tort, contract, or otherwise, shall be settled by final and binding arbitration, upon the motion of either party, to arbitration under the appropriate rules of the AAA or JAMS, as agreed by the parties. The arbitration shall be conducted in Sacramento, Los Angeles or San Francisco, California by a single neutral arbitrator who is licensed to practice law. The written demand shall contain a detailed statement of the matter and facts and include copies of all related documents supporting the demand.

The party seeking arbitration must initiate arbitration within six (6) months after the alleged controversy or claim giving rise to the dispute occurred, by submitting a written demand to the other party. The failure to initiate arbitration within that period shall conclusively mean the complaining party shall be barred forever from initiating such proceedings as to the controversy or claim giving rise to the dispute.

All such arbitration proceedings shall be administered by the AAA or JAMS, as agreed by the parties; however, the arbitrator shall be bound by applicable state and federal law, and shall issue a written opinion setting forth findings of fact and conclusions of law. The parties agree that the decision of the arbitrator shall be final and binding as to each of them. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The arbitrator shall have no authority to make material errors of law or to award punitive damages or to add to, modify, or refuse to enforce any agreements between the parties. The arbitrator shall make written findings of fact and conclusions of law and shall have no authority to make any award which could not have been made by a court of law. The party against whom the award is rendered shall pay any monetary award and/or comply with any other order of the arbitrator within sixty (60) days of the entry of judgment on the award. The parties waive their right to a jury or court trial.

In all cases submitted to arbitration, the parties agree to share equally in paying the administrative fee as well as the arbitrator's fee, if any, unless otherwise assessed by the arbitrator. The filing fees shall be advanced by the initiating party subject to final apportionment by the arbitrator in an award.

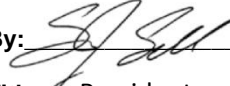
Agent/Broker:

By: _____

Title: _____

Date: _____

Health Net Life Insurance Company

By:  _____

Title: President _____

Date: _____

COMMISSION SCHEDULE

The Company agrees to pay Agent / Broker commissions in accordance with the schedule below and in the manner and on the terms and conditions set forth in the Agent/Broker Agreement and Commission Schedule, on subscription charges paid in cash to the Company for Employer Group Agreements issued on or after the Commission Schedule effective date set forth below and for which Agent/Broker continues to be designated by the Employer Group as Broker of Record.

Exhibit A				LARGE GROUP – FLEX NET (Indemnity), PPO, and EPO COMMISSION SCHEDULE	
ANNUALIZED PREMIUM				PERCENTAGE	
0	–	\$	50,000	6%	
50,001	–		100,000	4%	
100,001	–		300,000	3%	
300,001	–		500,000	2%	
500,001	–		750,000	1%	
750,001	–		1,000,000	.5%	
1,000,001	–		2,000,000	.2%	
2,000,001			and over	.1%	

Exhibit B				SMALL GROUP – PPO and FLEX NET (Indemnity) COMMISSION SCHEDULE	
7% Flat commission on monthly premiums received (good for the life of the account) applies <u>only</u> to groups effective February 1, 2004 and thereafter , with annualized premiums of \$500,000.00 or less. Any Small Group annualized premium above this range is negotiable.					
ANNUALIZED PREMIUM				PERCENTAGE	
0	–	\$	500,000	7.00%	
500,001	–		and over	negotiable	

Commissions for in-force Employer Groups, with effective dates on and before January 31, 2004 , will continue to be paid according to the schedule (including the one below) in effect at the time the Employer Groups contracted with Health Net of California, Inc.					
ANNUALIZED PREMIUM				PERCENTAGE	
0	–	\$	30,000	10.00%	
30,001	–		50,000	6.00%	
50,001	–		100,000	3.00%	
100,001	–		250,000	1.65%	
250,001	–		500,000	1.25%	
500,001	–		1,000,000	.80%	
1,000,001	–		or more	negotiable	

Exhibit C				Group Life Insurance (Large and Small Group) COMMISSION SCHEDULE	
ANNUAL PREMIUM				COMMISSION LEVEL (first year and renewal)	
First		\$	10,000	10%	
Next			10,000	8%	
Next			10,000	5%	
Next			20,000	4%	
Next			100,000	2%	
Next			600,000 or more	1%	

Exhibit D				INDIVIDUAL AND FAMILY PLAN PPO COMMISSION SCHEDULE (New and Renewal Accounts)	
<p>Compensation for each sale of a preferred individual health insurance plan contract, effective on or after January 1, 2005, produced by Agent/Broker shall, in the first year of any such sale, be 20% of premium received by Company and 10% of premium received in the second year and thereafter.</p> <p>Compensation for each sale of a Modified Issue Individual health insurance plan contract produced by Agent/Broker shall, in the first year of any sale, be 20% of the "preferred" premium received and 10% of the "preferred" premium received in the second year and thereafter.</p> <p>To be eligible to receive commissions for the second year and beyond on sales of Individual & Family Plan contracts (herein after referred to as Affected Subscriber contracts in this Exhibit D), with an original effective date on or after December 1, 1999, Agent/ Broker must meet the minimum requirements set forth in the following paragraphs:</p>					

- (1) As of month thirteen (13) and thereafter following the sale of an Affected Subscriber contract that commenced on or after December 1, 1999 so long as this Agreement remains in effect, Agent/Broker's book of contracts shall include a minimum of six (6) Individual subscribers where the original applications were solicited and submitted by Agent/Broker, accepted, contracts were issued therefor, and premiums paid on or before bill due date.
- (2) Credit toward reaching the six (6) Individual subscriber minimum will include all Affected Subscriber, Individual Seniority Plus, Individual Medicare Supplement and Individual Medicare Advantage PPO plan contracts where the Agent/Broker is designated as the Broker of Record.
- (3) Alternatively, the minimum requirement under (1) of this Exhibit will be waived for as long as the Agent/Broker is the Broker of Record on at least one (1) Large Group (51+ eligible subscribers) or at least one (1) Small Group (2-50 eligible subscribers) that is enrolled in a Health Net of California, Inc. or Health Net Life Insurance Company medical plan.
- (4) Commissions under this Exhibit shall not be paid retroactively for any period prior to the effective date of this Agreement during which Agent/Broker qualified under the minimum requirements set out in (1) and (3) of this Exhibit.
- (5) Commissions paid for Individual HIPAA Guarantee Issue plan contracts shall be paid in an amount no less than the amount of commissions paid for the same plan when issued on an underwritten basis to non-HIPAA enrollees.

Commission will be paid by Company to Agent/Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect. Agent/Broker shall not be entitled to payment of commissions on any individual covered under COBRA Continuation of a group plan or any individual conversion plan.

Exhibit E

INDIVIDUAL MEDICARE SUPPLEMENT PLAN PROGRAM (New and Renewal Accounts)

Compensation for new sales of Individual Medicare Supplement Plan contracts, effective on or after October 1, 2005, is not available under this Agreement. An Agent/Broker interested in selling and receiving commission for new Individual Medicare Supplement contracts must execute a separate Medicare Broker Agreement with Health Net's Senior Products Division.

Renewal Commissions.

Renewal compensation for each Individual Medicare Supplement Plan contract produced by Agent/Broker effective on or before September 30, 2005, that qualifies for acceptance based upon medical underwriting, shall be 10% of premium received by the Company in the second year and thereafter.

Renewal compensation for each Individual Medicare Supplement Plan contract that qualifies for acceptance based solely on Guarantee Issue applicability, produced by Agent/Broker that becomes effective on or between May 1, 2002 and September 30, 2005, shall be 10% of premium received by the Company in the second year and thereafter.

To be eligible to receive renewal commissions on sales of Individual Medicare Supplement Plan contracts (hereinafter referred to as Affected Subscriber contracts in this Exhibit E), with an original effective date between and including September 1, 2001 and September 30, 2005, Agent/Broker must meet the minimum requirements set forth in the following paragraphs:

- (1) As of month thirteen (13) and thereafter following the sale of an Affected Subscriber contract that commenced on or between September 1, 2001 and September 30, 2005, under this Agreement, Agent/Broker's book of contracts shall include a minimum of six (6) Individual subscribers where the original applications were solicited and submitted by Agent/Broker, accepted, contracts were issued therefor, and premiums paid on or before bill due date.
- (2) Credit toward reaching the six (6) subscriber minimum will include all Affected Subscriber, Individual Seniority Plus, Individual and Family Plan and Individual Medicare Advantage PPO plan contracts where the Agent/Broker is designated as the Broker of Record.
- (3) Alternatively, the minimum requirement under (1) of this Exhibit will be waived for as long as the Agent/Broker is the Broker of Record on at least one (1) Large Group (51+ eligible subscribers) or one (1) Small Group (2-50 eligible subscribers) that is enrolled in a Health Net of California, Inc. or Health Net Life Insurance Company medical plan.
- (4) Commissions under this Exhibit shall not be paid retroactively for any period prior to the effective date of this Agreement during which Agent/Broker did not qualify under the minimum requirements set out in (1) and (3) of this Exhibit.

Commission will be paid by Company to Agent/Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect.

Exhibit F**INDIVIDUAL AND FAMILY PLAN LIFE INSURANCE
COMMISSION SCHEDULE**

Compensation for each sale of an Individual Life Insurance Plan contract produced by Agent/Broker shall, in the first year of any such sale, be 15% of premium received by Company and 10% of premium received by the Company in the second year and thereafter.

Exhibit G**LARGE AND SMALL GROUP HEALTH NET DENTAL COMMISSION SCHEDULE
LARGE AND SMALL GROUP HEALTH NET VISION COMMISSION SCHEDULE**

Dental products offered under the trade name "Health Net Dental" are underwritten and administered by either SafeGuard Health Plans, Inc. or SafeHealth Life Insurance Company. Neither SafeGuard Health Plan, Inc. nor SafeHealth Life Insurance Company are affiliates of Health Net of California, Inc. or Health Net Life Insurance Company.

Vision products offered under the trade name "Health Net Vision" are underwritten by Fidelity Security Life Insurance Company and administered by EyeMed Vision Care, LLC. Neither Fidelity Security Life Insurance Company nor EyeMed Vision Care, LLC are affiliates of Health Net of California or Health Net Life Insurance Company.

Health Net Dental and Health Net Vision plans are available through Health Net Account Management and must be sold in conjunction with a Health Net medical plan.

Agent/Broker shall not be entitled to commission on any individual coverage issued as a result of conversion of coverage from any group plan.

Agent / Broker shall be deemed a broker of Health Net Dental products and not an agent of Health Net of California, Inc., Health Net Life Insurance Company, SafeGuard Health Plans, Inc. or SafeHealth Life Insurance Company.

Agent / Broker shall be deemed a broker of Health Net Vision products and not an agent of Health Net of California, Inc., Health Net Life Insurance Company or Fidelity Security Life Insurance Company.

DENTAL AND VISION COMMISSION SCHEDULE

PRODUCT	PLAN EFFECTIVE DATES	ANNUALIZED PREMIUM	PERCENTAGE OF PREMIUM
Dental HMO (DHMO)	Before April 1, 2004	all	10.00% flat
Dental PPO (DPPO)	Before April 1, 2004	all	8.00% flat
Vision: Group PPO & Indemnity	Before February 1, 2004	\$0 - \$10,000	10.00% flat
		\$10,001 or more	5.00% flat
Dental HMO (DHMO)	On / after April 1, 2004	all	10.00% flat
Dental PPO (DPPO)	On / after April 1, 2004	all	10.00% flat
Vision: Group PPO & Indemnity	On / after February 1, 2004	all	10.00% flat

Request for Taxpayer Identification Number and Certification

**Give form to the
requester. Do not
send to the IRS.**

Please print or type

Name (See Specific Instructions on page 2.)	
Business name, if different from above. (See Specific Instructions on page 2.)	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Social security number								
		+		+				

or

Employer identification number								
		+						

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

List account number(s) here (optional)

Part II For U.S. Payees Exempt From Backup Withholding (See the instructions on page 2.)

Part III Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here

Signature of U.S. person ▶

Date ▶

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is backup withholding? Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. **Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part III instructions on page 2 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9**.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Part I—Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are an **LLC** that is **disregarded as an entity** separate from its owner (see **Limited liability company (LLC)** above), and are owned by an individual, enter your SSN (or "pre-LLC" EIN, if desired). If the owner of a disregarded LLC is a corporation, partnership, etc., enter the owner's EIN.

Note: See the chart on this page for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5**, Application for a Social Security Card, from your local Social Security Administration office. Get **Form W-7**, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN or **Form SS-4**, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS's Internet Web Site at www.irs.gov.

If you do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all

such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Part II—For U.S. Payees Exempt From Backup Withholding

Individuals (including sole proprietors) are **not** exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For more information on exempt payees, see the separate Instructions for the Requester of Form W-9.

If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part I, write "Exempt" in Part II, and sign and date the form.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

Part III—Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required).

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified state tuition program payments, IRA or MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to

report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.



Contact us

Broker Services
Health Net of California
P.O. Box 1150
Rancho Cordova, California 95741-1150
1-800-448-4411, option 4

Small Business Group
Sales and Service Administration
1-800-447-8812

www.healthnet.com



Amendment to

Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule and Health Net Life Insurance Company Agent/Broker Agreement and Commission Schedule (collectively, the “Agreements” and “Commission Schedules”, respectively)

This Amendment amends the above named Agreements, as more fully described below. Except as so amended, all other provisions of the Agreements shall remain unchanged and in effect.

AMENDMENTS TO THE AGREEMENTS

1. Section 14, of the Agreements, are hereby replaced with the following:

This Agreement may be terminated at any time by either party giving ten (10) days prior written notification of termination to the other. Written notification of termination shall be delivered in person, or by mail or courier with proof of delivery. In the case of the Agent/Broker, notice shall be effective if given to his/her last known address as shown on the records of the Company. In the case of notification to the Company, to Health Net – Broker Services, P.O. Box 1150 Rancho Cordova, California 95741-1150. The effective date of termination shall be the tenth day following the date of mailing the notice, unless said notice specifies and the parties agree to a longer period of time. In the event of termination without cause as provided in this Article, the commissions heretofore secured by the Agent/Broker shall continue to be paid to the Agent/Broker up to the date the group or subscriber terminates. However, Health Net shall discontinue or stop the payment of such commissions upon receiving the written request to do so from the Agent/Broker.

Notwithstanding any other provision of this Article 14, this Agreement may immediately be terminated for cause. If this Agreement is terminated for cause, any and all compensation and commissions shall cease to be due and payable to Agent/Broker following the effective date of the termination of this Agreement for cause. The following acts or omissions by Agent/Broker shall constitute a sufficient basis for termination for cause: (1) fraud, (2) embezzlement, (3) willful violation of any law or any ruling of the State or applicable regulatory agency, (4) misrepresentation in any representation or warranty in this Agreement, whether or not the misrepresentation was knowing and willful, (5) non-disclosure or misrepresentation of group or subscriber information or other material facts, (6) failure to comply with Agent/Broker obligations under the Agreement.

2. Exhibit B, Small Group, of Health Net of California, Inc. Agreement, “Product 1-50 Employees” commission schedule is hereby amended as follows:

Old Schedule:

“For the purpose of determining eligibility in the small employer market, including the counting of employees, see CA Health & Safety Code 1357.500

The following commission schedule will apply to:

*-Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter.***

-Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group’s original effective date.

Product – 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
WholeCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Salud	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
SmartCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
CommunityCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Full network	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

Product – HSP (Health care service plan) 1-50 Employees	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.

New Schedule effective 5/1/2016:

“For the purpose of determining eligibility in the small employer market, including the counting of employees, see CA Health & Safety Code 1357.500

The following commission schedule will apply to:

*-Groups or renewing groups with an original effective date of **May 1, 2016 and thereafter.***

-Groups that have an original effective date prior to May 1, 2016, but are enrolling into a Health Net product with an effective date of May 1, 2016 and thereafter that was not available as of the group’s original effective date.

Product – 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
WholeCare	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Salud	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SmartCare	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
CommunityCare	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Full network	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Product – HSP (Health care service plan) 1-50 Employees	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Platinum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gold	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Silver	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bronze	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.

3. Exhibit B, Small Group, of Health Net Life Insurance Company Agreement, “Product 1-50 Employees” commission schedule is hereby amended as follows:

Old Schedule:

“For the purpose of determining eligibility in the small market employer market, including the counting of employees, see CA Insurance Code 10753.

The following commission schedule will apply to:

*-Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter.***

-Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group’s original effective date.

Product – PPO 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

The following commission schedule will apply to:

*-Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter.***

-Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group’s original effective date.

Product – EPO 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.

New Schedule effective 5/1/2016:

“For the purpose of determining eligibility in the small market employer market, including the counting of employees, see CA Insurance Code 10753.

The following commission schedule will apply to:

*-Groups or renewing groups with an original effective date of **May 1, 2016 and thereafter.***

-Groups that have an original effective date prior to May 1, 2016, but are enrolling into a Health Net product with an effective date of May 1, 2016 and thereafter that was not available as of the group’s original effective date.

Product – PPO 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gold	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Silver	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bronze	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The following commission schedule will apply to:

*-Groups or renewing groups with an original effective date of **May 1, 2016 and thereafter.***

-Groups that have an original effective date prior to May 1, 2016, but are enrolling into a Health Net product with an effective date of May 1, 2016 and thereafter that was not available as of the group’s original effective date.

Product – EPO 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gold	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Silver	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bronze	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.

Effective Date. This Amendment shall be effective **May 1, 2016**, except as otherwise indicated in this Amendment.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net of California, Inc.
Health Net Life Insurance Company

A handwritten signature in black ink, appearing to read "S. Sell", written in a cursive style.

Steve Sell
President



Amendment to

**Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule
and
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(collectively, the “Agreements” and “Commission Schedules”, respectively)**

This Amendment amends the above named Agreements, as more fully described below. Except as so amended, all other provisions of the Agreements shall remain unchanged and in effect.

AMENDMENT TO THE AGREEMENT

1. Section 2, of the Agreements are hereby amended as follows:

Insert the following after the second paragraph:

Census Enrollment. Agent/Broker agrees to the following when sending new Group Employee enrollment membership data via Health Net’s standard Census Enrollment spreadsheet:

- (a) Record Retention. Each Employee Enrollment Form, including the Acceptance of Coverage section, must be executed prior to the delivery of the Census Enrollment file of each member(s)’ data to Health Net. If the arbitration agreement clause on the Employee Enrollment Form is not signed or is modified in any way, the enrollment data cannot be sent to Health Net for those members. These signed Employee Enrollment Forms must be retained by the Agent/Broker for verification purposes. Agent/Broker agrees to supply Health Net with a copy of the signed Employee Enrollment Form upon request.
- (b) Audit Rights. Agent/Broker agrees that Health Net reserves the right to conduct periodic audits on the data received against the executed Employee Enrollment Forms retained by Agent/Broker.
- (c) Data Transmission. The Census Enrollment spreadsheet must be sent to Health Net Underwriting via encrypted means. The Census Enrollment spreadsheet will only be used to submit new enrollment information.
- (d) Health Net’s Detailed Data Specifications. Agent/Broker agrees to use Health Net data specifications and layout of the Census Enrollment spreadsheet. Agent/Broker is responsible for the accurate input of data onto the Census Enrollment spreadsheet tabs from each of the Employee Enrollment Forms.

2. Section 4, Paragraph 1, second sentence of the Agreements are hereby replaced with the following:

“Company shall notify Agent/Broker at least **forty five (45) days** in advance of such modifications and amendments to the Agreement and Commission Schedules and such changes shall become effective on the date set forth in any such modification, amendment or endorsement or upon the date the Agent / Broker receives notification of the Amendment or replacement Commission Schedule as defined below, whichever is earlier.”

3. Section 4, Paragraph 4, second sentence of the Agreements are hereby replaced with the following:

“Notwithstanding any other term of this section, Health Net may modify any Commission Schedule, regardless of effective date, upon **45 day** notice if, in Health Net’s sole discretion, amendment of the Commission Schedule is necessary to comply with or maintain reasonable administrative costs due to legislative or regulatory mandates or requirements.”

4. Section 4 of the Agreements are hereby amended, as of January 1, 2016, by inserting the following after the last paragraph:

“Agent/Broker is responsible for reviewing commission statements and payments issued by the Company. Agent/Broker may dispute commission payment determinations of the Company by filing a dispute in writing with the Company within 120 days of receipt of the commission statement and payment that is disputed. Broker’s filing of such disputes regarding commissions within the 120 day period are subject to the dispute resolution and arbitration provisions in Section 22 of this Agreement. However, Agent/Broker forfeits all rights to any commissions for which Agent/Broker has not filed a written dispute with the Company within the 120 day period and shall be barred forever from initiating such a dispute as to such commissions.”

5. Section 22, of the Agreements are hereby amended, as of January 1, 2016, by inserting the following after the first paragraph:

“Per Section 4 of this Agreement, Agent/Broker may dispute commission payments by filing a written dispute with the Company only within 120 days of receipt of the commission statement and payment that is disputed, or Broker forfeits all rights to any such disputed commissions.”

6. Exhibit B, Small Group, of Health Net of California, Inc. Agreement, is hereby amended as follows:

Current Exhibit B:

“The following commission schedule will apply only to groups effective or renewing effective May 1, 2015 and thereafter:

Product	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
WholeCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Salud	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

The following commission schedule will apply only to groups effective or renewing effective December 1, 2014 and thereafter:

Product	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
SmartCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

Product – HSP (Health care service plan)	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

The following is added to Exhibit B:

“The following commission schedule will apply only to groups or renewing groups with an original effective date of December 1, 2015 and thereafter:

Product	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
CommunityCare – <i>Effective 12/1/2015</i>	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Full network – <i>Effective 12/1/2015</i>	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

New Exhibit B:

“For the purpose of determining eligibility in the small employer market, including the counting of employees, see CA Health & Safety Code 1357.500

The following commission schedule will apply to:

- *Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter***

- *Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group’s original effective date.*

Product – 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
WholeCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Salud	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
SmartCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
CommunityCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Full network	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

Product – HSP (Health care service plan) 1-50 Employees	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.

Product – 51-100 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
WholeCare	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Salud	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SmartCare	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
CommunityCare	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Full network	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Product – HSP (Health care service plan) 51-100 Employees	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Platinum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gold	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Silver	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bronze	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

7. Exhibit B, Small Group, of Health Net Life Insurance Company Agreement, is hereby amended as follows:

Current Exhibit B:

*“The following commission schedule will apply only to groups or renewing groups with an original effective date of **October 1, 2015 and thereafter:***

Any groups with an original effective date issued prior to October 1, 2015, will be subject to the commission schedule in force at the time of the groups original effective date, this includes any future/subsequent renewals, provided there has been no break in coverage issued by Health Net Life Insurance Company on or after October 1, 2015.

Product - PPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

*The following commission schedule will apply only to groups or renewing groups with an original effective date of **October 1, 2015 and thereafter:***

Product - EPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

New Exhibit B:

“For the purpose of determining eligibility in the small market employer market, including the counting of employees, se CA Insurance Code 10753.

The following commission schedule will apply to:

- *Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter***
- *Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group’s original effective date.*

Product – PPO 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

The following commission schedule will apply to:

- *Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter***
- *Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group’s original effective date.*

Product – EPO 1-50 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.

Product – PPO 51-100 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gold	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Silver	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bronze	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The following commission schedule will apply to:

- *Groups or renewing groups with an original effective date of **January 1, 2016 and thereafter***

- *Groups that have an original effective date prior to January 1, 2016, but are enrolling into a Health Net product with an effective date of January 1, 2016 and thereafter that was not available as of the group's original effective date.*

Product – EPO 51-100 Employees	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gold	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Silver	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Bronze	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

Effective Date. This Amendment shall be effective November 20, 2015, except as otherwise indicated in this Amendment.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

**Health Net of California, Inc.
Health Net Life Insurance Company**



**Steve Sell
President**



Health Net

**Amendment to
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(the “Agreement” and “Commission Schedule”, respectively)**

This Amendment amends the above named Agreement and Commission Schedule, as more fully described below. Except as so amended, all other provisions of the Agreement and Commission Schedule shall remain unchanged and in effect.

AMENDMENT TO THE AGREEMENT

1. Exhibit B, Small Group, of the Agreement is hereby amended as follows:

Current Exhibit B:

*“The following commission schedule will apply only to groups effective **January 1, 2014 and thereafter:***

Product - PPO	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Platinum	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Gold	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

*The following commission schedule will apply only to groups effective or renewing effective **January 1, 2015 and thereafter:***

Product - EPO	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Platinum	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Gold	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

New Exhibit B:

*“The following commission schedule will apply only to groups or renewing groups with an original effective date of **October 1, 2015 and thereafter.**”*

****Any groups with an original effective date issued prior to October 1, 2015, will be subject to the commission schedule inforce at the time of the groups original effective date, this includes any future/subsequent renewals, provided there has been no break in coverage issued by Health Net Life Insurance Company on or after October 1, 2015.****

Product - PPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

*The following commission schedule will apply only to groups or renewing groups with an original effective date of **October 1, 2015 and thereafter.**”*

Product - EPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Gold	6.00%	5.75%	5.60%	5.40%	5.25%	5.00%
Silver	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Bronze	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

Effective Date. This change shall be effective October 1, 2015.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreement.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail.

Health Net Life Insurance Company



**Steve Sell
President**



Amendment to

**Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule
(the “Agreement” and “Commission Schedule”, respectively)**

This Amendment amends the above named Agreement and Commission Schedule, as more fully described below. Except as so amended, all other provisions of the Agreement and Commission Schedule shall remain unchanged and in effect.

AMENDMENT TO THE AGREEMENT

Section 1, of the Agreement is amended by adding the following two paragraphs at the end of Section 1:

“Books and records are to be maintained by Agent/Broker on a current basis, which shall include a current list of the names and addresses of its partners, if any, and, all of its employees who may act as solicitors.

All records, books and papers of Agent/Broker are to be opened for inspection by the Director of the Department of Managed Health Care during normal business hours; and, shall not be removed out of state without prior consent by the Director.”

Effective Date. This change shall be effective on and after **June 1, 2015**.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail.

Health Net of California, Inc.

Steve Sell
President



Amendment to
Health Net of California, Inc. Agent/Broker Agreements and Commission Schedules
and
Health Net Life Insurance Company
Agent/Broker Agreements and Commission Schedules
(the “Agreements” and “Commission Schedules”, respectively)

This Amendment amends the above named Agreements and Commission Schedules, as more fully described below. Except as so amended, all other provisions of the Agreements and Commission Schedules shall remain unchanged and in effect.

AMENDMENTS TO THE AGREEMENTS

1. Exhibit B, Small Group, of Health Net of California, Inc. Agreement, is hereby amended as follows:

Current Exhibit B, in part, to be amended:

*The following commission schedule will apply only to groups effective or renewing effective **January 1, 2014 and thereafter**:*

Product	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
WholeCare	7.50%	7.20%	6.90%	6.00%	5.25%	5.00%
Salud	6.75%	6.45%	6.15%	5.75%	5.25%	5.00%

New Exhibit B, with respect to commission rates for the WholeCare and Salud Products as amended herein:

*The following commission schedule will apply only to groups or renewing groups with an original effective date of **May 1, 2015 and thereafter**.*

Any groups with an original effective date prior to May 1, 2015, will be subject to the commission schedule in force at the time of the group’s original effective date, this includes any future/subsequent renewals, provided there has been no break in coverage issued by Health Net of California, Inc. on or after May 1, 2015.

Product	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
WholeCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%
Salud	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

2. Section 2,

Replace the sixth and subsequent paragraphs of Section 2 of each Agreement with the following:

“In the performance of Agent/Broker’s services for Health Net of California, Inc. and Health Net Life Insurance Company (“Health Net” or “Covered Entity”) under this Agreement, Agent/Broker’s and its employees and sub-agents (collectively “Business Associate”) may create, transmit, maintain, have access to, use, disclose, or receive “Protected Health Information” (“PHI”), including “Electronic Protected Health Information” (“ePHI”), as such terms are defined under the Health Insurance Portability and Accountability Act of 1996, (“HIPAA”) and the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“HITECH Act”), and the final regulations to such Acts that the U.S. Department of Health and Human Services (“HHS”) has promulgated and set forth in 45 CFR Parts 160, 162, and 164 (collectively, the “HIPAA Rules”). Terms used but not otherwise defined in this Agreement shall have the same meaning as given to those terms in the HIPAA Rules. A regulatory reference in this Agreement means the section as in effect or as amended, and for which compliance is required. Unless otherwise specified, the term “Protected Health Information” or “PHI” shall refer to PHI, ePHI and “Personal Information.” Personal Information (“PI”) shall have the meaning set forth in Section 2.J. “Discovery” shall mean the first day on which an Incident (as defined herein) is known to Business Associate (including any person that is an employee, officer, or Subcontractor of Business Associate), or should reasonably have been known to Business Associate, to have occurred. Therefore, Business Associate agrees to comply with the following requirements:

- A. Permitted Use and Disclosure of PHI. Business Associate shall use and disclose PHI only as permitted by this Agreement, or as required by law, provided that Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the HIPAA Rules if done by Covered Entity. Unless otherwise allowed pursuant to this Agreement, Business Associate is only permitted to:
1. Use or disclose PHI to perform its obligations and functions under this Agreement, including but not limited to performing the following functions for or on behalf of Covered Entity:
 - a. Providing new members with member ID numbers and/or ID cards.
 - b. Providing new members with the identity of the member's assigned primary care physician and/or medical group assignment.
 - c. Communicating with a member regarding whether a particular claim has been paid, provided that Business Associate shall only be permitted to request, and Covered Entity shall only provide, a statement that a claim has or has not been paid and the date of the payment, if any. Business Associate agrees to request confirmation of whether a claim has been paid by providing to Covered Entity only the claim number and no other information. Business Associate acknowledges that Covered Entity will only provide Business Associate with a statement that a claim has or has not been paid and will not disclose any other information to Business Associate regarding the claim or a member, unless otherwise expressly permitted in this Agreement without a written authorization from the member that satisfies any requirements of the HIPAA Rules and/or other applicable law.
 2. Use PHI for the proper management and administration of Business Associate or to carry out its legal responsibilities;
 3. Disclose PHI for the proper management and administration of Business Associate or to carry out its legal responsibilities, if such disclosure is required by law, or if Business Associate obtains (i) reasonable assurances from the recipient that the recipient will keep the PHI confidential, and will use or further disclose the PHI only as required by law or for the purpose for which it was disclosed to the recipient, and (ii) a written agreement from such third party to immediately notify Business Associate of any instance of which the recipient is aware in which the confidentiality of the PHI has been breached; and
 4. Use or disclose PHI to report violations of the law to law enforcement or as otherwise required by law.

- B. Safeguards. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that Business Associate creates, receives, maintains, uses, discloses, or transmits on behalf of Covered Entity, as required by the HIPAA Rules. Business Associate shall comply with the requirements in 45 C.F.R. Part 164, subpart C. In addition, Business Associate shall remain familiar with current threats to PHI as they evolve and reasonably and appropriately take steps to mitigate those threats. Business Associate must encrypt PHI using encryption protocols specified by the Secretary of the Department of Health and Human Services that render PHI unusable, unreadable, or indecipherable to unauthorized persons, as may be amended from time to time, which currently includes those standards which are FIPS 140-2 validated (See <http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/brguidance.html>). Such encryption must be used for all PHI “at rest” (including but not limited to PHI on desktops, laptops, mobile devices, removable media, and servers) as well as all PHI “in transit (including but not limited to PHI that is included in an email or other transmission).
- C. Minimum Necessary. Business Associate, and its agents and Subcontractors, shall request, use and disclose only the minimum necessary amount of PHI necessary to accomplish the purpose of the request, use or disclosure (as described in 45 C.F.R. § 164.502(b) and § 164.514(d)). To the extent practicable, all uses and disclosures must be restricted to information in a Limited Data Set (as described in 45 C.F.R. § 164.514(e)(2)).
- D. Agents & Subcontractors. Business Associate agrees to ensure that any agent or Subcontractor to whom it provides PHI agrees in writing to the same restrictions and conditions that apply through this Agreement to Business Associate.
- E. Incident Reporting, Mitigation, and Remediation: Business Associate shall immediately report after Discovery of such event by Business Associate or any Subcontractor: (i) any acquisition, access, use or disclosure of PHI not provided for in this Agreement; (ii) any Security Incident involving PHI; (iii) any Breach of Unsecured PHI; and (iv) any loss, destruction, alteration, or other event in which PHI cannot be accounted for (collectively, an “Incident”). Notifications must be sent to privacy@healthnet.com. Business Associate shall implement reasonable systems for the Discovery and prompt reporting of any Incidents and shall train Business Associate personnel regarding the requirements under this Agreement.
1. Reporting Requirements. Business Associate shall immediately report the information described below to Covered Entity and in any event no later than within twenty-four (24) hours following Discovery of an Incident, except when despite all reasonable efforts by Business Associate to obtain the information required, circumstances beyond the control of Business Associate necessitate additional time. Under such circumstances, Business Associate shall immediately notify Covered Entity that the Incident has occurred and provide the information required below as soon as possible and without unreasonable delay, but in no event later than five (5) calendar days from the date of Discovery of the Incident. The notice shall be in the form and format requested by Covered Entity and shall include:

- a. the identification of each Individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, disclosed, lost, altered, destroyed, or otherwise unaccounted for;
 - b. the date of the Incident;
 - c. the date of the Discovery of the Incident;
 - d. a description of the types of PHI that were involved; and
 - e. any other details reasonably requested by Covered Entity.
2. *Risk Assessment.* In the event of an Incident, Business Associate shall assist Covered Entity in performing (or at Covered Entity's direction, perform) a risk assessment to determine if there is a low probability that the PHI has been compromised, consistent with and in coordination with any investigation that Covered Entity undertakes. To enable Covered Entity to make a determination whether or not there is a low probability that PHI has been compromised, Business Associate, and any Subcontractor of Business Associate, shall promptly undertake a risk assessment in coordination with Covered Entity that addresses the following factors and provide the results of such risk assessment to Covered Entity:
- a. The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;
 - b. whether the PHI was actually acquired or viewed;
 - c. the unauthorized person who used the PHI or to whom the disclosure was made; and
 - d. the extent to which the risk to the PHI has been mitigated.
3. *Breach Determination & Notification.* Covered Entity shall make the ultimate determination, in its sole discretion, whether there has been a Breach and if so, whether the required notifications, including to Individuals, third parties, the media, and regulators (such as the Secretary and state regulators), will be provided by Covered Entity or Business Associate. In the event that Covered Entity requires that Business Associate provide such notifications regarding a Breach, any such notices must be approved, in advance, by Covered Entity. Covered Entity's approval shall also be required for the manner of delivering notice of a Breach.
4. *Record Requirements.* Business Associate shall maintain complete records regarding any Incident for the period required by 45 C.F.R. § 164.530(j) or such longer period Required By Law, and shall make such records available to Covered Entity promptly upon request, but in no event later than within five (5) business days.

5. *Mitigation & Remediation.* Business Associate shall mitigate, to the extent practicable and at its cost, any harmful effects from any Incident (including steps to protect the operating environment). Business Associate also shall take prompt steps designed to prevent the recurrence of any Incident, including any action required by applicable federal and state laws and regulations. All such efforts shall be subject to the Covered Entity's prior written approval. Business Associate must document a corrective action plan, including information on measures that were taken to halt and/or contain the Incident, and provide such documentation to Covered Entity immediately upon request. Business Associate must comply with this provision regardless of any actions taken by Covered Entity.
 6. *Ongoing Assistance:* Business Associate shall make itself and any employees, Subcontractors, or agents assisting Business Associate in the performance of its obligations available to Covered Entity at no cost to Covered Entity to testify as witnesses, or otherwise, in the event of an Incident that results in litigation or administrative proceedings against Covered Entity, its directors, officers, agents or employees, or against DHCS, based upon a claimed violation of laws relating to security and privacy or arising out of this Agreement.
- F. Access to PHI. To the extent that Business Associate possesses an applicable Designated Record Set, and within a reasonable amount of time (but not to exceed five (5) days) of receipt of a request from Covered Entity to access such PHI, Business Associate shall transmit such information to Covered Entity. If an Individual requests access to PHI directly from Business Associate, Business Associate will forward such a request in writing to Covered Entity within a reasonable amount of time (but not to exceed five (5) days). Covered Entity will be responsible for making all determinations regarding the granting or denial of an Individual's request, and Business Associate shall make no such determinations. If Business Associate maintains PHI in electronic form, Business Associate shall provide such information in electronic format to Covered Entity if requested. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).
- G. Amendment of PHI. Business Associate agrees to make any amendment(s) to PHI that Covered Entity directs or agrees to, pursuant to 45 C.F.R. § 164.526, in the time and manner designated by Covered Entity. Within a reasonable amount of time of receipt of a request by an Individual to Business Associate to amend PHI (but not to exceed five (5) days), Business Associate shall forward to Covered Entity any such requests in writing. Covered Entity shall be responsible for making all determinations regarding amendments to PHI, and Business Associate shall make no such determinations.

- H. Accounting of Disclosures. Business Associate shall document such disclosures of PHI as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by Business Associate and its agents or Subcontractors for six (6) years prior to the request, and to maintain such records for a period of six (6) years to enable compliance with the HIPAA Rules.
1. Within a reasonable amount of time of receipt of a notice from Covered Entity requesting an accounting of PHI disclosures (but not to exceed five (5) days), Business Associate shall provide Covered Entity with records of such disclosures containing information as outlined in 45 C.F.R. §164.528(b).
 2. Within a reasonable amount of time of receipt of a request by an Individual to Business Associate for an accounting of disclosures of PHI (but not to exceed five (5) days), Business Associate shall forward to Covered Entity any such requests in writing. Covered Entity shall be responsible for providing an accounting of PHI disclosures to the Individual. Business Associate will not provide an accounting of its disclosures directly to the Individual.
- I. Government Access. Upon request, Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI available to Covered Entity and to the Secretary to the extent required for determining Covered Entity's compliance with the HIPAA Rules. Business Associate shall concurrently provide Covered Entity with a copy of any PHI that Business Associate provides pursuant to any governmental inquiry.
- J. State Law. Business Associate shall comply with applicable state law confidentiality, privacy, security, document retention, and breach notification requirements involving "Personal Information" or "Personally Identifiable Information" (collectively "PI") as those terms are defined under state law, including but not limited to California Code § 1798.82. For purposes of this Agreement, PI shall refer to any data elements that identify an individual or that could be used to identify an individual, including but not limited to an individual's first name or initial and last name in combination with one or more of the following data elements: social security number; driver's license or state issued identification number; credit or debit card number; medical information (such as an individual's condition, treatment, or payment information); financial information, such as checking account or other account number (either in combination with a required security code, access code, or password that would permit access to the account, or alone if the account does not require such an access code); or other identifying information, such as email addresses and usernames in combination with passwords or security questions, date of birth, mother's maiden name, digital signature, passport number, fingerprint or other biometric data, an insurance policy number, employment information, employment history, an employer, student, tribal, or military identification numbers.

Notwithstanding any provision to the contrary, the provisions of this Agreement shall apply equally with respect to PI as they do to PHI; provided, however, that to the extent that state law is more stringent than the HIPAA Rules or the terms of this Agreement, Business Associate agrees to comply with the requirement that provides more privacy and security protection to PI.

- K. Standard Transactions. To the extent Business Associate conducts Standard Transaction(s) on behalf of Covered Entity, Business Associate shall, without limitation, comply 45 C.F.R. Part 162, and shall not: (a) Change the definition, data condition or use of a data element or segment in a standard; (b) Add any data elements or segments to the maximum defined data set; (c) Use any code or data elements that are either marked “not used” in the standard’s implementation specification or are not in the standard’s implementation specification(s); or (d) Change the meaning or intent of the standard’s implementation specifications.
- L. Record Retention. Health Net, after providing ten (10) business days’ written notice, may inspect the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of PHI pursuant to this Agreement for the purpose of determining whether the Business Associate has complied with this Agreement.
- M. Data Ownership. Business Associate acknowledges that Covered Entity is the owner of all PHI.
- N. Additional Restrictions. Business Associate must honor all restrictions consistent with 45 C.F.R. §164.522 that the Covered Entity or the Individual makes the Business Associate aware of, including the Individual’s right to restrict certain disclosures of PHI to a health plan where the individual pays out of pocket in full for the healthcare item or service, in accordance with the HIPAA Requirements.
- O. Term and Termination
1. *Termination for Cause.* If Covered Entity reasonably determines, in its sole discretion, that Business Associate has materially breached this Agreement, Covered Entity may:
 - a. Provide Business Associate with thirty (30) days written notice of the alleged material breach and an opportunity to cure the breach, immediately after which time this Agreement shall be automatically terminated if the breach is not cured; or
 - b. Immediately terminate this Agreement

2. *Effect of Termination.* Upon termination or expiration of this Agreement, Business Associate shall, at Covered Entity's option, return to Covered Entity or destroy all PHI in Business Associate's possession, and/or in the possession of any Subcontractor or agent of Business Associate. Business Associate shall not retain any copies of the PHI. In the event that return or destruction of the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction of the PHI not feasible, and Covered Entity and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. In such case, Business Associate shall extend the protections of this Agreement to such PHI that is not returned or destroyed, and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for as long as Business Associate maintains such PHI. If Covered Entity elects destruction of the PHI, Business Associate shall certify in writing to Covered Entity that such PHI has been destroyed.

P. Miscellaneous.

1. *Amendments.* The Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representative of the Parties. The Parties shall amend this Agreement from time to time as is necessary to achieve and maintain compliance with the HIPAA Rules.
2. *Interpretation.* Any ambiguity in this Agreement shall be resolved to permit the Parties to comply with the HIPAA Rules and relevant state laws.
3. *Choice of Law.* This Agreement shall be governed by the laws of the state of California without regard to conflict of laws principles thereof.
4. *Relationship to Agreements with Covered Entity.* In the event that a provision of this Agreement is contrary to a provision of any other agreement between Business Associate and Covered Entity (including any inconsistencies in defined or capitalized terms), the most stringent provision shall control. The "most stringent provision" shall mean the provision that provides the greatest privacy and security protection for PHI and that best permits compliance with the HIPAA Rules or other applicable law.
5. *Survival.* Business Associate's obligations under this Agreement with respect to any PHI that Business Associate may maintain subsequent to termination, if otherwise permitted by this Agreement, shall survive the termination of this Agreement.
6. *Waiver.* No delay or omission by Covered Entity in exercising any right or power under this Agreement shall impair such right or power or be construed to be a waiver thereof. Any decision by Covered Entity not to enforce a breach of this Agreement shall not be construed to be a waiver of any succeeding breach thereof.

7. *No Third Party Beneficiaries.* Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate and their respective successors and assigns, any rights, remedies, obligations or liabilities whatsoever.

The parties acknowledge that their responsibilities under this Agreement may be affected and governed by the requirements of the HIPAA Rules, to the extent that regulations implementing HIPAA and/or the HITECH Act (the "Regulations") become effective during the Term of this Agreement or any renewal thereof. Both parties agree that, upon the effective date of any such Regulations, this Agreement shall be deemed to incorporate, and impose on the parties, any obligations applicable to each of them under such Regulations, and such Regulations shall be automatically included herein to ensure that this Agreement remains in compliance with any such amendments.

Effective Date. This change shall be effective on and after **May 1, 2015**.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net of California, Inc.
Health Net Life Insurance Company

A handwritten signature in black ink, appearing to read "Steve Sell". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Sell".

Steve Sell
President



Health Net

**Amendment to
Health Net of California, Inc. Agent/Broker Agreements and Commission Schedules
and
Health Net Life Insurance Company
Agent/Broker Agreements and Commission Schedules
(the “Agreements” and “Commission Schedules”, respectively)**

This Amendment amends the above named Agreement and Commission Schedule, as more fully described below. Except as so amended, all other provisions of the Agreement and Commission Schedule shall remain unchanged and in effect.

AMENDMENT TO THE AGREEMENT

1. Exhibit D, Individual & Family Plan, of Health Net of California, Inc. Agreement is hereby amended as follows:

Effective January 1, 2015, for new and renewing sales, the current Exhibit D (immediately below), is replaced in its entirety with the new Exhibit D, further below:

Current Exhibit D:

“Compensation for each sale of an individual health plan contract, effective on or after January 1, 2014, produced by Agent/Broker is set forth in the table below.

HMO Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	5.0%
Gold	5.0%
Silver	5.0%
Catastrophic	5.0%
Bronze	\$30.00 one time payment – Payment will be recouped by the Company if the health plan contract is not active a minimum of 90 days

Commission in the schedule above is calculated based on the premium as of each individual plan contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract. Commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual plan contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual plan contract.

Commission will be paid by Company to Agent / Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect. Agent/Broker shall not be entitled to payment of commissions on any individual covered under COBRA Continuation of a group plan or any individual conversion plan.”

New Exhibit D:

*“Compensation for each sale of an individual HMO health plan contract, effective or renewing on or after **January 1, 2014**, produced by Agent/Broker is set forth in the table below.*

HMO Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
First Year & thereafter	
Platinum	5.0%
Gold	5.0%
Silver	5.0%

*Compensation for each sale of an individual Health care service plan (HSP) health plan contract, effective or renewing on or after **January 1, 2015**, produced by Agent/Broker is set forth in the table below.*

HSP Commission Schedule	
Annual commissions (as percentage of original premium)	
First Year & thereafter	
Platinum	2.0%
Gold	2.0%
Silver	2.0%
Bronze	2.0%
Catastrophic	2.0%

Commission in the schedule above is calculated based on the premium as of each individual plan contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract. Commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual plan contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual plan contract.

Commission will be paid by Company to Agent / Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect. Agent/Broker shall not be entitled to payment of commissions on any individual covered under COBRA Continuation of a group plan or any individual conversion plan.”

1. Exhibit D, Individual & Family Plans, Health Net Life Insurance Company is hereby amended as follows:

Effective January 1, 2015, for new and renewing sales, the current Exhibit D (immediately below), is replaced in its entirety with the new Exhibit D, further below:

Current Exhibit D:

*“Compensation for each sale of an individual health insurance plan contract, effective on or after **March 1, 2014**, produced by Agent/Broker is set forth in the table below.*

PPO Insurance Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	2.0%
Gold	2.0%
Silver	2.0%
Bronze (January 2014)	2.0%
Catastrophic	2.0%

Commission in the schedule above is calculated based on the premium as of each individual health insurance contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract, commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual health insurance contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual health insurance contract.

Commission will be paid by Company to Agent / Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect. Agent/Broker shall not be entitled to payment of commissions on any individual covered under COBRA Continuation of a group plan or any individual conversion plan.”

New Exhibit D:

*“Compensation for each sale of an individual PPO health insurance plan contract, effective or renewing on or after **March 1, 2014**, produced by Agent/Broker is set forth in the table below.*

PPO Insurance Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	2.0%
Gold	2.0%
Silver	2.0%
Bronze (January 2014)	2.0%
Catastrophic	2.0%

Compensation for each sale of an individual EPO health insurance plan contract, effective or renewing on or after **January 1, 2015**, produced by Agent/Broker is set forth in the table below.

EPO Insurance Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	2.0%
Gold	2.0%
Silver	2.0%
Bronze	2.0%
Catastrophic	2.0%

Commission in the schedule above is calculated based on the premium as of each individual health insurance contract's original effective date ("original premium") as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract, commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual health insurance contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual health insurance contract.

Commission will be paid by Company to Agent / Broker for each month that Company continues to receive premium, provided the Agreement continues in full force and effect. Agent/Broker shall not be entitled to payment of commissions on any individual covered under COBRA Continuation of a group plan or any individual conversion plan."

2. Exhibit B, Small Group, of Health Net of California, Inc. Agreement, is hereby amended as follows:

Current Exhibit B:

*"The following commission schedule will apply only to groups effective **January 1, 2014 and thereafter:***

Product	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
WholeCare	7.50%	7.20%	6.90%	6.00%	5.25%	5.00%
Salud	6.75%	6.45%	6.15%	5.75%	5.25%	5.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California."

New Exhibit B:

“The following commission schedule will apply only to groups effective or renewing effective January 1, 2014 and thereafter:

Product	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
WholeCare	7.50%	7.20%	6.90%	6.00%	5.25%	5.00%
Salud	6.75%	6.45%	6.15%	5.75%	5.25%	5.00%

The following commission schedule will apply only to groups effective or renewing effective December 1, 2014 and thereafter:

Product	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
SmartCare	6.00%	5.50%	5.25%	5.00%	5.00%	5.00%

The following commission schedule will apply only to groups effective or renewing effective January 1, 2015 and thereafter:

Product – HSP (Health care service plan)	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year and Beyond
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

Exhibit B, Small Group, of Health Net Life Insurance Company Agreement:

Current Exhibit B:

*“The following commission schedule will apply only to groups effective **January 1, 2014 and thereafter:***

Product - PPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Gold	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

New Exhibit B:

*“The following commission schedule will apply only to groups effective **January 1, 2014 and thereafter:***

Product - PPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Gold	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

*The following commission schedule will apply only to groups effective or renewing effective **January 1, 2015 and thereafter:***

Product - EPO	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Gold	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”

Effective Date. This change shall be effective December 1, 2014.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreement.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail.

Health Net of California, Inc.
Health Net Life Insurance Company

A handwritten signature in black ink, appearing to read "S. Sell", written in a cursive style.

Steve Sell
President



**Amendment to
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(the “Agreement” and “Commission Schedule”, respectively)**

This Amendment amends the above named Agreement and Commission Schedule, as more fully described below. Except as so amended, all other provisions of the Agreement and Commission Schedule shall remain unchanged and in effect.

AMENDMENT TO THE AGREEMENT

1. Exhibit D, Individual & Family Plans, is hereby amended as follows:

Effective January 1, 2014, for new sales, replace, “Bronze - \$30.00 one time payment – Payment will be recouped by the Company if the health plan contract is not active a minimum of 90 days”, **with,** “Bronze – 2.0%”

2. Exhibit D, Individual & Family Plans, is hereby further amended as follows:

Effective March 1, 2014, for new sales, the current Exhibit D (immediately below), is replaced in its entirety with the new Exhibit D, further below:

Current Exhibit D:

“Compensation for each sale of an individual health insurance plan contract, effective on or after January 1, 2014, produced by Agent/Broker is set forth in the table below.

PPO Insurance Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	5.0%
Gold	5.0%
Silver	5.0%
Catastrophic	5.0%
Bronze	2.0%

Commission in the schedule above is calculated based on the premium as of each individual health insurance contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract, commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual health insurance contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual health insurance contract.””

New Exhibit D:

“Compensation for each sale of an individual health insurance plan contract, effective on or after March 1, 2014, produced by Agent/Broker is set forth in the table below.

PPO Insurance Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	2.0%
Gold	2.0%
Silver	2.0%
Catastrophic	2.0%
Bronze	2.0%

Commission in the schedule above is calculated based on the premium as of each individual health insurance contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract, commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual health insurance contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual health insurance contract.”

Effective Date. This change shall be effective as set forth in the Amendment.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreement.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail.

Health Net Life Insurance Company



**Steve Sell
President**



**Amendment to
Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule
and
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(collectively, the “Agreements” and “Commission Schedules”, respectively)**

This Amendment amends the above named Agreements and Commission Schedules, as more fully described below. Except as so amended, all other provisions of the Agreements and Commission Schedules shall remain unchanged and in effect.

1. AMENDMENTS TO THE AGREEMENTS

Section 2,

Replace the sixth and subsequent paragraphs of Section 2 of each Agreement with the following:

“In the performance of Agent/Broker’s services under this Agreement, Agent/Broker’s and its employees and sub-agents (collectively “Business Associate”) may create, have access to, use or receive “Protected Health Information” (“PHI”) and “Electronic Protected Health Information” (“ePHI”), as such terms are defined under (i) the Health Insurance Portability and Accountability Act of 1996, and its implementing privacy and security regulations codified at 45 C.F.R. parts 160 and 164, Subparts A, C and E (“HIPAA”), (ii) the Health Information Technology for Economic and Clinical Act as incorporated in the American Recovery and Reinvestment Act of 2009 (the “HITECH Act”), and (iii) the Final Omnibus HIPAA/HITECH Rules (78 Fed. Reg. 5566 (Jan. 25, 2013)) (the “Final Regulations”). Terms used, but not otherwise defined in this Agreement, shall have the same meaning as those terms in HIPAA, the HITECH Act, and the Final Regulations. “Subcontractor” shall mean a person or entity (including an agent) that creates, receives, maintains, or transmits PHI on behalf of a business associate and who is now considered a business associate, as the latter term is defined in 45 C.F.R. §160.103. HIPAA, the HITECH Act, and the Final Regulations are collectively referred to in this Amendment as the “HIPAA Requirements.”

Therefore, with respect to Business Associate’s creation of, access to or receipt of PHI and/or ePHI, Business Associate agrees to comply with the following requirements:

- a. Business Associate agrees to not use or disclose PHI and/or ePHI other than as permitted or required by this Agreement or as required by law. Business Associate agrees to ensure that any Subcontractor to whom Business Associate discloses PHI pursuant to this Agreement agrees, in writing, to the same restrictions and conditions that apply through this Agreement to Business Associate. Business Associate further agrees that restrictions and conditions analogous to those contained herein shall be imposed on said Subcontractors via a written agreement that complies with all the requirements specified in 45 C.F.R. §164.504(e)(2), that Business Associate shall notify its Subcontractors that they will incur liability under the Agreement and under the HIPAA Requirements for non-compliance, and that Business Associate shall only provide said Subcontractors PHI consistent with the HIPAA Requirements.
- b. *Permitted Uses and Disclosures.* Business Associate may use and disclose PHI and/or ePHI pursuant to this Agreement as follows: (i): Business Associate may use and disclose PHI and/or ePHI received, created, accessed, transmitted or maintained by Business Associate (or its Subcontractors) on behalf of Health Net: (1) in the performance of its obligations pursuant to this Agreement and solely in accordance with the specifications set forth in this Agreement; (2) for the proper management and administration of Business Associate, if such use is necessary (x) for the proper management and administration of Business Associate or (y) to carry out the legal responsibilities of Business Associate. (ii) Business Associate may disclose PHI and/or ePHI created or received in its capacity as a Business Associate of Health Net for the proper management and administration of Business Associate if (1) the disclosure is required by law or (2) Business Associate (x) obtains reasonable assurances from the person to whom the PHI and/or ePHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person and (y) the person agrees to notify Business Associate of any instances of which it becomes aware in which the confidentiality and security of the PHI and/or ePHI has been breached.
- c. *Safeguards.* Business Associate shall use appropriate administrative, physical, and technical safeguards, including, among others, policies and procedures regarding the protection of PHI and/or ePHI and the provision of training on such policies and procedures to applicable employees, Subcontractors, independent contractors and volunteers, that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI and/or ePHI that Business Associate creates, receives, maintains or transmits on behalf of Health Net.
 - i With respect to ePHI, Business Associate shall ensure that any Subcontractor to whom Business Associate discloses PHI agrees to develop, implement, maintain, use and comply with reasonable and appropriate administrative safeguards to protect PHI as set forth at 45 C.F.R. 164.308, the physical safeguards set forth at 45 C.F.R. 310, the technical safeguards set forth at 45 C.F.R. 164.312, and the policies and procedures set forth at 45 C.F.R. 164.316 to reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI that it creates, receives, maintains, or transmits on behalf of Health Net.
- d. *Reporting of Security Incidents and Breaches.* Business Associate agrees to report to Health Net any “Security Incident” or any “Breach” of PHI involving it or its Subcontractors as

provided for herein. For Security Incidents and Breaches, Business Associate shall notify Health Net within two (2) business days after discovery. Such notice shall include the identification of each individual whose PHI has been, or is reasonably believed by Business Associate, to have been accessed, acquired, or disclosed in connection with such Breach. Notifications should be sent to privacy@healthnet.com. In addition, with respect to Breaches, Business Associate shall provide any additional information reasonably requested by Health Net for purposes of investigating and responding to the Breach. Business Associate agrees to provide Health Net sufficient information to enable it to conduct a risk assessment to assess whether there is a low probability that PHI has been compromised as defined at 45 C.F.R. 164.402 and to cooperate Health Net in meeting any other obligations under the HIPAA Requirements and other security breach notification laws that Health Net might specify. As provided for in 45 C.F.R. § 164.102, Business Associate recognizes and agrees that any acquisition, access, use or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule (Subpart E of 45 C.F.R. Part 164) is presumed to be a Breach. As such, Business Associate shall (i) notify Health Net of any non-permitted acquisition, access, use or disclosure of PHI, and (ii) assist Health Net in performing (or at Health Net's direction, perform) a risk assessment to determine if there is a low probability that the PHI has been compromised. Business Associate further agrees to mitigate, to the extent practicable, any harmful effect that becomes known to Business Associate of a Breach or a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

- e. *Flow-Down of Obligations to Subcontractors.* As also provided for in section “a” above, Business Associate shall ensure that its Subcontractors to whom it provides PHI created, accessed, received, maintained or transmitted pursuant to this Agreement agree, in writing, to the same restrictions, conditions and safeguards that apply to Business Associate pursuant to this Agreement with respect to such PHI and/or ePHI.
- f. *Availability of Information.* Within five (5) business days of receipt of a request, Business Associate shall make available to Health Net such information as Health Net may require to fulfill Health Net's obligations to provide access to, and a copy of, PHI and/or ePHI pursuant to the Privacy Rule, including but not limited to 45 C.F.R. § 164.524. Business Associate shall make such PHI available in the form and format directed by Health Net.
- g. *Accounting of PHI.* Within five (5) business days of a request for an accounting of disclosures of PHI, Business Associate shall make available the PHI, including ePHI, to Health Net as required for Health Net to fulfill its obligations to provide an accounting pursuant to the Privacy Rule, including but not limited to, 45 C.F.R. § 164.528. Business Associate shall maintain records sufficient to meet this provision for a period of six years in order to ensure compliance with the Privacy Rule.
- h. *Availability of Books and Records.* Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI, including ePHI, created or received pursuant to this Agreement available to the Secretary of the United States Department of Health and Human Services, for the purpose of determining Health Net's compliance with the Privacy and Security Rules as set forth in 45 C.F.R. § 160.310.

- i. *Record Retention.* Subject to section “p” below, Business Associate shall retain all PHI and/or ePHI received from Health Net, or created, received, maintained or transmitted in the course of performing its obligations, for the duration of the term of this Agreement. Health Net, after providing ten (10) business days’ written notice, may inspect the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of PHI pursuant to this Agreement for the purpose of determining whether the Business Associate has complied with this.
- j. *Minimum Necessary Amount of PHI.* Business Associate acknowledges that it shall request from Health Net and so disclose to its affiliates, Subcontractors or other authorized *third* parties, only (i) the information contained in a “limited data set,” as such term is defined at 45 C.F.R. 164.514(e) (2), or, (ii) if needed by Business Associate or its affiliates, Subcontractors or other authorized third parties, the minimum necessary data to accomplish the intended purpose of such requests or disclosures. In all cases, Business Associate shall request and disclose PHI only in a manner that is consistent with guidance issued by the Secretary from time to time.
- k. *Data Ownership.* Business Associate acknowledges that the Plan is the owner of all PHI and/or ePHI.
- l. To the extent that Business Associate carries out one or more of Covered Entity’s obligations under the HIPAA Requirements, the Business Associate must comply with all requirements of the HIPAA Requirements that would be applicable to the Covered Entity.
- m. Business Associate must honor all restrictions consistent with 45 C.F.R. §164.522 that the Covered Entity or the Individual makes the Business Associate aware of, including the Individual’s right to restrict certain disclosures of PHI to a health plan where the individual pays out of pocket in full for the healthcare item or service, in accordance with the HIPAA Requirements.
- n. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR §164.526, at the request of Covered Entity or an Individual. This provision does not apply if Business Associate and its employees or Subcontractors have no PHI from a Designated Record Set of Covered Entity.
- o. *State Law Requirements.* To the extent that state law is more stringent than the HIPAA Regulations, any safeguard, use or disclosure of PHI by Business Associate shall be made in accordance with state law.
- p. *Termination and Effect of Termination.*
 - i Health Net and Business Associate each will have the right to terminate this Agreement if the other party has engaged in a pattern of activity or practice that constitutes a material breach or violation of Business Associate’s or the Health Net’s respective obligations regarding PHI under this Amendment and, on notice of such material breach or violation from the Health Net or Business Associate, fails to take reasonable steps to cure the material breach or end the violation.

- ii Upon termination or expiration of this Agreement for any reason, Business Associate shall upon written request by Health Net, and consistent with state law documentation retention requirements, return and/or destroy all PHI received or created pursuant to this Agreement that Business Associate maintains in any form, and shall retain no copies of such PHI; or if return or destruction is not feasible or contrary to the record retention requirements of Business Associate, this Agreement or applicable law, Business Associate shall continue to extend protections of this Agreement to such information, and limit further use or disclosure of such PHI to those purposes that make the return or destruction infeasible or that require Business Associate to retain PHI, for so long as Business Associate maintains such PHI.

The parties acknowledge that their responsibilities under this Agreement may be affected and governed by the requirements of HIPAA and/or the HITECH Act, to the extent that regulations implementing HIPAA and/or the HITECH Act (the “Regulations”) become effective during the Term of this Agreement or any renewal thereof. Both parties agree that, upon the effective date of any such Regulations, this Agreement shall be deemed to incorporate, and impose on the parties, any obligations applicable to each of them under such Regulations, and such Regulations shall be automatically included herein to ensure that this Agreement remains in compliance with any such amendments.

Section 3, add the following at the end of Section 3 of each Agreement: **“Premium” shall mean the amount Health Net received from an Employer Group or Individual for health care coverage that excludes applicable Affordable Care Act (ACA) taxes and fees and other applicable premium taxes. Any reference to the term premium used throughout the Agreement refers to the premium net of applicable ACA taxes and fees and other applicable premium taxes.”**

EXHIBIT A – Large Group

Replace Exhibit A of each Agreement with the following: **The standard commission rate for new sales is 4% of annualized premium received by the Company. A commission rate other than the standard commission rate may be negotiated and agreed to in writing between Health Net and Agent/Broker in lieu of the standard commission rate.**

Exhibit B, Small Group, of Health Net of California, Inc. Agreement:

Insert, *“The following commission schedule will apply only to groups effective January 1, 2014 and thereafter:”*

Product	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
WholeCare	7.50%	7.20%	6.90%	6.00%	5.25%	5.00%
Salud	6.75%	6.45%	6.15%	5.75%	5.25%	5.00%

Insert new paragraph, **“Commissions on any group health plan contract sold through California Small Business Health Options Program (SHOP), also known as the Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”**

Exhibit B, Small Group, of Health Net Life Insurance Company Agreement:

Insert, *“The following commission schedule will apply only to groups effective January 1, 2014 and thereafter:”*

Product	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year and Beyond
Platinum	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Gold	6.50%	6.20%	5.90%	5.50%	5.25%	5.00%
Silver	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%
Bronze	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Insert new paragraph, **“Commissions on any group health insurance policies sold through California Small Business Health Options Program (SHOP), also known as Covered California Exchange, will be calculated by the SHOP and any such commission compensation will be paid to Agent/Broker by Covered California.”**

Exhibit D, Individual and Family Plan, of Health Net of California, Inc. Agreement:

Replace Exhibit D in it’s entirety with: *“Compensation for each sale of an individual health plan contract, effective on or after January 1, 2014, produced by Agent/Broker is set forth in the table below.*

HMO Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	5.0%
Gold	5.0%
Silver	5.0%
Catastrophic	5.0%
Bronze	\$30.00 one time payment – Payment will be recouped by the Company if the health plan contract is not active a minimum of 90 days

Commission in the schedule above is calculated based on the premium as of each individual plan contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan contract. Commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual plan contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual plan contract.”

Exhibit D, Individual and Family Plan, of Health Net Life Insurance Company Agreement:

Replace in it’s entirety with *“Compensation for each sale of an individual health insurance plan contract, effective on or after January 1, 2014, produced by Agent/Broker is set forth in the table below.*

PPO Insurance Plans Commission Schedule	
Annual commissions (as percentage of original premium)	
	First Year & thereafter
Platinum	5.0%
Gold	5.0%
Silver	5.0%
Catastrophic	5.0%
Bronze	\$30.00 one time payment – Payment will be recouped by the Company if the health plan contract is not active a minimum of 90 days

Commission in the schedule above is calculated based on the premium as of each individual health insurance contract’s original effective date (“original premium”) as long as that plan is in force, regardless of any subsequent change in the premium rate for that individual plan

contract, commissions will not be adjusted with any premium changes. Notwithstanding the foregoing, upon a change in the number of covered people under an individual health insurance contract that results in a change in premium, e.g., adding one or more dependents to a subscriber-only plan contract, the resulting premium will become the new original premium for the purpose of calculating commission on that individual health insurance contract.”

Exhibit D, of each Agreement, delete the following: “(6) If there is less than three (3) months lapse in coverage between Affected Subscriber contracts sold that cover the same individual(s), Health Net will pay no more than a total of twelve (12) months of first year commissions between or among such successive Affected Subscriber contracts regardless of the producer who sold such contracts (including Agent/Broker).”

Effective Date. This change shall be effective on and after **January 1, 2014**.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net of California, Inc.
Health Net Life Insurance Company

A handwritten signature in black ink, appearing to read "S. Sell", written in a cursive style.

Steve Sell
President



**Amendment to
Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule
And
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(collectively, the “Agreements” and “Commission Schedules”, respectively)**

This Amendment modifies the above named Agreements and Commission Schedules, as more fully described below. Except as so modified, all other provisions of the Agreement and Commission Schedules shall remain unchanged and in effect.

1. MODIFICATIONS TO THE AGREEMENTS

Section 2 of each Agreement is hereby amended by adding the following to the end of Section 2:

“Agent/Broker shall not, directly or indirectly, engage in the following activities: (1) Encourage or direct an individual or small group to refrain from filing an application for individual coverage with a plan because of the health status, claims experience, industry, occupation (of the individual or small group), or geographic location, provided that the location is within the plan's approved service area, of the individual; (2) Encourage or direct an individual or small group to seek coverage from another plan or health insurer or the California Health Benefit Exchange because of the health status, claims experience, industry, occupation (of the individual or small group), or geographic location, provided that the location is within the plan's approved service area, of the individual; (3) Employ marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs or discriminate based on an individual's race, color, national origin, present or predicted disability, age, sex, gender identity, sexual orientation, expected length of life, degree of medical dependency, quality of life, or other health conditions.”

Effective Date. This change shall become effective as of October 1, 2013.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net

A handwritten signature in black ink, appearing to read 'Steve Sell', written in a cursive style.

Steve Sell
President, Western Region Health Plan



**Amendment to Health Net of California, Inc.
Agent/Broker Agreement and Commission Schedule
And
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(The “Agreements” and “Commission Schedules”, respectively)**

This Amendment amends the Exhibits in the above named Agreements and Commission Schedules, as more fully described below. Except as so amended, all other provisions of the Agreements and Commission Schedules shall remain unchanged and in effect.

MODIFICATION TO THE AGREEMENTS

Exhibit B, of Health Net of California Inc. and Health Net Life Insurance Company Agreements: Paragraph 1, are amended as follows:

- Add *“The following commission schedule will apply only to groups effective May 1, 2013 and thereafter.”*:

<i>1st Year</i>	6.5%
<i>2nd Year</i>	6.2%
<i>3rd Year</i>	5.9%
<i>4th Year</i>	5.6%
<i>5th Year</i>	5.3%
<i>6th Year and Beyond</i>	5.0%

- Existing Exhibit B language is revised to add “through April 30, 2013”, and “Commission for”, as follows: *“7% Flat commission on monthly premiums received (good for the life of the account) applies only to groups effective February 1, 2004 through April 30, 2013, with annualized premiums of \$500,000.00 or less. Commission for any Small Group annualized premium above this range is negotiable.”*

Effective Date. This Amendment shall be effective May 1, 2013.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net

**Steve Sell
President, Western Region Health Plan**



**AMENDMENT TO HEALTH NET OF CALIFORNIA, INC.
AGENT/BROKER AGREEMENT AND COMMISSION SCHEDULE
AND TO
HEALTH NET LIFE INSURANCE COMPANY
AGENT/BROKER AGREEMENT AND COMMISSION SCHEDULE
(MEDICARE PRODUCTS)
(Collectively as amended, the “Agreements”)**

Pursuant to Section 4 of the Agreements, this amendment (“Amendment”) hereby modifies the above-referenced Agreements, as more fully described below. Except as so modified, all other provisions of the Agreements shall remain unchanged and in effect. Defined terms shall have the same meaning as in the Agreements, unless otherwise defined herein.

Medicare Products. The “Medicare Regulatory Addendum” attached to this Amendment is hereby added to the Agreements and incorporated therein by this reference thereto. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Effective Date. This Amendment shall be effective as of April 1, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Sell', written in a cursive style.

Steve Sell
President, Western Region Health Plan

MEDICARE REGULATORY ADDENDUM

Agent/Broker shall, and shall require each “Producer” to, comply with the following requirements with respect to the offering and selling of “Medicare Products” of Company or of any other entity Company may contract with for the sale of such entities’ Medicare Products, including without limitation, affiliates of CVS Caremark Corporation (collectively referred to in this Addendum as the “Medicare Entity” and in the case of “Medicare Entities” of CVS Caremark Corporation or its affiliates only, “CVS Medicare Entities”). To the extent the terms and conditions of the Agreements conflict with or contradict those of this Addendum, the terms and conditions of this Addendum shall control with respect to the sale of Medicare Products. As used herein “Producer” refers to an appropriately licensed employee or independent contractor of Agent/Broker who has been engaged by the Agent/Broker to promote Medicare Product(s) pursuant to and in accordance with this Agreement, and who has been appointed by Company in accordance with applicable state law, and “Medicare Products” shall refer to the MA, MA-PD plans offered by Company and any stand alone PDP plans offered by a Medicare Entity, including employer group waiver plans (“EGWPs”).

1. Agent/Broker agrees to take the training that Company and/or a Medicare Entity shall require regarding the offering, selling, marketing and administration of the Company and/or the Medicare Entity’s Medicare Products. Agent/Broker agrees and understands that its ability to sell the Medicare Products is conditioned upon meeting all applicable CMS requirements, including that Agent/Broker remains in “good standing”, which shall include a valid license, state appointment, and annual training. Further, such authority is conditioned upon the Agent/Broker complying with all policies and procedures of Company and/or a Medicare Entity, which may, in some cases and as communicated to Agent/Broker by Company, and in all cases with respect to CVS Medicare Entities, require the Agent/Broker to register under the Medicare Entity’s web portal, submit appropriate documents, and receive a “good standing” certification through the Medicare Entity’s web portal. Agent/Broker agrees to provide a copy of its applicable licenses to a Medicare Entity upon such entity’s written request.

2. Agent/Broker shall allow the Medicare Entity, U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services (“CMS”), the U.S. Comptroller General, or their designees the right to inspect, evaluate, and audit any pertinent contracts, computer or other electronic systems, including medical records and documentation of Agent/Broker and any Producer involving transactions related to Company’s or any Medicare Entity’s contract with CMS for a period of ten (10) years from the final date of the Contract Period or the date of completion of any audit, whichever is later. For purposes of this definition, the “Contract Period” means the annual term of the contract between Company and/or a Medicare Entity and CMS.

3. Agent/Broker shall maintain all records relating to this contract for a minimum of ten (10) years from the final date of the Contract Period or the date of the completion date of any audit, whichever is later.

4. Agent/Broker shall cooperate in, assist in, and provide information as requested for audits, evaluations and inspections performed under Section 1 above and Company’s audit, monitoring and oversight activities.

5. Agent/Broker shall safeguard each Medicare Member's privacy and confidentiality and comply with all state and federal confidentiality and security requirements and with Company requirements.

6. Agent/Broker shall hold each member harmless for payment of any fees that are the legal obligation of Company or Medicare Entity in the event of, but not limited to, insolvency of, breach by or billing of Agent/Broker by Company or Medicare Entity.

7. Agent/Broker shall comply with all applicable state and federal laws, regulations, and instructions, including Medicare laws, regulations and CMS instructions and specifically, without limiting the foregoing, the applicable requirements related to Medicare Part D Sponsor subcontractors set forth at 42 CFR 423.505 (i)), CMS marketing guidance and, to the extent applicable, the laws of the states in which the Medicare Entities are marketed by the Agent/Broker.

8. Agent/Broker shall perform each service or other activity under this Agreement in a manner consistent and in compliance with Company's and Medicare Entity's contractual obligations to CMS.

9. Agent/Broker acknowledges that Company and each Medicare Entity oversees and is ultimately responsible to CMS for any functions and responsibilities described in the CMS regulations. Agent/Broker understands that this accountability provision also applies to this Agreement.

10. Agent/Broker shall comply with Company's and Medicare Entity's policies and procedures.

11. Agent/Broker agrees that, to the extent Agent/Broker performs its obligations through subcontracts, such subcontractors shall be subject to the prior approval of Company or Medicare Entity. Agent/Broker shall incorporate the terms of this Addendum into its contractual arrangements with subcontractors.

12. Agent/Broker understands and agrees that, in the event Agent/Broker fails or is unable (for any reason whatsoever) to perform in a satisfactory manner any of the services, CMS and Company or the Medicare Entity shall have the right to suspend, revoke or terminate this Agreement, institute a corrective action plan, or seek other remedies.

13. Agent/Broker agrees to make the following disclosure, prior to enrollment or at the time of enrollment, in writing, to each Individual:

"The person that is discussing plan options with you is either employed by or contracted with [Name of Company or Medicare Entity]. The person may be compensated based on your enrollment in a plan."

14. **Certain Compliance Restrictions.** In connection with the marketing and sale of Medicare Products hereunder, Agent/Broker shall not:

(i) claim recommendation or endorsement by CMS or that CMS recommends that Medicare beneficiaries enroll in the Company's and/or Medicare Entity's Medicare Products;

(ii) make any statement, claim, or promise that conflicts with, materially alters, or erroneously expands upon the information contained in CMS or approved marketing materials;

(iii) use providers or provider groups to distribute printed information comparing benefits of different health plans, unless providers, provider groups or pharmacies accept and display materials from all Part D plan sponsors with which the providers, provider groups, or pharmacies contract;

(iv) accept enrollee applications, unless approved by the applicable employer plan sponsor, and shall never accept them in provider offices or other places where health care is delivered;

(v) offer gifts or payments to any employer plan sponsor or any of its employees, representatives, agents, contractors or beneficiaries as an inducement to contract with a Medicare Entity or Company;

(vi) ask for personal information from enrollees or prospective Enrollees (i.e. Medicare number, bank account or credit card numbers) during sales presentations;

(vii) engage in any discriminatory activity such as, for example, attempts to recruit Medicare beneficiaries from higher income areas without making comparable efforts to enroll Medicare beneficiaries from lower income areas;

(viii) engage in activities that could mislead or confuse an employer plan sponsor or its employees, representatives, agents, contractors or Medicare beneficiaries, or misrepresent Company or a Medicare Entity;

(ix) conduct sales presentations or distribute and accept Part D plan enrollment forms in provider offices, pharmacies, or other areas where health care is delivered to individuals, except as permitted by CMS in the case where such activities are conducted in common areas in health care settings;

(x) alter, modify, waive, or change any of the terms, rates or conditions of any advertisement, marketing materials, scripts, receipts, policies or contracts of Company or a Medicare Entity, in any respect;

(xi) discriminate based on race, ethnicity, religion, gender, sexual orientation, health status or geographic location; or

(xii) engage in any other marketing activity prohibited by CMS.

(xiii) Agent/Broker shall promptly notify Company if it receives notice that it or any of its Producers become the subject of any proceeding or investigation by governmental authorities under any federal health care program or if any such proceeding or investigation is initiated.

(xiv) Agent/Broker shall not market or sell directly to individual Part D eligible beneficiaries, unless the applicable employer plan sponsor requests assistance with enrollment of its covered beneficiaries pursuant to the EGWP contract with a Medicare Entity.



**Amendment to Health Net of California, Inc.
Agent/Broker Agreement and Commission Schedule
And
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(The “Agreements” and “Commission Schedules”, respectively)**

This Amendment amends the Exhibits in the above named Agreements and Commission Schedules, as more fully described below. Except as so amended, all other provisions of the Agreements and Commission Schedules shall remain unchanged and in effect.

MODIFICATION TO THE AGREEMENTS

Exhibit D, of Health Net of California Inc. Agreement

Paragraph 1

Replace in it’s entirety with *“Compensation for each sale of a preferred individual health plan contract, effective on or after January 1, 2012, produced by Agent/Broker shall, in the first year of any such sale, be 8% of premium received by Company and 5% of premium received in the second year and thereafter.”*

Exhibit D of Health Net Life Insurance Company Agreement

Paragraph 1

Replace in it’s entirety with *“Compensation for each sale of preferred individual health insurance plan contract, effective on or after January 1, 2012, produced by Agent/Broker shall be set forth in the table below.*

Commission Schedule		
	Annual commissions (as percentage of preferred premium)	
	First Year	2 nd Year thereafter
PPO Plans	8%	5%
Quick Net PPO Plans	10%	0%

Section 2 of each Agreement, Paragraph 1: By replacing “(b) will not complete or assist an applicant to complete or provide language translation for any part of Company’s “enrollment application” or “the statement of health” questionnaire that is part of the enrollment application.” With ***“(b) will not complete an application or provide language translation for “the statement of health” questionnaire that is part of the enrollment application.”***

Effective Date. This Amendment shall be effective for applicable plans sold with a new or renewal plan effective date on or after January 1, 2012.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net

A handwritten signature in black ink, appearing to read "S. Sell", written in a cursive style.

Steve Sell
President, Western Region Health Plan



**Amendment to Health Net of California, Inc.
Agent/Broker Agreement and Commission Schedule
And
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(The “Agreements” and “Commission Schedules”, respectively)**

This Amendment amends the Exhibits in the above named Agreements and Commission Schedules, as more fully described below. Except as so amended, all other provisions of the Agreements and Commission Schedules shall remain unchanged and in effect.

MODIFICATION TO THE AGREEMENTS

Exhibit D, of Health Net of California Inc. Agreement

Paragraph 1

Replace in it’s entirety with *“Compensation for each sale of a preferred individual health plan contract, effective on or after March 1, 2011, produced by Agent/Broker shall, in the first year of any such sale, be 8% of premium received by Company and 5% of premium received in the second year and thereafter.”*

Exhibit D of Health Net Life Insurance Company Agreement

Paragraph 1

Replace in it’s entirety with *“Compensation for each sale of preferred individual health insurance plan contract, effective on or after March 1, 2011, produced by Agent/Broker shall be set forth in the table below.*

Commission Schedule		
	Annual commissions (as percentage of preferred premium)	
	First Year	2 nd Year thereafter
PPO Plans	8%	5%
Quick Net PPO Plans	20%	0%

Paragraph 2

Replace in it’s entirety with *“Compensation for each sale of a Modified Issue Individual health insurance plan contract produced by Agent/Broker shall be paid pursuant to the current Individual & Family Plan PPO commission schedule (refer to the paragraph above), but based on the “preferred” premium received by the Company.”*

Exhibit H of Health Net Life Insurance Company Agreement

INDIVIDUALLY UNDERWRITTEN ASSOCIATION PLAN BUSINESS

The commission schedule that pertains to PPO Plans is amended as set forth below.

Commission Schedule		
	Annual Commission (as percentage of the preferred premium)	
	First Year	2 nd Year and thereafter
PPO Plans	8%	5%

The paragraph that addresses Modified Issue individually underwritten Association plan coverage is replaced in it's entirety with the following:

“Compensation for each sale of a Modified Issue individually underwritten Association plan coverage produced by Agent/Broker shall be paid pursuant to the current commission schedule for PPO Plans (refer to the current commission schedule above), but based on the “preferred” premium received by the Company.”

The dental and vision paragraph is amended as set forth below.

By Inserting “Life” in sentence “Dental products offered under the trade name “Health Net Dental HMO Plans” are provided by Dental Benefit Providers of California, Inc. and “Health Net Dental” PPO and indemnity Insurance products are underwritten and administered by Unimerica *Life* Insurance Company (together, “the DBP Entities”). Neither Dental Benefit Providers of California, Inc. nor Unimerica *Life* Insurance Company is an affiliate of Health Net of California, Inc., or Health Net Life Insurance Company.”

Effective Date. This Amendment shall be effective for applicable plans sold with a new or renewal plan effective date on or after March 1, 2011.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net



Steve Sell
President, Western Region Health Plan



AMENDMENT TO

HEALTH NET OF CALIFORNIA, INC. AGENT/BROKER AGREEMENT AND COMMISSION SCHEDULE AND HEALTH NET LIFE INSURANCE COMPANY AGENT/BROKER AGREEMENT AND COMMISSION SCHEDULE (COLLECTIVELY, THE "AGREEMENTS" AND "COMMISSION SCHEDULES", RESPECTIVELY)

This Amendment modifies the above named Agreements and Commission Schedules, as more fully described below. Except as so modified, all other provisions of the Agreement and Commission Schedules shall remain unchanged and in effect.

1. MODIFICATIONS TO THE AGREEMENTS

Section 4 of each Agreement:

Paragraph 2:

By inserting in the last sentence "*Individual & Family Plans, and Individually underwritten Association plan programs*" after the word "any" and before "Commission Schedule" in this sentence, "Notwithstanding any other term of this section, Health Net may modify any *Individual & Family Plans, and Individually underwritten Association plan programs* Commission Schedule, regardless of effective date, upon 30 days notice if, in Health Net's sole discretion, amendment of the Commission Schedule is necessary to comply with or maintain reasonable administrative costs due to legislative or regulatory mandates or requirements."

Effective Date. This change shall be effective on and after January 15, 2011.

Agent's Acceptance: Company may conclusively presume that Agent agrees to and accepts the terms of this Amendment in its entirety unless Agent objects to any provisions of this Amendment within 30 days following the effective date hereof. Such objections must be delivered to Company in writing by U.S. mail or fax to Health Net, Broker Services Department, and PO Box 1150, Rancho Cordova, CA 95741-1150; fax (916) 935-4500.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Sell'.

Steve Sell
President, Western Region Health Plan



AMENDMENT TO HEALTH NET OF CALIFORNIA, INC.
AGENT/BROKER AGREEMENT AND COMMISSION SCHEDULE
AND HEALTH NET LIFE INSURANCE COMPANY
AGENT/BROKER AGREEMENT AND COMMISSION SCHEDULE
(COLLECTIVELY, THE "AGREEMENTS" AND "COMMISSION SCHEDULES", RESPECTIVELY)

This Amendment modifies the above named Agreements and Commission Schedules, as more fully described below. Except as so modified, all other provisions of the Agreement and Commission Schedules shall remain unchanged and in effect.

1. MODIFICATIONS TO THE AGREEMENTS

In the Health Net of California, Inc. Agreement, the references to "**Group and Individual and Family Plan Programs**" will be replaced with "***Group, Individual & Family Plans, and Individually underwritten Association plan programs***".

In the Health Net Life Insurance Company Agreement, the references to "**Group and Individual and Family Plan Programs**" will be replaced with "***Group, Individual & Family Plans, Individually underwritten Association plan, and Life programs***".

In addition, in both Agreements, replacing Broker Relations, PO Box 9103, Van Nuys CA 91409 with "***Broker Services, PO Box 1150, Rancho Cordova, CA 95741-1150***".

Replacing "**himself/herself**", "**his/her**", "**him/her**" and "**he/she**" with "**himself or herself**", "**his or her**", "**him or her**", and "**he or she**" throughout the Agreements where appropriate.

Top of page 1:

By inserting "***and Accident and Health***" and "***professional liability and/or***" in sentence "A copy of your current Life ***and Accident and Health*** agent licenses and proof of ***professional liability and/or*** errors & omissions insurance must be returned with your signed commission agreements."

By inserting "***complete***" and "***completed***" in sentence "Please ***complete***, sign and return the ***completed*** Health Net Agent/Broker Agreements and Commission Schedules, only after you have sold or assumed your first..."

Paragraph above Section 1 of each Agreement

By inserting "***and including coverage distributed by Company but underwritten by certain unaffiliated companies,***" in sentence "The Company hereby agrees to consider applications for coverage under any and all contracts ("Company's Group, Individual & Family Plan, and Individually underwritten Association plan programs") as the Company may distribute to Agent/Broker from time to time, excluding those group programs commonly known as Conversion and COBRA, and ***including coverage distributed by Company but underwritten by certain unaffiliated companies,*** produced by Agent/Broker, subject to the following terms and conditions."

Section 1:

Paragraph 1 of each Agreement

By inserting "***(“CDI”) and by each company underwriting the coverage(s) produced by Agent/Broker pursuant to this Agreement.***" in sentence "Agent/Broker hereby agrees to appointment by Company's subsidiary, Health Net Life Insurance Company, with the California Department of Insurance ("***CDI***") ***and by each company underwriting the coverage(s) produced by Agent/Broker pursuant to this Agreement.***"

Paragraph 3 of the Health Net of California, Inc. Agreement and Section 4, Paragraph 1 of the Health Net Life Insurance Company Agreement:

By replacing “For the purpose of this paragraph, Agent/Broker will be deemed to have received notification upon the date his or her office signs a certified or registered return receipt for said notification on the expiration of seven (7) days from the date of mailing said notice to him or her by the Company, whichever is earlier.” In its entirety, with **“Agent/Broker will be deemed to have received notification seven (7) days from the United States Post Office postmark date to his or her address of record by the Company, whichever is earlier.”**

Paragraph 4 of the Health Net of California, Inc. Agreement and Paragraph 3 of the Health Net Life Insurance Company Agreement:

By inserting **“, California Department of Managed Health Care, or any other insurance or managed health care regulatory agency”** in sentence, “Agent/Broker shall promptly notify the Company of the initiation of any disciplinary proceedings against it or against any of its principal persons or employees relating to any license issued to any such person by the California Insurance Commissioner, **California Department of Managed Health Care, or any other insurance or managed health care regulatory agency.**”

Section 2 of each Agreement:

Paragraph 1:

By inserting **“(a)”** before “will make no representation whatsoever with respect to the nature or scope of the benefits of the Company’s memberships except through and by means of the written material prepared and furnished to Agent/Broker for that purpose by the Company” and inserting after (a) **“(b) will not complete or assist an applicant to complete or provide language translation for any part of Company’s “enrollment application” or “the statement of health” questionnaire that is part of the enrollment application.”**

Paragraph 3 of the Health Net of California, Inc. Agreement and Paragraph 4 of the Health Net Insurance Company Agreement:

By inserting **“confidential financial information, proprietary information”** and **“State and Federal privacy laws”** in the sentence “Should Agent/Broker have access to **confidential financial information, proprietary information** or, Protected Health Information (PHI), or Individually Identifiable Health Information (IIHI), pertaining to the Company, Group, Individual & Family Plans, and Individually underwritten Association plan programs, Agent/Broker agrees to protect any **confidential financial information, proprietary information**, PHI or IIHI in its possession as required under the applicable **State and Federal privacy laws, including** HIPAA privacy regulations and in accordance with the Company’s Notice of Privacy Practices.”

Section 3, paragraph 1, of each Agreement:

By inserting **“Subject to the provisions of Section 8 of this Agreement,”** in front of the first sentence.

Section 4 of each Agreement:

Paragraph 1:

By replacing “the date his/her office signs a certified or registered return receipt of said notification or the expiration of” with **“his or her address on record”** in sentence “Agent/Broker will be deemed to have received notification upon seven (7) days from the United States Post Office postmark date of mailing **to his or her address on record** by the Company.”

Paragraph 2:

By replacing “Notwithstanding the above” with **“However, the above”** in the first sentence.

By inserting after the last sentence, **“Notwithstanding any other term of this section, Health Net may modify any Commission Schedule, regardless of effective date, upon 30 days notice if, in Health Net’s sole discretion, amendment of the Commission Schedule is necessary to comply with or maintain reasonable administrative costs due to legislative or regulatory mandates or requirements.”**

Section 11, paragraph 1, of each Agreement:

By inserting *“Subject to the provisions of Section 2 of this Agreement,”* in front of the first sentence.

Section 12 of each Agreement

By inserting *“or Individual”* in the sentence. “Company receives notice from the Employer Group *or Individual* of termination of its current Broker of Record, commission for that Agent/Broker will cease for that Group or Individual on the last day of the month during which notification was received.

Section 14, paragraph 1, of each Agreement:

By inserting *“However, Health Net shall discontinue or stop the payment of such commissions upon receiving the written request to do so from the Agent/Broker.”* at the end of the paragraph.

Section 15, paragraph 1, of each Agreement:

By inserting *“to Agent/Broker. The Company may audit Agent/Broker’s records. Agent/Broker agrees to permit the Company to inspect and audit all information and records related to services Agent/Broker performs for the Company under this Agreement. The Company must give Agent/Broker reasonable notice and conduct the inspection and audit during regular business hours.”* at the end of the paragraph.

Section 16, paragraph 1, of each Agreement:

By inserting *“may use the Company’s logo only as expressly permitted by”* and *“All other uses of the Company’s logo are strictly prohibited”* in the sentence “When an Agent/Broker creates advertising, which includes, but is not limited to, print advertising, broadcast graphics, direct mail, business cards and Internet address, posting or links, Agent/Broker, *may use the Company’s logo only as expressly permitted by* Company’s logo usage guidelines. *All other uses of the Company’s logo are strictly prohibited.* Any inappropriate use of the Company logo may be considered a material breach of this Agreement. The guidelines require that such advertisements...”

By inserting new paragraphs *“Agent/Broker is prohibited from using any of the Company’s service marks or trademarks in any URL, domain name (top or sub domain) or email address of Agent/Broker without the Company’s prior written consent.”* and *“Any statements or information regarding the Company, its services and products by Agent/Broker, whether in printed materials or online media, must be current and accurate at all times. Agent/Broker will remove or correct any inaccurate or obsolete statement or information regarding the Company, its services and products from any Agent/Broker publication (printed or online) as soon as practicable after becoming aware of any inaccuracy or obsolescence.”*

Section 19 of each Agreement:

By inserting, *“and inure to”, “benefit of the”, and “, subject to the provisions of section 6 of this Agreement”* in sentence “This Agreement shall be binding upon *and inure to* the *benefit of the* heirs, administrators executors, successors and assigns of the parties hereto, *subject to the provisions of Section 6 of this Agreement.”*

Section 21 of each Agreement:

By inserting *“Professional Liability and/or”* in the sentence “Agent/Broker shall at all times maintain *Professional Liability and/or* Errors and Omissions insurance in amounts consistent with industry standards, but no less than \$1,000,000 per occurrence and \$1,000,000 aggregate limit of all claims filed in a policy year for Agent/Broker and its employees and agents. Upon the execution of this Agreement, and no less than annually thereafter, Agent/Broker shall provide Company with written proof of same.”

Section 22, paragraph 1, of each Agreement:

By inserting, *“a”* and *“attempt to”* and replacing *“either”* with *“that”* in sentence, “Such *a* good faith *attempt to* meet and confer shall be a condition precedent to the filing of any arbitration demand by *that* party.”

Exhibit D (Individual & Family Plans Commission Schedule) of Health Net of California, Inc. Agreement

Insert new second paragraph, *“Compensation for each sale of a Modified Issue Individual health plan contract produced by Agent/Broker shall be paid pursuant to the current Individual & Family Plan HMO, POS/Elect Open Access commission schedule (refer to the paragraph above), but based on the “preferred” premium received by the Company.”*

Exhibit D (Individual & Family Plans Commission Schedule) of each Agreement:

By inserting *“(6) If there is less than three (3) months lapse in coverage between Affected Subscriber contracts sold that cover the same individual(s), Health Net will pay no more than a total of twelve (12) months of first year commissions between or among such successive Affected Subscriber contracts regardless of the producer who sold such contracts (including Agent/Broker).”*

Effective Date. This change shall be effective on and after January 1, 2011.

Agent’s Acceptance: Company may conclusively presume that Agent agrees to and accepts the terms of this Amendment in its entirety unless Agent objects to any provisions of this Amendment within 30 days following the effective date hereof. Such objections must be delivered to Company in writing by U.S. mail or fax to Health Net, Broker Services Department, and PO Box 1150, Rancho Cordova, CA 95741-1150; fax (916) 935-4500.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Sincerely,



Steve Sell
President, Western Region Health Plan



Amendment to

Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule and Health Net Life Insurance Company Agent/Broker Agreement and Commission Schedule (collectively, the “Agreements” and “Commission Schedules”, respectively)

This Amendment amends the above named Agreements and Commission Schedules, as more fully described below. Except as so amended, all other provisions of the Agreements and Commission Schedules shall remain unchanged and in effect.

1. AMENDMENTS TO THE AGREEMENTS

Section 2, inserted new paragraph after paragraph 1 of each Agreement

“An Agent/Broker who assists an Individual & Family Plan or Individually underwritten Association Plan applicant(s) in submitting an application(s) to the Company shall attest on the written application to both of the following:

- (1) That to the best of his or her knowledge, the information on the application is complete and accurate.**
- (2) That he or she explained to the applicant, in easy-to-understand language, the risk to the applicant of providing inaccurate information and that the applicant understood the explanation. If in this attestation Broker/Agent willfully states as true any material fact he or she knows to be false, that person shall, in addition to any applicable penalties or remedies available under current law, be subject to a civil penalty of up to ten thousand dollars (\$10,000). Any public prosecutor may bring a civil action to impose that civil penalty. These penalties shall be paid to the Managed Care Fund or Insurance Fund as applicable.”**

Exhibit G, paragraph 1 of each Agreement

By inserting “Health Net Dental” with **“Health Net Dental HMO Plans”** in addition, **replacing** “are underwritten and administered by either SafeGuard Health Plan Inc. or SafeHealth Life Insurance Company. Neither SafeGuard Health Plan, Inc. nor SafeHealth Life Insurance Company are affiliates of Health Net of California, Inc. or Health Net Life Insurance Company. Neither SafeGuard Health Plan, Inc. nor SafeHealth Life Insurance Company are affiliates of Health Net of California, Inc or Health Net Life Insurance Company.” with the following **“will be provided by Dental Benefit Providers of California, Inc. and Health Net Dental PPO and indemnity insurance products will be underwritten and administered by Unimerica Insurance Company (together, "the DBP Entitites")”. Neither Dental Benefit Providers of California, Inc. nor Unimerica Insurance Company are affiliates of Health Net of California, Inc. or Health Net Life Insurance Company.”**

Exhibit G, paragraph 5 of each Agreement

By replacing "Agent/Broker shall be deemed a broker of Health Net Dental products and not an agent of Health Net of California, Inc., Health Net Life Insurance Company, SafeGuard Health Plans, Inc. or SafeHealth Life Insurance Company" with the following "**Agent/Broker shall be deemed a broker of Health Net Dental products and not an agent of Health Net of California, Inc., Health Net Life Insurance Company, Dental Benefit Providers of California, Inc or Unimerica Insurance Company**"

Effective Date. This change shall be effective on and after January 1, 2009.

Agent's Acceptance. Company may conclusively presume that Agent agrees to and accepts the terms of this Amendment in its entirety unless Agent objects to any provision of this Amendment within 30 days following the effective date hereof. Such objections must be delivered to Company in writing by U.S. mail or fax to Health Net, Broker Services Department, P.O Box 1150, Rancho Cordova, CA 95741-1150; fax (916) 935-4500.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net Inc.



Gina Stassi
Chief Commercial Officer



Amendment to

**Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(The “Agreement” and “Commission Schedule”, respectively)**

This Amendment amends the Exhibits in the above named Agreement and Commission Schedule, as more fully described below. Except as so amended, all other provisions of the Agreement and Commission Schedule shall remain unchanged and in effect.

A new Exhibit H is hereby added to the Health Net Life Insurance Company Agent / Broker Agreement and Commission Schedule, regarding New and Renewal Accounts in the Health Net Life Insurance Company Agent/Broker Agreement and Commission Schedule for Individually Underwritten Association Business.
Added:

**Exhibit H: INDIVIDUALLY UNDERWRITTEN ASSOCIATION PLAN BUSINESS
(New and Renewal Accounts)**

Compensation for each sale of coverage to an individually underwritten Association plan subscriber produced by Agent that qualifies for acceptance based upon medical underwriting, shall, in the first year of any such sale and second year and thereafter will abide by the following scale:

Commission Schedule		
	Annual Commission (as percentage of the premium)	
	First Year	2 nd Year and thereafter
PPO Plans	20%	9%
Supplemental Term Life	28%	8%
Supplemental Medical Expense Plan	28%	8%

Dental & Vision Commission Schedule				
	Annual Commission (as percentage of the premium)			
	First Year	2 nd Year	3rd-10 th Year	11th Year and thereafter
DHMO	9%	6%	5%	4%
PPO Dental	9%	6%	5%	4%
Vision	9%	6%	5%	4%

Compensation for each sale of a Modified Issue individually underwritten Association plan contract produced by Agent/Broker shall, in the first year of any sale, be 20% of the “preferred” premium received and 9% of the “preferred” premium received in the second year and thereafter.

The 6-subscriber rule will be applied to renewing association business with effective dates of January 1, 2008.

Once Agent/Broker's total individually underwritten Association active membership equals 25, Agent/Broker will be moved to the following Commission Schedule the first of the following year.

Commission Schedule		
	Annual Commission (as percentage of the premium)	
	First Year	2 nd Year and thereafter
PPO Plans	22%	11%
Supplemental Term Life	30%	10%
Supplemental Medical Expense Plan	30%	10%

Dental products offered under the trade name "Health Net Dental HMO Plans" are provided by Dental Benefit Providers of California, Inc. and "Health Net Dental" PPO and indemnity Insurance products are underwritten and administered by Unimerica Insurance Company (together, "the DBP Entities"). Neither Dental Benefit Providers of California, Inc. nor Unimerica Insurance Company is an affiliate of Health Net of California, Inc., or Health Net Life Insurance Company.

Vision products offered under the trade name "Health Net Vision" are underwritten by Fidelity Security Life Insurance Company and administered by EyeMed Vision Care, LLC. Neither Fidelity Security Life Insurance Company nor EyeMed Vision Care, LLC is an affiliate of Health Net of California or Health Net Life Insurance Company.

Health Net Dental and Health Net Vision plans are available through Health Net and must be sold in conjunction with a Health Net medical Plan.

Effective Date. This Exhibit H shall be effective for applicable plans sold with a new or renewal plan effective date on or after January 1, 2008.

Agent's Acceptance. Company may conclusively presume that Agent agrees to and accepts the terms of this Amendment in its entirety unless Agent objects to any provision of this Amendment within 30 days following the effective date hereof. Such objections must be delivered to Company in writing by U.S. mail or fax to Health Net, Broker Services Department, P.O. Box 1150, Rancho Cordova, CA 95741-1150; fax (916) 935-4500.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreements, the provisions of this Amendment shall prevail.

Health Net



Steve Sell
President, Health Net Life Insurance Company



Addendum to
Health Net of California, Inc. Agent/Broker Agreement and Commission Schedule
and
Health Net Life Insurance Company
Agent/Broker Agreement and Commission Schedule
(collectively, the “Agreements” and “Commission Schedules”, respectively)

This Addendum modifies the above named Agreements and Commission Schedules, as more fully described below. Except as so modified, all other provisions of the Agreement and Commission Schedule shall remain unchanged and in effect.

1. MODIFICATIONS TO THE AGREEMENTS

Section 1, paragraph 4, of each Agreement

By replacing “Agent/Broker represents that he/she is duly licensed under the laws of the State of California as an insurance broker and/or agent licensed to transact life insurance and agrees to keep said license in full force and effect during the term hereof” with the following **“Agent/Broker represents that he/she is duly licensed under the laws of the State of California as an insurance broker and/or agent licensed to transact life and accident and health insurance. Agent/Broker shall submit to the Company under the terms of this Agreement (life and accident and health insurance) and agrees to keep said license(s) in full force and effect during the term hereof.”**

Effective Date. This change shall be effective on and after January 1, 2008.

Capitalized Terms. Capitalized terms in this Amendment shall have the same meaning as they have in the Agreements.

Conflicts. In the event of any conflict between the provisions of this Addendum and the provisions of the Agreements, the provisions of this Addendum shall prevail.

Health Net Life Insurance Company

A handwritten signature in black ink, appearing to read 'Stephen Lynch', written in a cursive style.

Stephen Lynch
President, Health Plan Division



Health Net®

Go Green *and Get Your Green Faster* *with Health Net* **Direct Deposit**

Want to receive your commission checks 3–4 days faster and help the environment?



**Karen Boyd,
Health Net**

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Our Electronic Funds Transfer (EFT) option is designed to provide you with the security and convenience of receiving your money quicker.

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- Have funds available on the date the payment is made.


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Health Net®



Direct Deposit *Authorization* Broker Agreement

 Our leaf icon represents how we've eliminated a paper process and created the same materials online. Direct deposit is one of the ways Health Net is equally committed to our customers' well-being and the environment.

I authorize Health Net of Arizona, Inc., Health Net of California, Inc., Health Net Health Plan of Oregon, Inc. and/or Health Net Life Insurance Company, hereinafter called the Company, to make payment of any amount owing me (us) by initiating credit entries into the account and at the bank listed below. This agreement will remain until I give written notice to change financial institutions, terminate service, or until the Company notifies me that this service has been terminated. I hereby authorize the Company and the financial institution to electronically deposit any payment into my designated account and to correct my account for any amounts deposited to which I am not entitled.

Broker name (as it appears on license):		Vendor/Broker ID # (please list all IDs that apply):	
Payee tax ID #:		Email address:	
Mailing address:	City:	State:	ZIP:
Contact info: Name:		Phone #:	
Signature (owner or agent):		Date:	
Print name:		Title:	

Instructions for direct deposit

Fill in complete banking information where indicated. If routing number is unknown, please contact your bank. **Without the routing number, the automatic deposit cannot be processed.**

Check one: <input type="checkbox"/> New direct deposit with A/P <input type="checkbox"/> Change existing deposit with A/P			
Bank name:			
Account type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	Routing #:		Account #:

Please note: It takes at least two weeks to implement an automatic deposit. If you transfer to a new bank, or if you change accounts, your automatic deposit may be interrupted. If you have any questions regarding this process, please contact our Broker Services Department: In California, call 1-800-448-4411 and select option 4; or in Oregon/Washington, call 1-888-802-7001, extension 5157; or in Arizona, call 1-800-409-6565.

Mail or fax this completed form to:
Health Net, Inc.
Broker Commissions Department, CA-100-04-02
PO Box 9103
Van Nuys, CA 91409-9103
Fax: (818) 676-5524



California Broker Website Web Account Registration

To ensure the security and protection of your firm's web account, Health Net requests that the owner, president or appropriate vice president, complete this form and fax to: Broker Services at 1-800-361-5324.

User name guidelines:

- User name must be a minimum of 6 to 15 alphanumeric characters.
- Please create a user name that is unique in format.
- To avoid delays, please avoid user names such as Health1234 or Brian1.

Select your web account user name: _____

Please complete the following information:

<i>Information categories</i>	<i>Your current information</i>
Health Net broker ID #	
Broker firm name	
Address line 1	
Address line 2	
Address line 3	
Phone number	
Fax number	
Tax ID number	
DOI license number	
License expiration date	
Email address ¹	

¹Email is required to receive an online broker website account.

Please print and sign your name below, then fax this complete form to Broker Services at 1-800-361-5324. Your broker website user name, along with a temporary password, will be emailed to you.

Printed name: _____ Title: _____

Signature: _____ Date: _____

Once your form has been sent, look for the email from Health Net within two business days, confirming that your web account has been loaded and your broker website account is active. If you have questions, call Broker Services at 1-800-448-4411, option 4, or email Brokers@healthnet.com.

Note: Agents in your firm may register for access to the site with an association ID, which will be sent in the email confirmation. Each agent can then create a personal profile for his or her use. Instructions are on the site.

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Privacy Statement: Health Net complies with all requirements of the Federal Gramm-Leach-Bliley Act of 1999. When you conduct business with, for, or on behalf of Health Net, you must comply with all confidentiality laws and regulations and take steps to maintain the security of the personal information about Health Net Insureds. Failure to act in accordance with the above could result in a breach of your contract, explicit or implied, with Health Net, and/or violation of federal and state law.

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