

## Producer Agreement

This agreement, effective the \_\_\_\_\_ day of \_\_\_\_\_ is between **DELTA DENTAL OF WASHINGTON**, referred to as “DDWA” in this agreement, and \_\_\_\_\_ (name of agency), referred to as “Producer” in this agreement. In consideration of the mutual promises contained herein and other good and valuable consideration, the parties hereto agree as follows:

### 1. Definitions

- 1.1. “Agreement” means this Producer Agreement.
- 1.2. “DDWA Product” means an Individual or Group dental benefits product offered by Delta Dental of Washington which are detailed in Addendum A.
- 1.3. “Group” means an employer group purchasing group dental benefits from DDWA.
- 1.4. “Individual” means a person purchasing a dental benefit DDWA Product for themselves and their family.

### 2. Duties and Authority of Producer

- 2.1. Producer shall sell, negotiate, and solicit from Individuals or Groups applications for the DDWA Products on behalf of DDWA. This Agreement authorizes the Producer to sell, negotiate, and solicit business for, the DDWA Products identified in this Agreement. Producer’s authority under this Agreement is nonexclusive.
- 2.2. Producer represents and warrants that, prior to undertaking the activities in this Agreement, Producer has secured and will maintain such licenses and appointments by DDWA as are necessary to transact business on behalf of DDWA, and as required under the laws and regulations governing the licensing of insurance producers in the State of Washington. Producer shall provide DDWA copies of all required licenses. Producer further agrees to notify DDWA immediately of any expiration, termination, suspension or other action by the Washington State Office of Insurance Commissioner or any other governmental agency affecting said licenses or appointments. Producer further agrees to notify DDWA in writing immediately upon receiving notice of any misdemeanor or felony charges or any actions including, but not limited to, convictions by any governmental authority for commission of any act involving fraud, dishonesty, breach of trust, theft, and misappropriation of money or breach of any fiduciary duty.
- 2.3. In the performance of their duties under this Agreement, Producer agrees to: (i) comply with all applicable laws and regulations governing the sale of health insurance policies, (ii) comply with the rules of DDWA relating to the completion and submission of applications, (iii) assist in the implementation of DDWA Group Products by communicating with their groups, gathering appropriate documentation, and any other needed task to successfully onboard groups, and (iv) to make no representation regarding any DDWA Product inconsistent with the material provided to Producer for marketing and customer recruitment.
- 2.4. Producer is not authorized to, and shall not, enter into, alter, deliver, or terminate any benefit contract or policy on behalf of DDWA, extend the time of payment of any charges or premiums, or bind DDWA in any way. Producer acknowledges and agrees that DDWA reserves the right, in accordance with applicable law, to reject any and all applications submitted by Producer.

- 2.5. Producer is not authorized to receive any DDWA funds except the initial premiums for DDWA Products, and Producer is not authorized to deduct compensation, commissions, service fees, or allowances from any initial premiums Producer may collect. Any funds that Producer does receive for or on behalf of DDWA shall be received and held by Producer in a fiduciary capacity, shall be separately accounted for, shall not be commingled by Producer with personal funds of Producer or other business accounts managed or owned by Producer, and shall be remitted to DDWA promptly, but in no event later than five (5) calendar days from the date of receipt. If Producer accepts credit card payments, Producer agrees to use a service provider that is PCI- DSS compliant to process such payments.
- 2.6. Producer shall not broadcast, publish, or distribute any advertisements or other material relating to DDWA Products not originated by DDWA, nor use the name, trademark, or logo of DDWA or the Delta Dental Plans Association in any way or manner without DDWA's prior written consent and then only as specifically authorized in writing by DDWA. These restrictions on materials include, but are not limited to, enrollment materials, internet communications, any electronic transmissions representing DDWA Products, brochures, advertisements (print or electronic), and Producer or agency company listings.
- 2.7. Producer agrees to maintain complete and separate records for DDWA of all transactions pertaining to applications submitted to and accepted by DDWA, and any other documents in form and manner as may be required by Washington State's Office of Insurance Commissioner for a period of at least seven (7) years. Any and all records described above or as may otherwise relate to Producer's activities in connection with DDWA business shall be accessible and available to representatives of DDWA who may audit them from time to time while this Agreement is in effect or within seven (7) years after termination thereof.
- 2.8. Producer agrees to obtain and maintain Errors and Omissions Insurance coverage with minimum amounts of \$1,000,000 per incident and \$1,000,000 in aggregate or such higher amounts as may be required by law or as determined by DDWA, and from a carrier satisfactory to DDWA. Producer shall provide to DDWA, along with its license documentation, certificates of insurance evidencing such coverage. Producer agrees to make best efforts to provide DDWA with thirty (30) days prior written notice, and in any event will provide notice as soon as reasonably practicable, of any modification, termination, or cancellation of such coverage.
- 2.9. Producer is an independent contractor and shall have no claim to compensation except as provided in this Agreement, and Producer shall not be entitled to reimbursement from DDWA for any expenses incurred in performing this Agreement. Producer further agrees that to the extent of any indebtedness to DDWA from Producer, DDWA shall have a first lien against any commissions due Producer, and such indebtedness may be deducted, at DDWA's option, from any commissions due Producer. Moreover, this Agreement does not give Producer any power of authority other than as expressly granted herein and no other or greater power shall be implied from the grant or denial of powers specifically mentioned herein.
- 2.10. Producer will treat as trade secrets any and all information concerning customers of DDWA or its business, products, techniques, methods, systems, price-books, rating tools, plans or policies, including, but not limited to DDWA Products. Producer will not, during the term of this Agreement, or at any time thereafter, disclose such information, in whole or in part, to any person, firm or corporation for any reason or purpose whatsoever, or use such information in any way or in any capacity other than as a sales producer of DDWA in furtherance of DDWA's interests. With respect to information concerning customers of DDWA, Producer will implement a comprehensive written

information security program that includes administrative, technical, and physical safeguards for protection of such information that are appropriate to Producer's size, complexity, nature, and scope of activities and that are designed to:

- 2.10.1. Ensure the integrity and confidentiality of such information;
  - 2.10.2. Protect against any anticipated threats or hazards to the security or integrity of such information; and
  - 2.10.3. Protect against unauthorized access to, or use of, such information that could result in substantial harm or inconvenience to any customer of DDWA.
- 2.11. With respect to information concerning customers of DDWA, Producer agrees to:
- 2.11.1. Ensure that any agent, including a subcontractor, to whom it provides any such information, agrees to the same restrictions and conditions that apply through this Agreement and the Business Associate Agreement; and
  - 2.11.2. Refrain from providing such information to any employee or agent, including a subcontractor, if such employee, agent, or subcontractor receives, processes, or otherwise has access to such information outside of the United States, without DDWA's prior written approval.
- 2.12. Producer shall indemnify, defend, and hold DDWA harmless from and against any loss, damage, or expense, including reasonable attorney's fees, caused by or arising from the negligence, misconduct, or breach of this Agreement by Producer or any employee, agent, or subcontractor of Producer, or from the failure of Producer to comply with any federal or state laws, rules, or regulations.

### 3. Term and Termination

- 3.1. This Agreement shall be effective for an initial term of one (1) year from the effective date, and thereafter shall automatically renew for additional terms of one (1) year each, unless and until terminated in accordance with the provisions of this Agreement.
- 3.2. This Agreement may be terminated without cause at any time by Producer or DDWA by either party giving thirty (30) days prior written notice to the other party.
- 3.3. DDWA may terminate this Agreement immediately upon written notice to Producer at any time upon occurrence of any of the following: (i) material default or substantive breach by Producer of one or more of its obligations under this Agreement (including any amendments), (ii) Producer's commission of fraud, dishonesty, breach of trust, theft, misappropriation of money, or breach of any fiduciary duty, or (iii) the failure of Producer to provide any of the documentation of licensure, good standing, and insurance coverage requested by DDWA as provided elsewhere in this Agreement. Producer's failure to comply with any provision of this Agreement shall be material if DDWA determines that such failure affects Producer's ability to perform under this Agreement. Termination for cause shall not be DDWA's exclusive remedy but shall be cumulative with all other remedies available by law or in equity. A failure to terminate this Agreement for cause shall not be a waiver of the right to do so with respect to any past, current, or future default.
- 3.4. This Agreement will automatically terminate (i) upon the death of Producer if Producer is an individual, or (ii) upon the dissolution of the corporation or partnership if Producer is a corporation or partnership.

#### **4. Commissions**

- 4.1. DDWA shall pay Producer commissions on premiums received from Individuals or Groups purchasing DDWA Products from Producer as detailed in Addendum B. No commissions shall be payable on Producer's Individual Product purchases for their personal or family use.
- 4.2. No commission shall be paid to Producer for a Group unless such Group has designated Producer as its broker of record. Confirmation of this relationship shall be submitted by the Producer or Group to DDWA before commissions are paid. Confirmation shall be recorded on the Group's letterhead, dated, and signed by a person who has legal binding authority to enter into a contract on behalf of the Group. A valid signature on the group master application may also serve as confirmation of the broker of record if clearly indicated on the application. No commission shall be paid to Producer for sales of DDWA Products to either Individuals or Groups unless Producer has complied with the disclosure requirements of RCW 48.17.270 or any other similar law or regulation which requires disclosure of compensation paid by DDWA to Producer.
- 4.3. Commissions payable under this Agreement shall terminate upon the occurrence of any or all of the following:
  - 4.3.1. Termination of the Group or Individual's dental plan coverage for any reason;
  - 4.3.2. Termination of this Agreement for any reason;
  - 4.3.3. Revocation by the Group of Producer's status as broker of record; or
  - 4.3.4. Termination or expiration of the Producer's license or appointment required under this Agreement.
- 4.4. In the event the Producer's license or appointment expires or terminates for any reason, DDWA reserves the right to discontinue payment of commissions until such time as the license and/or appointment are reinstated and are approved by the Washington State Office of Insurance Commissioner. Commissions otherwise payable but for the expiration or termination of Producer's license or appointment shall not be payable by DDWA.
- 4.5. In the event that an Individual or Group dental plan coverage is terminated and DDWA issues a refund of a prepaid premium to the Individual or Group, the commission applicable to the refunded premium shall be deducted from any amounts then or subsequently owed to Producer. If such deductions do not result in recoupment of the amount due DDWA, Producer shall refund any amount still owing within 90 days.

#### **5. Settlement of Disputes**

- 5.1. Producer shall cooperate fully with DDWA in any investigation or proceeding of any regulatory or governmental body, or court of competent jurisdiction, including, where required by law, making its books and records available to such entities for inspection if it is determined by DDWA that the investigation or proceeding affects matters covered by, related to, or arising out of this Agreement.
- 5.2. Producer shall defend any act or alleged act of Producer or its employees at its own expense. Producer shall reimburse DDWA for all costs, expenses or legal fees that DDWA incurs for the defense of any administrative action in which DDWA or Producer is named and which are determined by a court of competent jurisdiction or by an appointed arbitrator to be the consequence of any unauthorized act of Producer.

5.3. Any controversy or claim arising out of or relating to this Agreement or the breach, termination, or validity thereof, except for temporary, preliminary, or permanent injunctive relief or any other form of equitable relief, shall be settled by binding arbitration administered by the American Arbitration Association (AAA) and conducted by a sole arbitrator in accordance with the AAA's Commercial Arbitration Rules. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. 1-16, to the exclusion of state law inconsistent therewith or that would produce a different result, and judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction. Except as may be required by law or to the extent necessary in connection with a judicial challenge, or enforcement of an award, neither party nor the arbitrator may disclose the existence, content, record, or results of an arbitration. Fourteen (14) calendar days before the hearing, the parties will exchange and provide to the arbitrator (a) a list of witnesses they intend to call (including any experts) with a short description of the anticipated direct testimony of each witness and an estimate of the length thereof, and (b) pre-marked copies of all exhibits they intend to use at the hearing. Depositions for discovery purposes shall not be permitted. The arbitrator may award only monetary relief and is not empowered to award damages other than compensatory damages.

## **6. Health Insurance Portability and Accountability Act (HIPAA) – Privacy and Security Rules**

, Producer shall enter into DDWA's standard form of Business Associate Agreement prior to performing any obligations under this Agreement which involve "protected health information" (PHI) of any DDWA member, within the meaning of 45 CFR Parts 160-164.

## **7. Security Requirements**

- 7.1. Producer will maintain Physical, Administrative, and Technical safeguards consistent with industry accepted best practices to protect the Confidentiality, Integrity, and Availability of DDWA Information.
- 7.2. In addition to the above standards, Producer's information security program shall include the following safeguards and controls:
- 7.2.1. Producer will provide periodic security training to its Personnel on relevant threats and business requirements.
  - 7.2.2. Producer shall manage security configurations of its systems using industry best practices to protect DDWA information from exploitation through vulnerable services and settings. Producer will deploy anti-malware software to control and detect the installation, spread, and execution of malicious code.
  - 7.2.3. Producer shall implement multifactor authentication on any systems that store, transmit, or process DDWA data.
- 7.3. Producer will ensure that all Personnel use strong passwords by enforcing the following minimum requirements:
- passwords must be a minimum length of 8 characters;
  - passwords may not match commonly used, expected, or compromised passwords; and
  - a password change must be forced if there is evidence a password may have been compromised.

## **8. Security Incidents**

8.1. A Security Incident is defined as:

- 8.1.1. any actual or suspected compromise of the Confidentiality, Integrity, or Availability of DDWA Information;
- 8.1.2. any actual or suspected compromise of, or unauthorized access to, any systems that hold DDWA Information; or
- 8.1.3. receipt of a complaint, report, or other information regarding the potential compromise or exposure of DDWA information held by Producer.
- 8.2. Producer will remedy each Security Incident in a timely manner following industry best practices.
- 8.3. Producer will notify DDWA of any Security Incidents within 48 hours of becoming aware of the Security Incident.
- 8.4. Producer will reasonably cooperate with DDWA in DDWA's handling of a Security Incident, including:
  - 8.4.1. coordinating with DDWA on Producer's response plan;
  - 8.4.2. assisting with DDWA's investigation on the Security Incident;
  - 8.4.3. facilitating interviews with Producer's Personnel and others involved in the Security Incident or response; and
  - 8.4.4. making available all relevant records, logs, files, data reporting, forensic reports, investigation reports, and other material required for DDWA to comply with applicable laws, regulations, or industry standards, or as otherwise required by DDWA.

## **9. General Terms**

DDWA and Producer shall comply with all state and federal laws and regulations applicable to their business, their licenses, and the transactions into which they enter, including but not limited to the Federal Communications Protection Act, where Producer engages in outbound telemarketing solicitation on behalf of DDWA.

- 9.1. Producer agrees that in performing under this Agreement, Producer is acting in a fiduciary capacity to DDWA. Producer shall act in the best interest of DDWA. Producer shall not permit other interests, activities or responsibilities to interfere with Producer's faithful performance under this Agreement.
- 9.2. Neither this Agreement nor the right to receive money hereunder may be assigned without the prior written consent of DDWA, and any assignment made contrary to this provision shall be void as to DDWA, provided, however, DDWA may assign, delegate or transfer this Agreement in whole or in part to any affiliate, now or in the future, or to any entity which succeeds to the applicable portion of its business through a sale, merger, or other transaction, provided that such other entity assumes the obligations of DDWA hereunder. This Agreement is personal to Producer, and Producer's duties hereunder shall not be delegated or subcontracted by Producer. Producer shall not use subagents/subproducers.
- 9.3. Any notice required from DDWA under this Agreement shall be deemed given on the day such notice is deposited in the United States mail with the first-class postage pre-paid and addressed to Producer as the address of the Producer appearing on the records of DDWA. Any notice required by Producer shall be deemed given on the day after such notice is deposited in the United States mail with first class postage pre-paid and addressed to DDWA.
- 9.4. This Agreement (including any attached addendums or schedules) is the complete and sole contract between parties regarding the distribution of DDWA Products by Producer subsequent to the

effective date of this Agreement and supersedes any and all prior understandings or agreements between the parties whether oral or in writing on this subject matter.

- 9.5. In this Agreement the words “shall” and “will” are used in the mandatory sense. Unless the context otherwise clearly requires, any one gender includes all others, the singular includes the plural, and the plural includes the singular.
- 9.6. The fact that DDWA may not have insisted upon strict compliance with this Agreement with respect to an act or transaction of Producer shall not relieve Producer from the obligation to perform strictly in accordance with the terms of this Agreement.
- 9.7. Producer shall be an independent contractor of DDWA, and nothing herein shall be construed as creating a relationship of employer-employee, partner, joint venture, officer, or agent of Company in any manner for any other purpose, other than as specifically provided in this Agreement.
- 9.8. This Agreement shall be governed by the laws of the state of Washington.
- 9.9. DDWA’s liability, if any, for damages to Producer for any cause whatsoever arising out of or related to this Agreement, and regardless of the form of the action, shall be limited to Producer’s actual damages. DDWA shall not be liable for any indirect, incidental, punitive, exemplary, special, or consequential damages of any kind whatsoever sustained as a result of a breach of this Agreement or any action, inaction, or alleged tortuous conduct or delay by DDWA.
- 9.10. In addition to those provisions which by their terms survive expiration or termination of this Agreement this Section 9 shall survive expiration or termination of this Agreement, regardless of the cause giving rise thereto.
- 9.11. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.
- 9.12. DDWA may modify this Agreement upon thirty (30) days prior written notice to Producer, including the producer commission schedules, but any such modification shall not reduce the rate or rates with respect to commission payments due Producer in connection with benefit contracts or policies produced by Producer and issued by DDWA with effective dates prior to the effective date of such modification. Notwithstanding the foregoing, upon the enactment of any law or regulation, or any order or direction of any governmental agency affecting this Agreement, DDWA may, by written notice to Producer, amend the Agreement in such a manner as DDWA determines necessary to comply with such law or regulation, or any order or directive of any governmental agency. DDWA may provide written notice pursuant to this paragraph by letter, newsletter, electronic mail, or other media.

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Producer Signature

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Date

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DDWA Signature

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Date

## **Addendum A – Product Authorization**

Producer is authorized to sell, negotiate, and solicit DDWA Products for Individuals or Groups that are available and being offered in such market by DDWA, as of the effective date of this Agreement. DDWA may at any time add to, delete from, or otherwise alter the coverages, provisions, or exclusions of any DDWA Products without the consent of Producer. Notice of any addition, modification, or deletion of a DDWA Product shall be provided to Producer consistent with section 9.12 of this Agreement.



## **Addendum B – Product Commission**

Commission schedules applicable to this Agreement are listed below and are incorporated by reference into this Addendum B. The commission schedules will be subject to change in accordance with this Agreement.

### **Negotiated Groups (Large Groups)**

Variable Commission - As designated by each specific group Rate Sheet, incorporated herein by reference.

### **Community Pooled Groups (Small Groups)**

5% Flat Commission

- Based on annual group premium paid
- Applies to New and Renewing Groups

### **Individual Plans**

5% commission & 5% renewals on Individual and Family Plans

### **Vision Plans**

10%