



**BlueCross BlueShield
of Texas**

AGENT/AGENCY INFORMATION FORM

Blue Cross and Blue Shield of Texas

FDL

(↓BROKER ADMIN USE ONLY)

| |
|---------|
| \$ |
| Lic # |
| Lic Exp |
| Lic Eff |
| E&O Exp |
| BCBS |
| FDL |
| RDT |
| TAPS# |

(↑BROKER ADMIN USE ONLY)

The following information will be used for appointment and commission purposes. Please Print or Type information. Commission checks will be made payable to the agent or agency who is appointed with the Texas Department of Insurance (TDI)

The appointment fee(s) payable to Blue Cross and Blue Shield of Texas is the responsibility for the Agent/Agency requesting appointment. The fee is \$13.50 for each company appointment.

| | | |
|--|--|--|
| APPOINTMENT TYPE REQUESTED: ____ Individual ____ Agency | TDI REGISTERED: DBA/Trade Style Yes__ No__ | PREVIOUSLY APPOINTED: ____ Yes ____ No |
| Name of Agent or Agency as it appears on the TDI License | | |
| SSN AND/OR FEIN # (SSN Required for appointment purposes if license is an individual with a DBA or Registered Trade Style) | | |
| Business Address; Include City, State & Zip | | (County) |
| Mailing Address for correspondence & commission checks; Include City, State & Zip (If different from above) | | (County) |
| I ELECT DIRECT DEPOSIT (EFT) ____ YES ____ NO | | |
| *Email Address | Website Address: | |

Please attach the following:

1. A copy of your Agent or Agency Texas Department of Insurance (TDI) License Type- General Lines –Qualification Type: Life, Health, and HMO.
2. Completed W-9 form with original signature for Individual requesting appointment or authorized rep for agency appointment
3. Evidence of Registered Trade Style or DBA registered with TDI (If you are requesting to use a DBA and/or Tax ID Number)
4. Evidence of E&O covering Individual or Agency requesting appointment (Policy Number, Effective and Expiration date and Insured name must be shown)
5. Check Payable to Blue Cross and Blue Shield of Texas for appointment(s)
6. Electronic Funds Transfer (EFT) Data Collection Form (if Direct Deposit elected). Incomplete forms will NOT be processed

ADDITIONAL INFORMATION

If you answer “YES” to any of the following questions, please attach detail on separate sheet(s) of paper.

| | Yes | No |
|--|-----|-----|
| 1. Has your license to sell insurance or HMO products ever been denied, suspended or revoked by any state? | () | () |
| 2. Have any complaints been filed against you with the Texas Department of Insurance or any other insurance regulatory board or agency within the last five years? | () | () |
| 3. Have you ever been denied appointment or renewal appointment by any insurance and/or managed care company? | () | () |
| 4. Have you ever been a party to a lawsuit relating to insurance or managed care coverage? | () | () |
| 5. Have any settlements ever been made on your behalf? | () | () |
| 6. Are there any claims or lawsuits presently pending against you? | () | () |
| 7. Have you ever been convicted of a crime other than minor traffic violations? | () | () |
| 8. Are you indebted to any policy holder or insurance company or managed care company | () | () |

I certify that the above statements are true and complete and no misrepresentations are contained within the application or attachments.

AGENT OR AGENCY REPRESENTATIVE SIGNATURE

DATE

TO BE COMPLETED BY BCBSTX/FDL SALES OFFICE

AGENT/AGENCY APPLYING FOR APPOINTMENT FOR THE FIRST TIME ARE REQUIRED TO BE APPOINTED TO BCBSTX AND FDL. Fees should be totaled and one check attached.

CHECKLIST OF COMPANY APPOINTMENT(S) REQUESTED:

() BCBSTX and FDL - \$27.00 () Part C and D Medicare - \$13.50

SALES EXECUTIVE SIGNATURE

SMALL GROUP RSE ____/____/____ MID MARKET RSE ____/____/____ DATE _____

(I have personally reviewed this applicant’s background and recommend appointment)

**BLUE CROSS AND BLUE SHIELD OF TEXAS
ELECTRONIC FUNDS TRANSFER
DATA COLLECTION FORM
(Incomplete Forms will not be processed)**

BROKER INFORMATION

| | |
|---|--|
| BROKER NAME: (As shown on TDI license) | |
| BROKER TAX ID (or SSN): | |
| E-MAIL ADDRESS: | |

BANK INFORMATION

| | |
|------------|--|
| BANK NAME: | |
| ADDRESS: | |
| CITY: | |
| STATE: | |
| ZIP CODE: | |

BANK ACCOUNT INFORMATION

| | | |
|----------------------|-----------------------------------|----------------------------------|
| BANK ACCOUNT TYPE: | <input type="checkbox"/> CHECKING | <input type="checkbox"/> SAVINGS |
| BANK ACCOUNT NUMBER: | | |
| BANK ROUTING NUMBER: | | |

PLEASE ATTACH A VOIDED CHECK HERE

AGENT AGREEMENT

Agent Number _____

This Agreement effective _____, is between Health Care Service Corporation, a Mutual Legal Reserve Company* (operating in Texas as Blue Cross and Blue Shield of Texas and HMO Blue® Texas) and Fort Dearborn Life Insurance Company, hereinafter called the "Company" and _____, hereinafter called the "Agent", duly licensed to engage in business as an insurance agent by the State of Texas and having the principal office at:

Tax Identification No./Social Security No. _____

In consideration of the mutual promises herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. Appointment of Agent - General Powers and Duties

- (a) The Company hereby appoints Agent as an agent with power to solicit applications for issuance of the Company's insurance/HMO programs as more specifically set forth in the Agent's Manual, as it may be revised from time to time. The Agent's Manual is incorporated into this Agreement by reference. This appointment applies to all such applications solicited by Agent.
- (b) Agent agrees that for the term of this Agreement, Agent shall at all times be covered by an errors and omissions policy of insurance with limits acceptable to the Company.
- (c) Agent agrees to notify the Company immediately of any termination, suspension or expiration of Agent's license to be an insurance agent within the State of Texas.
- (d) The Agent represents and warrants that it has not been convicted of a felony and the Agent will report any future felony convictions to Company immediately.
- (e) The Agent hereby represents and warrants that neither the Agent nor its employees have been: (1) charged with a criminal offense involving government business, (2) listed by a federal government agency as debarred, (3) proposed for debarment or suspension, or (4) otherwise excluded from federal program participation. The Agent acknowledges and agrees that it has a continuing obligation to notify Company in writing within seven (7) business days if any of the above-referenced representations change.
- (f) Agent shall comply with the Company's underwriting regulations and other pertinent rules and regulations, including any production requirements, as set out in the Company's Agent's Manual.
- (g) The Agent shall make no representations with respect to the Company's insurance/HMO coverage except as may be contained in the written material prepared and furnished to the Agent by the Company, and shall make no oral or written alteration, modification or waiver of any of the terms or conditions applicable to that coverage without the express prior written consent of the Company.
- (h) Agent agrees that all printed matter, applications, sales literature and other written material which the Company may furnish shall remain the property of the Company, subject at all times to its control, and

shall be returned to the Company upon demand or upon termination of this Agreement.

- (i) Agent shall not employ or make use of any advertisement or material in which the Company's names, trade names, and/or corporate symbols are contained, without the express prior written consent of the Company.
- (j) Agent shall indemnify and hold harmless the Company from any and all claims, liability, cost, damage or expense, for or on account of any damage or loss occurring by reason of any failure by the Agent to comply with this Agreement.
- (k) For the period of the Agreement and for two (2) years after termination or nonrenewal of same, Agent shall not divulge any confidential information about the business of the Company which Agent has obtained, by reason of Agent's association with the Company.
- (l) Agent may not appoint subagents under this Agreement and will exercise all authority conferred herein personally or through Agent's employees and no others.
- (m) Agent agrees that all groups or individuals enrolled under this Agreement shall be billed directly by the Company and not through any intermediary, including the Agent.

2. Compensation

- (a) Agent shall receive a commission on all new and renewal business (as defined in the Agent's Manual) written by Agent, as specified in the Commission Schedules set forth in the Agent's Manual, for each group or contract type written by Agent.
- (b) All commissions will be paid only on premiums which are actually received and retained by the Company, and only if Agent has complied with the terms of this Agreement and guidelines set out in the Company's Agent's Manual.
- (c) The Company shall at all times have a lien on commissions due or to become due to the Agent, to the extent of any indebtedness of the Agent to the Company, and may at any time offset such commissions against the amount of indebtedness.
- (d) The Company shall have the right to discontinue writing or to alter the coverage under any contract executed between a group or individual and the Company, according to the terms of the contract. If

*Independent Licensee of the Blue Cross and Blue Shield Association

the Company rescinds a contract and returns premium charges, the Agent shall repay to the Company on demand, the amount of commissions the Agent has received on the returned premium charges, or an adjustment or offset may be made regarding future commissions.

- (e) If all or part of any premium is refunded after a commission has been paid on such premium, or if Company erroneously overpays Agent, the Agent will, on demand, repay the commission received on such refunded premium or overpayment, or an adjustment or offset may be made regarding future commissions.
- (f) No commissions shall be payable under this Agreement on any premium charges waived under the terms of any contract of insurance for disability or other similar condition, and no commissions shall be payable on any interest on due and unpaid premium charges.

3. Relationship Between the Parties

Nothing contained in this Agreement shall be construed as creating the relationship of employer-employee between the parties. Agent is responsible for all expenses incurred pursuant to the Agent's exercising of the agency created hereunder, unless the reimbursement of such expenses has first been expressly authorized by the Company in writing.

4. Reports and Audits

- (a) The Company agrees to remit to Agent a Commission Statement on a monthly basis depicting the products sold, the premium charges produced and commissions paid thereon.
- (b) Agent agrees to remit to the Company such reports of Agent's activities at such time and on such forms as are required by the Company.
- (c) The Company shall have the right to audit Agent's accounts subject to this Agreement at such reasonable time and place as are agreed upon by both parties.
- (d) Agent agrees to reimburse Company for the expenses of any audit arising out of the fraud or intentional misrepresentation of the Agent or Agent's employees.

5. License and Taxes

Agent shall obtain any and all licenses required by the State of Texas or local laws or regulations and will pay all license, income, self-employment, unemployment and any and all other taxes and levies upon the business of the Agent and will hold harmless the Company from all liability for the same.

6. Termination and Assignment

- (a) This Agreement may be cancelled at any time, by either party, by the giving of sixty (60) days prior written notice. Termination shall take effect from the expiration of the notice so given.
- (b) This Agreement will automatically terminate, if, at any time, the license granted to the Agent from the State of Texas to solicit or sell insurance/HMO coverage is suspended or cancelled and/or upon the death of the Agent, and/or if the Agent breaches any

provision of the Agreement, commits any fraudulent act or fails to follow the guidelines set out in the Agent's Manual.

- (c) Any felony conviction entered against the Agent involving dishonesty or breach of trust shall be grounds for immediate termination of this Agreement.
- (d) Any misrepresentation by the Agent of its status as it pertains to government contracting shall be grounds for immediate termination of this Agreement at the sole discretion of Company.
- (e) Neither this Agreement nor any of the proceeds under any Commission Schedule attached hereto shall be assignable by the Agent unless the assignment is agreed to in writing by the Company.
- (f) A waiver by either party of a breach of any provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.
- (g) Termination of this Agreement shall operate to terminate all Commission Schedules hereunder.

7. HIPAA Business Associate Provisions

- (a) The Agent and Company agree that the Agent is a Business Associate of the Company as that term is defined by the Health Insurance Portability and Accountability Act (HIPAA) and its implementing regulations (45 CFR Parts 160 – 164) ("HIPAA" or "Privacy Rule" or "Security Rule" or Electronic Transactions Rule).
- (b) **Obligations and Activities of BA.**
 - (1) BA agrees to Use or Disclose Protected Health Information (PHI) only as permitted or required by this Agreement or as required by law.
 - (2) BA agrees to use appropriate safeguards to prevent Use or Disclosure of the PHI other than as provided for in this Agreement. Effective April 21, 2005, BA agrees to implement administrative, technical, and physical measures that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that BA creates, receives, maintains, or transmits on CE's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C.
 - (3) BA agrees to mitigate, to the extent practicable, any harmful effect that is known or should be known to BA of a Use or Disclosure of PHI by BA in violation of the requirements of this Agreement.
 - (4) BA agrees to report to CE any Use or Disclosure of the PHI not provided for by this Agreement of which it becomes aware. BA will make the written report to CE not less than 3 business days after BA learns of such unauthorized Use or Disclosure. BA's written report will at least: (i) identify the nature of the unauthorized Use or Disclosure; (ii) identify the PHI used or disclosed; (iii) identify who made the unauthorized Use or received the unauthorized Disclosure; (iv) identify what BA has done or will do to mitigate any deleterious effect of the unauthorized Use or Disclosure; (v) identify what corrective action BA has taken or will take to

prevent future similar unauthorized Use or Disclosure; and (vi) provide such other information, including a written report, as reasonably requested by CE.

Further, effective April 21, 2005, BA agrees to report to CE any successful (i) unauthorized access, Use, Disclosure, modification, or destruction of Electronic PHI or (ii) interference with BA's system operations in BA's information systems of which BA becomes aware. BA will make such report to CE's Privacy Office within a reasonable time after BA learns of any successful security incidents. To avoid unnecessary burden on either party, BA will only be required to report, upon the CE's request, attempted, but successful, unauthorized access, Use, Disclosure, modification, or destruction of the CE's Electronic PHI or interference with system operations in BA's information systems that involve the CE's Electronic PHI of which BA becomes aware; provided that the CE's request shall be made no more often than is reasonable based upon the relevant facts, circumstances and industry practices.

- (5) BA agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by BA on behalf of, CE agrees to the same restrictions and conditions and security measures that apply through this Agreement to BA with respect to such information.
- (6) BA agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the Use and Disclosure of PHI received from, or created or received by BA on behalf of, CE available to the CE, or to the Secretary, in a time and manner as reasonably requested by CE or designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule.
- (7) BA agrees to document such Disclosures of PHI and information related to such Disclosures as would be required for CE to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.
- (8) BA agrees to provide to CE or an Individual, in a time and manner as reasonably requested by CE, information collected in accordance with paragraph 7(b)(7) of this Agreement, to permit CE to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45 CFR § 164.528.
- (9) BA agrees to provide access, at the request of CE, and in the time and manner as reasonably requested by CE, to PHI, to CE or, as directed by CE, to an Individual in order to meet the requirements under 45 CFR § 164.524.
- (10) BA agrees to make any amendment(s) to PHI that the CE directs or agrees to pursuant to 45 CFR § 164.526 at the request of CE or an

Individual, and in the time and manner mutually agreed by the parties.

- (11) BA agrees to follow CE's privacy policies and procedures as CE may deem applicable to BA. CE shall make such privacy policies and procedures available for BA.

(c) **Permitted Uses and Disclosures by BA.** BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, CE as specified in paragraph 7(c)(1) of this Agreement, provided that such Use or Disclosure would not violate the Privacy Rule if done by CE or the Minimum Necessary policies and procedures of the CE.

- (1) The following functions, activities or services by BA shall be considered to be performed for, or on behalf of CE in BA's capacity as a BA:
 - (i) Soliciting insurance on behalf of CE;
 - (ii) Transmitting an application for insurance or policy of insurance to or from CE;
 - (iii) Receiving or delivering a policy of insurance for CE; or
 - (iv) Receiving, collecting, or transmitting any initial premium of insurance as required by CE.
- (2) Except as otherwise limited in this Agreement, BA may use PHI for the proper management and administration of the BA or to carry out the legal responsibilities of the BA.
- (3) Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA, provided that the disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.
- (4) Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation services to CE as permitted by 45 CFR § 164.504(e)(2)(i)(B).
- (5) BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR § 164.502(j)(1).

(d) **Obligations of CE.**

- (1) CE shall notify BA of any limitation(s) in its notice of privacy practices of CE in accordance with 45 CFR § 164.520, to the extent that such limitation may affect BA's Use or Disclosure of PHI.
- (2) CE shall notify BA of any changes in, or revocation of, permission by an Individual to use

or disclose PHI, to the extent that such changes may affect BA's Use or Disclosure of PHI.

(3) CE shall notify BA of any restriction to the Use or Disclosure of PHI that CE has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect BA's Use or Disclosure of PHI.

(e) **Permissible Requests by CE.** CE shall not request BA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by CE, unless otherwise noted in this Agreement.

(f) **Termination.**

(1) In addition to the termination provisions contained in paragraph 6 of the Agreement, the Agreement can also be terminated as set out below. When the Agreement terminates, all of the PHI provided by CE to BA, or created or received by BA on behalf of CE, must be destroyed or returned to CE. If it is infeasible to return or destroy PHI, protections must be extended to such information in accordance with the termination provisions set out below.

(2) **Termination for Cause.** Upon CE's knowledge of a material breach by BA, CE shall either:

(i) Provide an opportunity for BA to cure the breach or end the violation and terminate the Agreement if BA does not cure the breach or end the violation within the time specified by CE;

(ii) Immediately terminate the Agreement if BA has breached a material term of paragraph 7 of the Agreement and cure is not possible; or

(iii) If neither termination nor cure are feasible, CE shall report the violation to the Secretary.

(3) **Effect of Termination.**

(i) Except as provided in subparagraph (ii) below, upon termination of the Agreement, for any reason, BA shall return or destroy all PHI received from CE, or created or received by BA on behalf of CE. This provision shall also apply to PHI that is in the possession of subcontractors or agents of BA. BA shall retain no copies of the PHI.

(ii) In the event that BA determines that returning or destroying the PHI is infeasible, BA shall provide to CE written notification of the conditions that make return or destruction infeasible. BA shall extend the protections of paragraph 7 of the Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as BA maintains such PHI.

(4) **Cure of Non-material Breach.** CE shall provide an opportunity for BA to cure a non-material breach within the time specified by CE.

(g) **Miscellaneous Provisions.**

(1) **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.

(2) **Amendment.** CE may at any time modify or amend one or more provisions of paragraph 7 of this Agreement. CE shall provide at least thirty (30) days prior written notice before these amendments become effective. These amendments will become effective on the date stated by CE unless BA prior to the effective date of the amendments has given notice to CE of BA's intent to terminate the Agreement. In such case the proposed modification or amendment shall not be applicable to BA during the period prior to the termination date.

(3) **Survival.** The respective rights and obligations of BA and CE under paragraph 7(f)(3) and paragraph 7(g)(6) of this Agreement shall survive the termination of the Agreement.

(4) **Interpretation.** Any ambiguity in paragraph 7 of this Agreement or between paragraph 7 and the remainder of the Agreement shall be resolved to permit CE to comply with the Privacy Rule. Any conflict between terms of paragraph 7 and the remainder of the Agreement shall be resolved so that the terms of paragraph 7 supercede the relevant terms of the remainder of the Agreement.

(5) **Response to Subpoenas.** In the event that BA receives a subpoena or similar notice or request from any judicial, administrative or other party arising out of or in connection with the Agreement, including, but not limited to, any unauthorized Use or Disclosure of PHI or any failure in BA's security measures, BA shall immediately forward a copy of such subpoena, notice or request to CE and afford CE the opportunity to exercise any rights it may have under law.

(6) **Indemnity.** In addition to the indemnity provision contained in paragraph 1 of the Agreement, BA will indemnify and hold harmless CE and any CE affiliate, trustee, officer, director, employee, volunteer or agent from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any unauthorized Use or Disclosure of PHI or any failure in security measures affecting PHI or any other material breach of the terms of paragraph 7 of the Agreement by BA or any person or entity under BA's control. BA's obligation to indemnify CE will survive the termination of the Agreement. CE may, at its option, conduct the defense or settlement of any such action arising as described herein, and BA shall fully cooperate with such defense.

(7) **Severability.** The provisions of paragraph 7 of the Agreement shall be severable, and if any provision of such paragraph 7 shall be held or declared to be illegal, invalid or unenforceable, the remainder of paragraph 7 of the Agreement shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained.

Commission Schedules - Group and Individual Insurance/HMO Products

1. The Commission Schedules apply to all group and individual coverage sold by Agent and confirmed by Company to be subject to commissions under the Schedules in accordance with the terms and provisions of the Agent's Manual and the Agreement to which the Commission Schedules are attached and made a part, including the sale of group and individual hospitalization and medical / surgical coverage, group and individual HMO coverage, group and individual term life insurance, accidental death and dismemberment insurance, dental, vision care and hearing care insurance, short and long term disability insurance, and stop-loss insurance for any of the above group programs.
2. Commissions shall be determined in accordance with the Schedules on premiums received and retained by the Company while this Agreement is in effect and which are attributable to the insurance/HMO coverages described above.
3. Commissions are payable monthly, following the month of receipt and allocation by Company of the premium charges on which the commission is payable, by line of coverage. If commissions payable to an Agent on any

check do not exceed \$20.00, Company reserves the right to change the payment schedule to quarterly, semi-annual or annual payments, at its option.

A policy year shall commence with the effective date of each insurance/HMO contract and end one year later.

4. It is understood and agreed that:
 - (a) The Agent shall be deemed to be the authorized Agent for each policyholder, which is sold as above noted, until the policyholder notifies the Company of a revocation of the designation of such Agent. Revocation of such designation shall cause termination of commissions payable under this Agreement at the end of the month in which such designation is revoked.
 - (b) Upon termination of the Agreement or upon termination of the insurance/HMO programs sold hereunder, commissions payable pursuant to the Commission Schedules shall cease at the end of the month in which such termination occurs.
 - (c) The commission percentage(s) may be changed by amendment to the Commission Schedules signed by Agent and Company or by written notice from Company to Agent sixty (60) days in advance of such change. Any such change made by written notice from Company shall be effective by its terms to insurance/HMO programs with policy year effective dates beginning on and after the effective date of such a change in commission rates.
 - (d) Company may terminate its commission payments with respect to any insurance/HMO program by giving Agent thirty (30) days written notice in advance of such termination.
 - (e) Agent must hold a current appointment with the Company in order to receive commissions.

In Witness Whereof, the parties hereto have signed this Agreement on the day and in the year below written.

Signed ____ day of _____, _____, at _____.

By _____
Agent:

Agent Number

Request for Taxpayer Identification Number and Certification

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

Print or type
See Specific Instructions on page 2.

| | | |
|---|--|--|
| Name | | |
| Business name, if different from above | | |
| Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ | <input type="checkbox"/> Exempt from backup withholding | |
| Address (number, street, and apt. or suite no.) | Requester's name and address (optional) | |
| City, state, and ZIP code | | |
| List account number(s) here (optional) | | |

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.

Part II 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 Entities.

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 under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). 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.

You will **not** be subject to backup withholding on payments you receive 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 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 II 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 instructions on page 2 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.

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.

Exempt from backup withholding. If you are exempt, enter your name as described above, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

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 Instructions for the Requester of Form W-9.

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

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

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 Web Site at www.irs.gov.

If you are asked to complete Form W-9 but 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.

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

Part II—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). Exempt recipients, see **Exempt from backup withholding** above.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

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 tuition program payments (under section 529), IRA or Archer 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 Archer 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 30% 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 or: |
|---|---|
| 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 or: |
| 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.





the brokerage, inc.

Office (469) 635-6000 or (800) 442-4915

Fax (469) 635-6001 or (800) 616-4900

www.TheBrokerageInc.com email info@thebrokerageinc.com

To Whom It May Concern:

I, _____ am requesting to transfer my
appointment effective immediately from my current general agent
_____ to The Brokerage, Inc.

Should you have any questions you can contact me at the number listed below.

Thank you,

Agent Signature

Agent Name

Agent Address

Agent City, State, Zip Code

Agent Phone Number



**BlueCross BlueShield
of Texas**

Individual Commission Schedule

First Year Rates

Effective Dates 5/1/04 through present

| | |
|--------------------------|-----|
| SelecTEMP | 15% |
| PPO Select Choice | 15% |
| Select Blue Advantage | 10% |
| Select Saver | 20% |
| PPO Select Basic | 10% |
| Dental | 10% |
| BlueEdge HSA | 20% |
| PPO Select Value Care | 20% |
| Foundation Hospital Care | 10% |

Renewal Rates

| | |
|-------------------------|-----|
| All policies | |
| Year 2-life of contract | 10% |

**Amendment
to the
Medicare Supplement Commission Schedule**

This Amendment to the Agent Agreement is effective June 1, 2005, and replaces in its entirety any Medicare Supplement Commission Schedule in effect prior to the effective date of this Amendment.

The terms and provisions of the Agent Agreement will apply to this Amendment. In the event of a conflict between the Agent Agreement and this Amendment, the Amendment will govern.

| MEDICARE SUPPLEMENT | POLICY YEAR | COMMISSION |
|---|-------------|------------|
| Medicare Supplement Plans A, D, F (Persons age 65-79 only)* | | |
| Tier 1 – 75 + Paid Sales in prior calendar year | | |
| First Year | 1 | 18% |
| Renewals | 2-6 | 12% |
| Renewals | 7-10 | 5% |
| Tier 2 – 20-74 Paid Sales in prior calendar year | | |
| First Year | 1 | 15% |
| Renewals | 2-6 | 10% |
| Renewals | 7-10 | 5% |
| Tier 3 – less than 20 Paid Sales in prior calendar year | | |
| First Year | 1 | 10% |
| Renewals | 2-6 | 10% |
| Renewals | 7-10 | 5% |

*NOTE: While Agent may continue to submit applications for clients age 80 and above, no commission will be paid for those policies.

1. For purposes of this Amendment, Paid Sales means that the first premium for a Medicare Supplement policy was received by the Company during the calendar year being tallied.
2. All Medicare Supplement commissions are based on the initial premium on the policy.
3. No compensation is paid on Medicare Supplement business that replaces an existing in force Company Medicare Supplement policy unless the replacement is from the Agent's own book of business. Renewal commissions will be paid on all Medicare Supplement replacement policies from other carriers.
4. The commission levels set out in the above Schedule will apply to any new Medicare Supplement Plans offered by the Company.