

SUB-PRODUCER AGREEMENT

THIS SUB-PRODUCER AGREEMENT is made and entered as of [REDACTED] (the “Effective Date”) by and between MARTIN INSURANCE SERVICES, INC., a New Jersey corporation with an address of 259 Prospect Plains Road, Bldg F, Suite 110, Cranbury, NJ 08512 (“Martin”) and [REDACTED] (“Producer”), a(n) [REDACTED] (title, i.e. broker, agent, or financial representative) with an address of [REDACTED].

RECITALS

WHEREAS, Martin provides insurance and insurance related services, and represents insurance companies and similar entities in the placement and writing of insurance; and

WHEREAS, Producer is involved in the provision of insurance and related services;

WHEREAS, Producer desires to associate with Martin in connection with Producer’s existing and future medical and ancillary insurance clients on an independent contractor basis upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. **TERM.** The term of this Agreement shall commence on the Effective Date and shall continue until terminated as provided by this Agreement.

2. **DUTIES OF PRODUCER.**
 - a. Producer shall service (i) certain of Producer’s existing medical and ancillary insurance clients as may be agreed upon from time to time, and (ii) future medical and ancillary insurance clients generated by Producer after the Effective Date which the parties mutually determine on an ongoing basis as amended from time to time, the “Book”. Martin shall code each client comprising the Book with Producer’s broker code in Martin’s records.

 - b. No understandings, agreements or communications by Producer with customers or prospective customers shall be binding on Martin or the insurance companies for which Martin produces insurance unless in writing. Producer acknowledges its duty to fully inform all clients of the terms, conditions, exclusions and limitations of any insurance placed or serviced through Martin using only pre-approved materials and information. Producer further acknowledges its responsibilities to request proper coverage for clients, review all quotes, policies and binders for accuracy and keep the Book and each of the Martin Clients fully informed.

 - c. Martin is party to a certain Master Broker and Services Agreement with Horizon Healthcare Services, Inc., d/b/a Horizon Blue Cross Blue Shield of New Jersey (“Horizon BCBSNJ”), whereby Martin provides insurance brokerage services to Horizon BCBSNJ (such agreement, as the same shall be amended from time to time, the “Horizon BCBSNJ Agreement”). A copy of excerpted terms and conditions of the Horizon BCBSNJ Agreement is attached hereto and incorporated herein as *Exhibit A*, which may be amended from time to time by Martin (the “Horizon BCBSNJ Terms and Conditions”). Producer hereby acknowledges and agrees to be bound to Martin not only by the terms of this Agreement, but also by the Horizon BCBSNJ Terms and Conditions and to assume toward Martin all of the

obligations and responsibilities that Martin by the Horizon BCBSNJ Agreement assumes towards Horizon BCBSNJ, insofar as the same may be applicable to the duties of Producer under this Agreement. Certain capitalized terms used herein but not defined herein shall have the meanings given to such terms in the Horizon BCBSNJ Terms and Conditions.

d. The parties understand and acknowledge that this Agreement is subject to amendment based upon subsequent requirements imposed upon Martin by applicable insurance carriers or changes in applicable law. The parties agree to work together in good faith to revise the terms hereof to correspond with any such additional requirements and/or changes in applicable law.

3. REPRESENTATIONS AND WARRANTIES

a. Producer represents, warrants and covenants the following: (i) Producer is not, nor shall Producer be, a party to any other agreement with, or be subject to any obligation or restriction by, any third party which would prevent Producer from entering into, or performing Producer's obligations under and in accordance with, this Agreement; (ii) Producer shall give all necessary notices and shall comply with (x) Martin's policies and procedures as in effect from time to time, and (y) all applicable federal, state, and local laws, ordinances, governmental rules and regulations ("Applicable Law"), including, but not limited to, those relating to insurance and financial products that are the subject of Producer's activities under this Agreement, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Employee Retirement Income Security Act of 1974, all as amended, and the rules and regulations promulgated thereunder, the Exchange Establishment Standards and Other Related Standards under the Affordable Care Act set forth at 45 C.F.R. Part 155, as well as the Health Insurance Issuer Standards under the Affordable Care Act set forth at 45 C.F.R. Part 156, to the extent applicable in performing Producer's duties under this Agreement, and further shall grant access to its books, contracts, computers, or other electronic systems relating to compliance with the aforesaid standards to the U.S. Department of Health and Human Services and its Office of Inspector General (and its designees) for the term hereof and for a minimum of ten (10) years thereafter, the laws and regulations of each applicable state, the rules of FINRA, and, if applicable, the listing rules of all applicable exchanges; (iii) is properly licensed and in good standing in all states where such licensure is required to conduct the activities contemplated by this Agreement; (iv) Producer is not subject to any statutory disqualification under any Applicable Law, nor is Producer currently the subject of any investigation or proceeding which could result in such statutory disqualification; (v) Producer shall comply with any and all regulations that Horizon BCBSNJ issues from time-to-time, including, but not limited to, Horizon BCBSNJ underwriting rules and compliance programs, as well as affirmatively cooperate with any Horizon BCBSNJ audit, investigation, or fraud-related inquiries and shall provide Martin and Horizon BCBSNJ with any records or audits upon request; (vi) Producer shall act with the care, prudence and diligence that a prudent person acting in like capacity and familiar with such matters would use under similar circumstances and in such manner as to comply with all Applicable Law, (vii) all of Producer's services hereunder shall be performed in a competent and professional manner by qualified personnel under the direction and control of Producer and in accordance with the highest standards in the industry provided by reputable service providers performing services of a similar nature. Each party represents that it is duly organized and authorized to enter into this Agreement and to perform all obligations; and that it is not a party to any Agreement with a third party which would restrict its ability to perform its obligations under this Agreement or the Horizon BCBSNJ Terms and Conditions. Producer will promptly notify Martin of any action taken by or against it that could result in a breach of Producer's obligations or representations under this Agreement or the Horizon BCBSNJ Terms and Conditions.

b. Martin represents, warrants and covenants the following: (i) Martin is not, nor shall Martin be, a party to any other agreement with, or be subject to any obligation or restriction by, any third party which would prevent Martin from entering into, or performing Martin's obligations under and in accordance with, this Agreement and the Horizon BCBSNJ Terms and Conditions; (ii) Martin shall give all necessary notices and shall comply with all Applicable Law; (iii) is properly licensed in all states where such licensure is required to conduct the activities contemplated by this Agreement; and (iv) Martin is not subject to any statutory disqualification under any Applicable Law, nor is Martin currently the subject of any investigation or proceeding which could result in such statutory disqualification.

4. **CERTAIN PARTICULAR PROVISIONS REGARDING THE HORIZON BCBSNJ AGREEMENT.**

- a. Incorporation of Certain Provisions by Reference. This Agreement and all the rights of parties hereunder are subject and subordinate to the Horizon BCBSNJ Agreement. Producer shall not, by its act or omission to act, cause a default under the Horizon BCBSNJ Agreement. In furtherance of the foregoing, the parties hereby confirm, each to the other, that it is not practical in this Agreement to enumerate all of the rights and obligations of the various parties under the Horizon BCBSNJ Terms and Conditions and specifically to allocate those rights and obligations in this Agreement. Producer shall perform obligations under the Horizon BCBSNJ Terms and Conditions which are by their nature applicable to the performance of its obligations hereunder.
- b. Producer shall accurately and completely record and submit to Martin all information required by Horizon BCBSNJ to enroll Customers under the applicable Benefit Plans. Producer shall provide written proof of all licensure to Martin within two (2) business days of any request therefor.
- c. Producer agrees to provide Martin with a duly executed Broker of Record letter signed by each Customer in a manner specified by Martin and/or Horizon BCBSNJ. Producer's compensation under this Agreement for any Customer shall be conditioned upon the Producer's production of such a duly executed Broker of Record letter and its continued designation as the Customer's Broker of Record.
- d. In the event Horizon BCBSNJ requests any records or audits in connection with this Agreement, Producer shall promptly comply with such requests. If Producer fails to comply with such requests, Martin may immediately terminate this Agreement upon written notice to Producer.
- e. Where applicable for its performance under this Agreement, Producer will comply with Horizon BCBSNJ's ISG Third Party Security Policy and Standard, as amended from time to time and at the discretion of Horizon BCBSNJ, which the Policy and Standard is included in *Exhibit B* to this Agreement.

5. **RELATIONSHIP**

- a. Independent Contractor. The relationship between the parties shall be that of independent contractors and not as employees, partners or joint employers. Producer shall comply with all applicable unemployment compensation statutes, occupational safety and health statutes and any other applicable federal, state and local laws, rules and regulations, including the procurement, and maintenance in full force and effect, of permits and licenses when required, and shall be responsible for withholding and payment of any payroll taxes and contributions, including, without limitation, federal, state, and local income taxes, FICA, FUTA and state unemployment, workers' compensation and disability insurance for its personnel. Producer shall be responsible for the acts, errors, omissions and conduct of its employees, agents, and any other person who contributes to the performance of Producer's obligations under this Agreement. Producer retains the right to exercise full control of, supervision over and

responsibility for its performance hereunder except to the extent required under this Agreement or the Horizon BCBSNJ Terms and Conditions, including the employment, direction, compensation and discharge of Producer's personnel (if any), as well as compliance with workers' compensation, unemployment, disability insurance, social security. Accordingly, Producer shall be responsible for all expenses incurred, including cost for licensure and any taxes applicable to its services, to perform under this Agreement or the Horizon BCBSNJ Terms and Conditions and no other monies shall be due to Producer from Martin unless expressly agreed-to in this Agreement.

b. Producer's Employees. Producer acknowledges and agrees that Martin shall have no responsibility or liability for treating Producer's personnel as employees of Martin for any purpose. Neither Producer nor any of Producer's personnel shall be eligible for coverage or to receive any benefit under any Martin-provided workers' compensation, employee plan or employee compensation arrangement, including, without limitation, any and all medical and dental plans, bonus or incentive plans, retirement benefit plans, disability benefit plans, life insurance and any and all other such plans or benefits.

c. Martin's Employees. Martin acknowledges and agrees that Producer shall have no responsibility or liability for treating Martin's personnel as employees of Producer for any purpose. Neither Martin nor any of Martin's personnel shall be eligible for coverage or to receive any benefit under any Martin-provided workers' compensation, employee plan or employee compensation arrangement, including, without limitation, any and all medical and dental plans, bonus or incentive plans, retirement benefit plans, disability benefit plans, life insurance and any and all other such plans or benefits.

5. LIMITATIONS ON AUTHORITY

Producer shall not place any insurance nor execute any binder for insurance without first having complied with all requirements of Martin and Applicable Law.

6. COMPENSATION

a. Martin shall pay Producer the broker level commission as stipulated by each applicable insurance carrier for insurance policies written under the terms of this Agreement.

b. Producer acknowledges and agrees that Martin shall be entitled to receive override compensation from each applicable insurance carrier for insurance policies written under the terms of this Agreement.

c. Martin shall pay Producer's commission for insurance policies written under the terms of this Agreement in accordance with Martin's policies and procedures from compensation received by Martin from the applicable insurance carrier on each such insurance policy.

d. Producer acknowledges and agrees that Martin shall not have an obligation to pay Producer's commissions for any insurance policy until and unless Martin receives compensation from the insurance carrier applicable to each such insurance policy. Producer hereby waives any and all claims it may have against Martin for nonpayment of commissions or other compensation otherwise due Producer hereunder, but for which Martin has not received payment from the relevant insurance carrier.

e. Martin may offset any commission due to Producer against any balances owed to Martin by Producer, as well as any amounts due to Martin arising out of Producer's indemnification obligations hereunder.

f. Producer shall immediately pay and/or refund to Martin the commission on the amount of returned premiums, including, but not limited to, return premiums on cancellations ordered or made by Producer.

g. Producer shall be solely responsible for all costs and expenses incurred in connection with the operation of Producer's business and Producer's performance under this Agreement, including, but not limited to, expenses in the nature of professional dues, subscriptions and fees, license fees, society membership fees, education, entertainment, travel and other like expenses to further Producer's business.

h. Other than those tax-related deductions that Martin is required to make pursuant to Applicable Law, no deductions for federal, state or other taxes will be made from the compensation due Producer under this Agreement. Producer is and shall be solely responsible for the payment of all taxes, tariffs and similar payment obligations and liabilities arising out of the payment of Producer's compensation under this Agreement.

i. In no event shall Martin be responsible to adjust or reconcile commission or other compensation payable to Producer beyond 150 days after the date such commission or other compensation was initially due. Producer agrees that it must bring any and all claims against either Martin or Horizon BCBSNJ for any incorrect payment of commission or other compensation under this Agreement within 150 days after the date such payment was initially due or paid, whichever time period is later. This provision shall survive the termination of this Agreement.

7. OWNERSHIP OF ACCOUNTS; NON-SOLICITATION Upon termination of this Agreement, both Martin and Producer recognizes and agrees that as between Martin and Producer, the Book shall be owned by Producer, and all other clients serviced through Martin shall be owned by Martin.

8. CONFIDENTIAL INFORMATION

a. Definitions and Obligations. During the term of this Agreement, a party ("Disclosing Party") may disclose to the other party ("Receiving Party"), orally or in writing, or Receiving Party may otherwise obtain, through observation or otherwise, Confidential Information (as defined below). During the term of this Agreement, and for a period of five (5) years thereafter, Receiving Party must: (i) keep, and cause all of Receiving Party's personnel to keep, all Confidential Information strictly confidential; (ii) restrict the use of Confidential Information to the intended purpose of this Agreement; and (iii) limit dissemination of Confidential Information within Receiving Party's own organization to only those individuals who require disclosure for performance of Receiving Party's duties under this Agreement. "Confidential Information" shall mean all information concerning Disclosing Party and Disclosing Party's clients including, but not limited to, confidential or proprietary information, trade secrets, data, know-how, formulas, designs, drawings, photographs, documentation, forms of software or electronic media, equipment, processes, ideas, methods, concepts, facilities, construction plans and specifications, research, development, and business and financial information. Confidential Information is, and shall be considered to be, the sole and exclusive property of Disclosing Party. Without limiting the generality of the foregoing, Producer agrees that all printed materials, applications, sales literature and other written materials furnished to it by Horizon BCBSNJ is Horizon BCBSNJ's property at all times. Such materials shall be subject to Horizon BCBSNJ's control at all times and Producer shall use only the latest versions of such materials authorized by Horizon BCBSNJ. Producer shall in no event amend or modify such materials in any respect.

b. Exclusions. Receiving Party shall have no obligation of confidentiality and non-use with respect to any portion of Confidential Information which (i) is or later becomes generally available to the public by use, publication or the like, through no act or omission of Receiving Party, (ii) is obtained from a third party who had the legal right to disclose the information to Receiving Party or (iii) Receiving Party already possesses as evidenced by Receiving Party's written records predating receipt thereof from Disclosing Party. In the event Receiving Party becomes legally compelled to disclose any Confidential Information, it shall immediately provide Disclosing Party with notice thereof prior to any disclosure sufficiently in advance so as to permit Disclosing Party to seek a protective order, shall use its best efforts to minimize the disclosure of any Confidential Information, and shall fully cooperate with Disclosing Party should Disclosing Party seek to obtain a protective order.

c. Return of Confidential Information. Receiving Party must return all Confidential Information in tangible form, including, but not limited to, all copies, translations, interpretations and adaptations thereof, immediately upon request by Disclosing Party or otherwise upon termination of this Agreement.

9. TERMINATION. Either Martin or Producer shall have the right, at any time, to terminate this Agreement upon thirty (30) days' prior written notice (such thirty day period, the "Notice Period"), provided, however, that if the Notice Period ends on any calendar day that is during the period that begins with October 1 and ends with December 1, the effective date of such termination shall be January 1 of the immediately succeeding calendar year. In addition to the forgoing termination right, Martin shall have the right to terminate Producer immediately upon receipt of written instruction from Horizon BCBSNJ to do so. After termination of this Agreement, the parties shall not have any further obligations to each other except for those obligations arising under Section 7 ("Ownership of Accounts; Non-Solicitation"), Section 8 ("Confidentiality"), Section 10 ("Indemnification"), Section 11 ("Limitation of Liability"), and Section 14 ("Miscellaneous").

10. INDEMNIFICATION.

a. Producer shall, to the fullest extent permitted by law, indemnify, defend and hold harmless Martin, its directors, officers, employees, agents, successors and assigns from and against any and all third party suits, actions, legal or administrative proceedings, claims, liens, demands, damages, liabilities, losses, costs, fees and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Losses"), directly or indirectly arising out of or in connection with (i) Producer's negligence or intentional acts or omissions; and/or (ii) any breach by the Producer and/or any of Producer's personnel of any representation, warranty, covenant or other agreement contained herein or in the Horizon BCBSNJ Terms and Conditions. Martin shall have the right to offset any amounts due Martin from Producer with respect to such indemnification obligations against any compensation otherwise payable by Martin to Producer hereunder.

b. Martin shall, to the fullest extent permitted by law, indemnify, defend and hold harmless Producer, its directors, officers, employees, agents, successors and assigns from and against any and all Losses directly or indirectly arising out of or in connection with (i) Martin's negligence or intentional acts or omissions; and/or (ii) any breach by Martin and/or any of Martin's personnel of any representation, warranty, covenant or other agreement contained herein.

11. LIMITATION OF LIABILITY. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY BREACH THEREOF.

12. INSURANCE.

a. Each party shall procure and maintain, for the term of this Agreement, errors and omissions coverage for such party and such party's personnel, in an amount not less than \$1,000,000.00. Each party shall submit a certificate of insurance evidencing such party's compliance with this paragraph within a reasonable time after the other party's request for such evidence.

b. Producer agrees and acknowledges that this insurance requirement is a material provision of this Agreement, and that Martin is legally obligated and required by the Horizon BCBSNJ agreement and applicable insurance laws and regulations to require Producer to obtain and provide Martin with evidence of such errors and omissions coverage before Martin makes payment of any commissions or compensation to Producer under this Agreement. As Martin is prohibited from paying commissions or compensation to producers who do not have such insurance coverage in effect during the term of this Agreement, failure of Producer to comply with this insurance requirement shall result in withholding by Martin of any and all commissions and/or compensation which may be earned by Producer until Producer complies with such insurance requirement within thirty (30) days of written demand of compliance by Martin to Producer. If Producer fails to comply with this requirement after written demand is made by Martin hereunder, Producer agrees that such commissions or compensation shall be forever and permanently forfeited, and Martin shall have no further obligation or liability to Producer for such commissions or compensation, and Producer shall be in default of this Agreement, entitling Martin to termination of this Agreement.

13. COMPLIANCE WITH HIPAA. Martin and Producer acknowledge that certain portions of HIPAA and the Federal regulations promulgated thereunder may apply to Martin, Producer, and their relationships and operation under this Agreement. Martin and Producer acknowledge that they entered into or will enter into a Business Associate Agreement, attached hereto and incorporated herein as *Exhibit D*, which has or will address the relative obligations of both Martin and Producer under HIPAA, and to the extent the terms thereof relate to Martin's performance under this Agreement, the provisions of such Business Associate Agreement shall control. Producer shall be responsible for implementing and maintaining security measures to protect the security of Producer's network, software, hardware and other interface products, as well as all client data displayed, transmitted, processed and stored in Producer's network.

14. MISCELLANEOUS

a. Waiver. None of the terms of this Agreement may be waived except by an express agreement in writing signed by the party against whom enforcement of such waiver is sought. The failure or delay of either party in enforcing any of its rights under this Agreement shall not be deemed a continuing waiver of such right. The waiver of one breach hereunder shall not constitute the waiver of any other or subsequent breach.

b. Amendment. No amendments, modifications or supplements to this Agreement shall be binding unless in writing and signed by both parties.

c. Governing Law; Venue. This Agreement shall be governed by the laws of the State of New Jersey, excluding conflict of law rules. Any case or controversy arising out of this Agreement must be submitted and finally resolved in the federal and state courts located in the State of New Jersey. The parties submit to the exclusive jurisdiction of the federal and state courts located in the State of New Jersey.

- d. Assignment. Neither party may assign this Agreement without the consent of the other party.
- e. No Third Party Beneficiaries. This Agreement is entered into for the benefit of Producer and Martin and their respective successors and permitted assigns and not for the benefit of any other person or entity. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties and their respective permitted successors and assigns.
- f. Remedies Cumulative. No remedy or election hereunder, including, without limitation, in connection with any right of termination, shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.
- g. Severability. If any provision of this Agreement shall be held illegal, invalid or unenforceable, in whole or in part, such provision shall be modified to the minimum extent necessary to make it legal, valid and enforceable, and the legality, validity and enforceability of the remaining provisions shall not be affected thereby.
- h. Entire Agreement. This Agreement, including the appendices, exhibits and attachments hereto, each of which are hereby incorporated by reference herein, constitute the entire agreement between the parties and set forth the entire terms and conditions under which this Agreement will be performed. There are no other agreements, oral or written, with respect to the subject matter of this Agreement, and all oral and written correspondence relating to the subject matter hereof are superseded by this Agreement.
- i. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same document, binding on all parties notwithstanding that each party may have signed different counterparts.

IN WITNESS THEREOF, duly authorized representatives of the parties have executed this Agreement as of the date first set forth above.

MARTIN INSURANCE SERVICES, INC.

By: _____ on _____.

AGENT/BROKER SIGNATURE:

By: _____ on _____.