

PREFERRED PRODUCER & STANDARD PRODUCER RELATIONSHIP AGREEMENT

This Agreement is between _____ (“Standard Producer”) and _____ (“Preferred Producer”) and is made for the purpose of authorizing the Standard Producer to effectuate coverage under individual contracts providing healthcare benefits offered through Highmark Blue Shield (“HBS”) for individuals who are located in a service area designated by HBS. This Agreement shall remain in effect until terminated by either party and shall remain in effect until terminated or revised by mutual agreement of the parties.

This Agreement is subject to the following:

1. The Standard Producer agrees to abide by the terms and conditions set forth in the Standard Producer Agreement entered between HBS and Standard Producer.
2. The Preferred Producer agrees to abide by the terms and conditions set forth in the Preferred Producer Agreement entered between HBS and Preferred Producer.
3. During the term of this Agreement and any extension thereof, or at any time after termination of this Agreement, the Standard Producer shall not divulge or use any confidential and/or proprietary information about the business of the Preferred Producer, except as authorized by the Preferred Producer in writing. Confidential and proprietary information about the business of the Preferred Producer, includes, but is not limited to, policies, procedures and/or proposals prepared by the Preferred Producer, in any form whatsoever, which the Standard Producer obtained as a result of this Agreement.
4. The Standard Producer shall be liable to and hold the Preferred Producer harmless for any acts or omissions by the Standard Producer, whether or not resulting from negligence, which result in the unauthorized disclosure or use of such confidential or proprietary information.
5. The Preferred Producer agrees to hold all information submitted by the Standard Producer in strict confidence and will not use such information for its own business purposes.
6. The Standard Producer agrees to indemnify and hold the Preferred Producer and its respective officers and employees harmless from any liabilities, losses, claims or damages, including costs, expenses and reasonable attorney’s fees that arise or result from the performance or nonperformance of the Standard Producer’s obligations hereunder, which are due to acts or omissions, whether negligent or otherwise, of the Standard Producer or any other persons over whom the Standard Producer exercises control.
7. This Agreement shall be terminated upon the termination of either the Preferred Producer or Standard Producer’s appointment(s) with HBS as per the Preferred Producer Agreement and Standard Producer Agreement.
8. This Agreement shall not be sold, pledged, or assigned by the Standard Producer without prior written approval of the Preferred Producer.
9. No forbearance or neglect on the part of the Preferred Producer to insist upon the compliance with the terms of this Agreement shall be construed as, or constitute a waiver of any provision of this Agreement or a grant of authority under this Agreement.
10. In the event the Standard Producer terminates this Agreement and enters into an Agreement with another HBS approved Preferred Producer, the original Preferred Producer shall continue to receive override commissions on the existing book of business for a period of two (2) years from the effective date of the original Agreement.

11. Privacy Compliance

- 11.1. Member Privacy. All protected health information as defined by 45 C.F.R. § 164.501 about HBS insureds ("Protected Information") is subject to various statutory privacy standards, including state laws implementing Title V of the Gramm-Leach-Bliley Act; the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and regulations adopted thereunder by the Department of Health and Human Services (45 C.F.R. Parts 160, 162, 164 and proposed Part 142). The parties will treat all such information in accordance with those standards, and will use or disclose Protected Information received from the other only for the purposes stated in this Agreement, or to comply with judicial process or any applicable statute or regulation.
- 11.2. Business Associate Provisions. Whenever any activity under this Agreement would cause the Standard Producer to be considered a "Business Associate" under 45 C.F.R. § 160.103, the following restrictions will apply to all uses and disclosures of all Protected Information:
- 11.2.1. In all instances where the HIPAA "minimum necessary" standard, as provided in 45 C.F.R. § 164.502(b), applies, HBS shall disclose Protected Information to the Standard Producer, and the Standard Producer shall collect, create, or re-disclose such Protected Information, to the minimum extent reasonably necessary to permit the performance of the Standard Producer's duties as described in this Agreement.
- 11.2.2. The Standard Producer shall use the Protected Information only to perform the functions delegated to it under this Agreement, and for no other purpose.
- 11.2.3. The Standard Producer will:
- 11.2.4. Not use or further disclose Protected Information other than as permitted or required by this Agreement, or to comply with judicial process or any applicable statute or regulation;
- 11.2.5. Notify HBS in advance of any disclosure of Protected Information that the Standard Producer is required to make under any judicial or regulatory directive;
- 11.2.6. Use appropriate safeguards to prevent use or disclosure of Protected Information other than for the purposes required in this Agreement.
- 11.2.7. Report to HBS any use or disclosure of Protected Information not provided for in this Agreement of which the Standard Producer becomes aware;
- 11.2.8. Ensure that any agents, officers, directors or employees of the Standard Producer, including a subcontractor, to whom the Standard Producer provides Protected Information received from HBS, or

created or received by the Standard Producer on behalf of HBS, agrees to the same restrictions and conditions that apply to the protection of information under this Agreement;

11.2.9. Make Protected Information available to individuals as required by 45 C.F.R. § 164.524;

11.2.10. Make available Protected Information for amendment and incorporate any amendments to Protected Information in accordance with 45 C.F.R. § 164.526;

11.2.11. Make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528;

11.2.12. Make its internal practices, books, and records relating to the use and disclosure of Protected Information received from, or created or collected by the Standard Producer on behalf of HBS, available to the Secretary of Health and Human Services or state regulators when called upon for purposes of determining HBS's compliance with federal privacy standards; and

11.2.13. At termination of this Agreement, if feasible, return or destroy all Protected Information received from HBS, or created or received by the Standard Producer on behalf of HBS that the business associate still maintains in any form and retain no copies of such information or, if such return or destruction is not feasible, continue to treat all such information in accordance with the limits provided in this Agreement, of the contract to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information unfeasible.

11.3. Obligations of HBS

11.3.1. HBS shall provide the Standard Producer with the notice of privacy practice that HBS produces in accordance with 45 C.F.R. § 164.520, as well as any changes to such notice.

11.3.2. HBS shall provide the Standard Producer with any changes in, or revocation of, permission by the individual, as defined at 45 C.F.R. § 164.501 and § 164.502(g), to use or disclose Protected Information, if such changes affect Standard Producer's permitted or required uses and disclosures.

11.3.3. HBS shall notify the Standard Producer of any restriction to the use or disclosure of Protected Information that HBS has agreed to in accordance with 45 C.F.R. § 164.522.

11.4. Miscellaneous.

11.4.1. A reference in this Agreement to a section of 45 C.F.R. Parts 160, 162, 164 and proposed Part 142 means the section as in effect or as amended, and for which compliance is required.

11.4.2. If the HIPAA regulations governing Protected Information are modified in any way affecting the Business Associate Provisions of this Agreement, as soon as reasonably possible, but no later than the compliance date for any regulation, the parties shall review this Agreement and, as necessary, modify this Agreement to incorporate any relevant provisions.

11.5. Safeguards. Producer will develop, implement and maintain and use reasonable and appropriate administrative, technical and physical safeguards to preserve the integrity, confidentiality and availability of Protected Health Information (“PHI”), and to prevent non-permitted Use or Disclosure of PHI. When so required:

11.5.1. Such safeguards shall be consistent with applicable requirements of 45 C.F.R. Part 164, Subpart C, pertaining to the security of Electronic Protected Health Information (“EPHI”);

11.5.2. Producer will ensure that any agent, including a subcontractor, to whom it provides EPHI agrees to implement reasonable and appropriate safeguards to protect it; and

11.5.3. Producer will report any security incident (as defined in 45 C.F.R. § 164.304) of which it becomes aware to HBS.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority and intending to be legally bound, have executed this Agreement.

(Standard Producer)

(Preferred Producer)

(Authorized Signature)

(Authorized Signature)

(Date)

(Date)