

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND  
BROKER SERVICE FEES AGREEMENT**

THIS BROKER SERVICE FEES AGREEMENT (the “Agreement”) is made by and between Blue Cross & Blue Shield of Rhode Island (“BCBSRI”), a Rhode Island nonprofit hospital and medical services corporation located at 500 Exchange Street, Providence, Rhode Island 02903, \_\_\_\_\_ (“Broker”), located at \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (“Group”), located at \_\_\_\_\_, and will be effective \_\_\_\_\_ (the “Effective Date”).

**RECITALS**

WHEREAS Group has purchased certain health benefits coverage (the “Group Health Plan”) from BCBSRI; and

WHEREAS Broker is the Broker of Record of Group, as that term is defined in the broker agreement entered into between Broker and BCBSRI (“Broker Agreement”); and

WHEREAS Group has selected, retained and separately entered into one or more separate agreements with Broker (individually and collectively, the “Group Agreement”), under which Broker agrees to provide certain services to assist Group with the Group Health Plan in return for payment by Group (“Service Fee”); and

WHEREAS Broker and Group acknowledge and agree that BCBSRI is not a party to the Group Agreement; and

WHEREAS Broker and Group have requested that BCBSRI bill Group for the Service Fee on the Broker’s behalf; and

WHEREAS Broker and Group acknowledge and agree that (i) the Service Fee has been separately negotiated between Broker and Group, (ii) is not a part of the premium charged to Group by BCBSRI, (iii) is not a requirement of Group obtaining coverage from BCBSRI, (iv) that Group may purchase a Group Health Plan directly from BCBSRI, (v) that Group may arrange to pay the Service Fee separately and apart from its premium payments to BCBSRI, and (vi) that BCBSRI in no way owes or is responsible to Broker for the Service Fee; and

NOW, THEREFORE, in consideration of the following, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**1. BCBSRI DUTIES AND RESPONSIBILITIES:**

- a. BCBSRI agrees to bill Group for the Service Fee in its monthly premium invoice to Group.

- b. BCBSRI will forward any collected Service Fee to Broker within 60 days of receipt of the Service Fee from Group.
- c. Group and Broker acknowledge and agree that BCBSRI may deposit Service Fee into a general account that may collect interest. BCBSRI may retain any interest or investment income on funds held in the account.

**2. GROUP DUTIES AND RESPONSIBILITIES:**

- a. Group agrees to pay the Service Fee detailed in **Exhibit A**, attached hereto, at the same time payment is made for the premium for the Group Health Plan.
- b. Group shall notify BCBSRI immediately of termination of any Group Agreement with Broker.
- c. Group acknowledges and agrees that it is responsible for any and all tax reporting related to the payment of the Service Fee to Broker, including Form 1099s, if required.

**3. BROKER DUTIES AND RESPONSIBILITIES:**

- a. Broker agrees to notify BCBSRI immediately of termination of any Group Agreement. Broker agrees to return to BCBSRI any Service Fee overpayments that occur as a result of a processing error by BCBSRI within sixty (60) days of BCBSRI's request for such repayment.
- b. Broker further agrees that BCBSRI is not responsible for any tax reporting related to the payment of the Service Fee to Broker.
- c. Broker further agrees that it is solely responsible for determining what licenses are required for it to provide the services described herein, in the Group Agreement, or otherwise, and for obtaining such licenses and maintaining them in good standing throughout the term of this Agreement.
- d. Broker agrees that nothing in this Agreement expands the Broker's authority to act on behalf of BCBSRI as defined in the Broker Agreement.
- e. In the event Group fails to pay the Service Fee to BCBSRI, Broker agrees that Broker's recourse is set forth under the Group Agreement and not against BCBSRI.

**4. PAYMENTS AND ADJUSTMENTS:**

- a. The Service Fee amount detailed in **Exhibit A** may be modified on a prospective basis only. Group shall notify BCBSRI of any change to the Service Fee amount in writing and BCBSRI will notify Group of the effective date of the change.
- b. All parties agree to promptly notify the others of incorrect Service Fee payment amounts and to promptly remit any amounts overpaid.
- c. BCBSRI may recover overpayments to Broker by offsetting the overpayment against any other compensation due to Broker by BCBSRI under this Agreement.

- d. The parties acknowledge that any payment received by BCBSRI from Group will first be applied to premiums due to BCBSRI. Group's failure to pay the Service Fee will not subject Group to termination for non-payment of premium.

**5. AMENDMENTS:**

- a. BCBSRI may amend the terms and conditions of this Agreement, except for the amount of the Service Fee, at any time by providing Broker and Group with written notice of the change within 30 days of the effective date of the change.
- b. All other amendments to this Agreement must be set forth in writing and agreed to by the parties to this Agreement.

**6. TERM AND TERMINATION:** This Agreement is effective as of the Effective Date and shall continue in effect until such time as this Agreement is terminated by either party as provided for herein.

- a. Group may terminate this Agreement either by providing written notice of termination to BCBSRI and Broker or by submitting a letter acceptable in form and substance to BCBSRI designating a different broker or agent as its appointed representative. Such designation will terminate this Agreement as of the first day of the month following the date of BCBSRI's receipt of the letter, unless otherwise communicated in writing by Group. A separate Service Fees Agreement with the new broker or agent will be required if Group wants BCBSRI to bill the Service Fee as part of its monthly premium billing.
- b. BCBSRI and Broker may terminate this Agreement by providing written notice of such termination with no less than 60 days' notice to Group.
- c. BCBSRI may terminate this Agreement immediately upon written notice to Group and Broker if it has terminated the Broker Agreement with Broker.
- d. BCBSRI may additionally terminate this Agreement immediately upon notice to Group and Broker if it has notice that the terms and conditions of this Agreement are no longer legally permissible.
- e. This Agreement shall automatically terminate as of the effective date of the termination of the Group Health Plan purchased by Group from BCBSRI.
- f. This Agreement shall automatically terminate as of the effective date of a subsequently executed Service Fees Agreement by and between Group and any other broker or agent.
- g. This Agreement shall automatically terminate upon the death or dissolution of any of the parties.
- h. The obligations which by their nature would continue beyond the termination, cancellation, or expiration of this Agreement including, but not limited to, the obligations imposed under Sections 2(c), 3(b), 4(b), 4(c), of this Agreement, shall survive termination of this Agreement.

**7. MISCELLANEOUS:**

- a. Group acknowledges that the placement of the Group Health Plan with BCBSRI may, if eligible, be taken into account in the calculation of any bonus program offered and/or bonus payment made by BCBSRI to Broker.
- b. Broker acknowledges that BCBSRI has no obligations to Broker to collect amounts owed to it by Group other than those expressly set forth in this Agreement.
- c. This Agreement represents the entire understanding of the parties with respect to the subject matter addressed herein and entirely and completely supersedes all agreements and representations, whether written or oral, in existence between the parties as of the Effective Date and relating to the same subject.
- d. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. A signature by facsimile transmission or other electronic means which allows the identity of the signer to be reasonably confirmed shall be as good and binding as an original signature.

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

**BROKER/AGENCY**

**Group**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Broker ID: \_\_\_\_\_

Group ID: \_\_\_\_\_

**BLUE CROSS & BLUE SHIELD  
OF RHODE ISLAND**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**Fee Schedule**

<b>Flat Dollar Per Month</b>	
<b>Monthly Service Fee:</b>	

<b>Per Employee/Per Product Line/Per Month</b>		
	<b>Product Line*</b>	<b>Per Employee Per Month</b>
<b>Monthly Service Fee:</b>		

*\*Product line refers to the medical, dental, and vision lines of business. Please fill this field in with the applicable product line(s) for the group.*