

SUB-PRODUCER AGREEMENT

This Sub-Producer Agreement (the "Agreement") is made and entered into as of _____ day of _____, 2022 ("Effective Date") by and between **ALTOMARE FINANCIAL GROUP, INC.**, a New Jersey corporation with an address at 1680 Route 23 North, Ste. 200, Wayne, New Jersey 07470 (hereinafter "**ALTOMARE**") and

(hereinafter "Sub-Producer or Producer").

RECITALS

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

WHEREAS, Sub-Producer is a licensed life and health insurance agent and wishes to utilize **ALTOMARE**, who is also a licensed life and health insurance brokerage, to service certain client relationships of Sub-Producer.

NOW, THEREFORE, in consideration of the agreements, covenants and conditions contained herein and intending to be legally bound hereby, 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. Sub-Producer may terminate this Agreement with sixty (60) days written notice in the event of Breach by **ALTOMARE** of its obligations hereunder, including but not limited to services provided in paragraph 2 below provided however **ALTOMARE** is notified in writing by Sub-Producer with the details of said material Breach and such alleged Breach is not cured within sixty (60) days of such written notification. In addition, either party may terminate this agreement without cause with one hundred eighty (180) days of written notice.

2. **DUTIES OF SUB-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. **ALTOMARE** shall code each client comprising the Book with Producer's broker code in **ALTOMARE**'s records.

B. No understandings, agreements, or communications by Producer with customers or prospective customers shall be binding on **ALTOMARE** or the insurance companies for which

ALTOMARE 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 **ALTOMARE** 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 **ALTOMARE** Clients fully informed.

C. **ALTOMARE** is party to a certain Commercial and Consumer Master Broker and Services Agreement with Horizon Healthcare Services, Inc., d/b/a Horizon Blue Cross Blue Shield of New Jersey ("Horizon BCBSNJ"), whereby **ALTOMARE** provides insurance brokerage services to Horizon BCBSNJ (such agreement, as the same shall be amended from time to time, the "Horizon BCBSNJ Agreement").

D. The parties understand and acknowledge that this Agreement is subject to amendment based upon subsequent requirements imposed upon **ALTOMARE** 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. 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. The Producer agrees to adhere to the terms and conditions that shall specifically address compliance with Horizon BCBSNJ Regulations, including Horizon BCBSNJ underwriting rules and compliance programs as well as the Producer's obligation to affirmatively cooperate with any Horizon BCBSNJ audit, investigation, or fraud related inquiries. Further, as part of its arrangement with the Producer, **ALTOMARE** agrees to implement adequate oversight and compliance programs to monitor its assigned Producer compliance with Horizon BCBSNJ Regulations, directives, rules, and all other applicable laws, regulations, and governmental directives.

B. Producer agrees, in the event Horizon BCBSNJ requests any records or audits, that the Producer agrees to comply with such requests.

C. Producer agrees to timely complete any required training by Horizon BCBSNJ and to review any such required material.

4. COMPENSATION AND OTHER OBLIGATIONS

A. **Commissions.** **ALTOMARE** shall compensate Sub-Producer at the prevailing rate of payment. Payment will be made on a monthly basis or in any other interval as may be specified by **ALTOMARE** Where **ALTOMARE** has identified an overpayment to Sub-Producer (including any overpayment made as a result of any retuned premium or due to rescission or cancellation of the

Customer's Benefit Plan), it shall be permitted to demand immediate repayment of, and Sub-Producer shall immediately re-pay, any overpaid compensation.

B. Licensure and Eligibility for Shared Commissions. Both the parties will be separately responsible for maintaining appropriate licensure in all states where policies are sold and serviced. In the event either party loses or fails to maintain licensure in any state, each shall notify the other within ten (10) working days after learning of such a loss of licensure.

C. Mutual Indemnification. The parties will each indemnify, defend and hold harmless the other, its officers, directors, employees and agents (each, an "Indemnified Party") from and against any and all claims, demands, liabilities, damages, actions, causes of action, costs or expenses of any kind or nature, including reasonable attorneys' fees and costs arising out of any allegation, suit or claim made or threatened by any third party against Indemnified Party arising from: (a) performance of the services and obligations under this Agreement, or (b) a breach of this Agreement.

D. Limitation of Liability. Except in connection with a claim by a third party, under no circumstances shall either party be liable to the other party for indirect, incidental, consequential, special, exemplary or punitive damages (even if such damages are foreseeable or that party has been advised or has constructive knowledge of the possibility of such damages) arising from such party's performance or non-performance pursuant to any provision of this agreement such as, but not limited to, loss of future revenues, loss of data, anticipated profits or loss of future business. Notwithstanding anything herein to the contrary, however, this section shall not limit either party's liability to the other for willful and malicious conduct.

E. Nondisclosure of Confidential Information. Each party and its Affiliates agrees to maintain the confidentiality of any non-public information of the other party and its Affiliates (the "Confidential Information") that is disclosed or revealed to it in connection with the proposed business arrangement and further agrees that it shall not release, publish, reveal, or disclose such information directly or indirectly, to any other person, entity, or group, without the prior written consent of the other party. Each party agrees that the Confidential Information of the other party shall be used solely for the purpose of evaluating a possible business arrangement between the Sub-Producer and **ALTOMARE**. Neither party will use any of the Confidential Information of the other party for any purpose other than as stated herein.

F. Injunction. The parties understand that a party may not have an adequate remedy at law for the material breach or material threatened breach of any one or more of the covenants set forth in this Agreement. Each party therefore agrees that if there is any such material breach or material threatened breach, each party may, in addition to any other legal or equitable remedies available to it, obtain an injunction or restraining order to enjoin the other party from such breach or threatened breach.

G. Confidentiality of Protected Health Information: Any examination of individual Claim or benefit payments records will be carried out in a manner agreed to between the Parties, designed to protect the confidentiality of protected health information. The Parties shall disclose only the minimum necessary information to carry out such examination and shall design their protocols to

comply with applicable federal and state laws and regulations, in performing the services hereunder

5. MISCELLANEOUS

A. Arbitration. Any issue or dispute between the parties arising out of or related to this Agreement or its alleged breach that is not resolved between the parties shall be resolved exclusively by final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in the State of New Jersey.

B. Assignment. Neither party to this Agreement may assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, provided that such assignee is not a direct competitor of other party and further that in the event of a sale by the other party of all or substantially all of its assets, written consent of assignment shall not be necessary as long as such assignee agrees to be bound by the terms of this agreement.

C. Binding Effect. This Agreement shall be binding on all parties hereto and shall be binding upon and inure to the benefit of each party and its respective permitted successors and assigns.

D. Waiver; Modification; Amendment. No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing duly signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether express or implied, will constitute consent to, waiver of, or excuse of any other different, or subsequent, breach by either party. This Agreement may not be modified or amended except by an instrument in writing duly signed by or on behalf of the parties hereto.

E. Severability. If any part of this Agreement is found invalid or unenforceable, that part will be amended to achieve as nearly as possible the same economic and practical effect as the original provision and the remainder of this Agreement will remain in full force and effect.

F. Governing Law. This Agreement shall be governed and enforced in accordance with the substantive laws of the State of New Jersey, without reference to the principles of conflicts of law thereof.

G. Entire Agreement. This Agreement constitute the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements with respect thereto, whether written or oral.

H. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

I. Remedies Cumulative and Specific Performance. All remedies afforded to the parties under this Agreement, applicable law, or otherwise, shall be cumulative and not exclusive. Each of the parties agrees that in the event of any breach or threatened breach by a party of any provision

of this Agreement, the other party shall be entitled, in addition to any other equitable rights or remedies it may have, to a decree or order of specific performance or mandamus to enforce the observance and performance of such provision and an injunction restraining such breach or threatened breach.

J. Errors and Omissions. Both Parties hereto have in force and will maintain Errors and Omissions and other commercial general liability insurance coverage standard for a broker and/or General Agent in the group health insurance industry for the duration of this Agreement. The Parties shall notify the other of any changes, lapses or claims from their Clients against the Errors and Omissions and other commercial general liability insurance coverage.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the date first above written.

SUB-PRODUCER:

ALTOMARE FINANCIAL GROUP, INC.

BY: _____

Name (print please)

Name (print please)

Title

Title

Date:

Date: