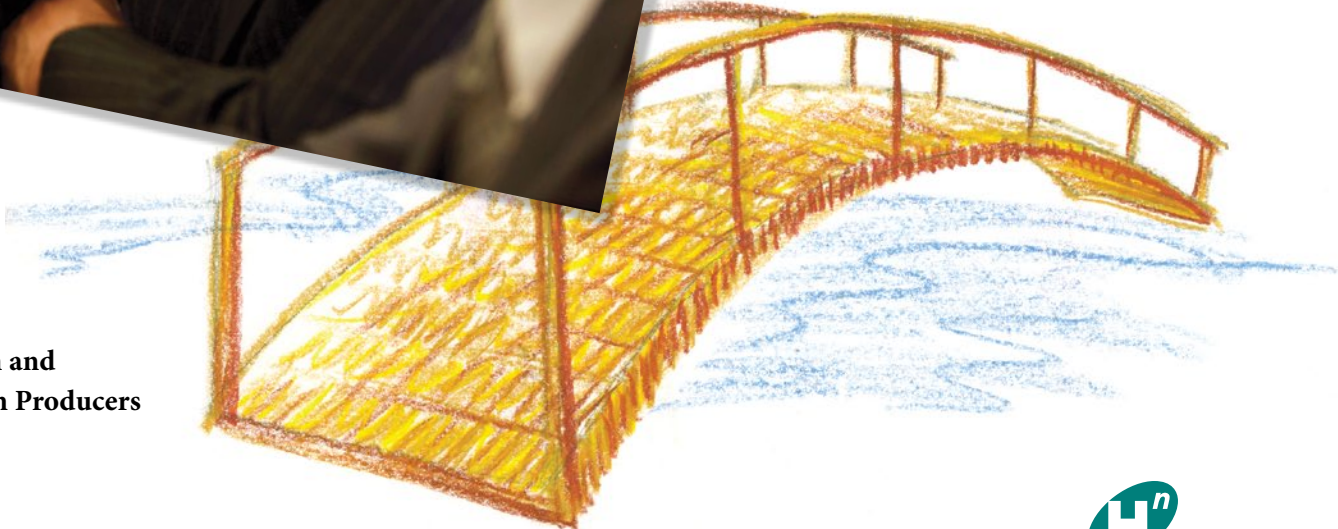


Sales Guidelines



Christine Webster,
Health Net
*We help make
whole health possible.*



For Oregon and
Washington Producers



Health Net®

Health Net Health Plan of Oregon, Inc. (Health Net) has established the following guidelines to ensure that sales prospects and members are treated with the utmost respect. Health Net expects compliance with the guidelines by the producer and will investigate misconduct complaints on a prompt basis. When a finding of noncompliance is made, corrective action and other action will be taken, and, in appropriate cases, termination of the producer relationship will be considered.



**Janis E. Carter,
Health Net**

*We champion solutions
that are as unique as the
clients you serve.*

The following guidelines and processes ensure that producer sales transactions will lead to new, well-informed members of Health Net.

Health Net provides updated information regarding commercial plans through emails, weekly eNewsletters, and our blog at healthnetpulse.com/broker on an ongoing basis. In addition, Health Net sales representatives are a point of contact for all producers.

Contracting and qualification requirements for producers

The following are necessary in order to become and remain a contracted Health Net commercial plan producer.

- Copy of an active Health & Life License with the Division of Financial Regulation (DFR) and/or an active Life & Disability License with the Washington State Office of the Insurance Commissioner (OIC).
- Errors & Omissions insurance coverage (\$1 million or more per occurrence and in the aggregate).
- A completed W-9 – must have a federal tax ID number or be contracting under a Social Security number.
- Have signed a producer agreement.
- To be contracted in Oregon, you must sell or assume your first Health Net Group contract.
- To be contracted in Washington, you must be appointed prior to selling your first Health Net Group contract.
- Appointments to only sell Individual & Family Plans must be approved by Health Net prior to your first sale.
- Not have been censured, restricted or otherwise sanctioned by any regulatory body (federal or state) within the past two years.
- Agree to follow and support all Health Net policies and procedures.

Compensation

Compensation arrangements must comply with the Health Net Producer Agreement.

Health Net documentation of producers

Health Net will maintain individual files for the producers who contract directly with Health Net with, at minimum, the following information:

- Signed producer agreement.
- W-9.
- Copy of active Health & Life License with the DFR and/or an active Life & Disability License with the OIC.
- Declaration page of currently effective Errors & Omissions insurance coverage as required by Health Net.
- Electronic Funds Transfer form.
- Sales records/files by the producer.
- Complaints tracked back to the individual sales producer.
 - Corrective actions from confirmed sales allegations.
 - Documentation of any other complaints filed against the individual sales producer.
 - Management oversight/response where abuses or training needs have been identified.

Adding affiliated producers to your firm

Newly hired producers can be added to your appointment at any time. The following documents are necessary for the producer to sell Health Net plans.

- A copy of an active Health & Life License with the DFR and/or an active Life & Disability License with the OIC.
- Proof of affiliation with your agency.

Producer responsibilities

1. Producers are expected to adhere to customary standards of professionalism at all times.
2. A producer shall not, directly or indirectly, engage in the following activities:
 - Encourage or direct an individual to refrain from filing an application for individual coverage with an insurer because of the individual's health status, claims experience, industry, occupation, or geographic location, provided that the location is within the insurer's approved service area.
 - Encourage or direct an individual to seek individual coverage from another health care service plan, health insurer or the Federally-Facilitated Marketplace (FFM) and/or Federally-Facilitated Small Business Health Options Program (FF-SHOP) because of the individual's health status, claims experience, industry, occupation, or geographic location, provided that the location is within the insurer's approved service area.
 - Employ marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs or discriminate based on an individual's race, color, national origin, present or predicted disability, age, sex, gender identity, sexual orientation, expected length of life, degree of medical dependency, quality of life, or other health conditions.
3. Any written representation of Health Net, which includes product design, benefit information, network information, or any overview of Health Net, must be approved by Health Net or selected from pre-approved materials.

Please refer to your Producer Agreement for additional details surrounding producer responsibilities.

As a Health Net producer, you also agree to:

1. Maintain the highest level of ethical conduct in compliance with license requirements by maintaining and keeping up to date with certification requirements.
2. Keep informed on and obey all applicable insurance laws and regulations.
 - The producer shall promptly notify Health Net of the initiation of any regulatory investigation or disciplinary proceedings against it or against any of its principal persons or employees relating to any license issued to any such person by the DFR/OIC or any other insurance or managed health care regulatory agency.





- The following acts or omissions by the producer shall constitute a sufficient basis for termination for cause:
 - (1) fraud, (2) embezzlement,
 - (3) willful violation of any law or any ruling of the state or applicable regulatory agency, (4) misrepresentation in any representation or warranty in this agreement, whether or not the misrepresentation was knowing and willful, (5) nondisclosure or misrepresentation of group or subscriber information or other material facts, (6) failure to comply with producer obligations under the agreement.
- 3. Accurately and truthfully represent Health Net products and services.
- 4. Provide excellent service to your clients.
- 5. Place client needs first.
- 6. Identify client needs and recommend products and services that meet those needs.
- 7. Solicit and sell Health Net products using only Health Net-approved advertising, sales presentations and marketing/enrollment materials.
- 8. Stay in touch with clients and conduct periodic coverage reviews.
- 9. Cooperate in, and participate with, Health Net and/or any government agency regarding all inquiries, investigations and audits resulting from member, provider, DFR/OIC, or other enforcement and regulatory agency concerns or allegations regarding any type of violations, including misconduct, fraud, or associated sales and marketing misrepresentation issues.
- 10. Follow the appropriate Health Net underwriting guidelines for the line of business that the producer sells. These are available from your sales representative.
- 11. Should the producer have access to confidential financial information, proprietary information, protected health information (PHI), or individually identifiable health information (IIHI) pertaining to Health Net, Group and/or Individual & Family Plans, or any insureds or applicants under any of them, the producer agrees to protect any confidential financial information, proprietary information, PHI, or IIHI in his or her possession as required under the applicable state and federal privacy laws, including HIPAA privacy regulations, and in accordance with the Health Net Notice of Privacy Practices.
- 12. The producer shall preserve all books and records for a period of no less than seven (7) years for Oregon and five (5) years for Washington, the first two (2) years of which shall be in an easily accessible place at the offices of the producer. Thereafter, such records may be warehoused or stored, subject to their availability to Health Net and the DFR/OIC within five (5) days of request thereof to the producer.

13. Health Net may audit the producer's records. The producer agrees to permit the company to inspect and audit all information and records related to services the producer performs for the company under this agreement. The company must give the producer reasonable notice, and conduct the inspection and audit during regular business hours.
14. Comply with the rules and regulations of Health Net relating to the completion and submission of applications for coverage under Health Net Group and/or Individual & Family Plans.

Application reminders for Individual & Family Plan business

- Instruct the applicant to complete the application – whether in paper form or online.
- Neither producer nor any other person may sign the application and agreements on behalf of the applicant(s). This holds true for non-English speakers, readers and/or writers.
- We have paper applications available in Spanish, plus language assistance by phone.
- Have all applicants ages 18 and older sign the application.
- PPO applicant must be a permanent resident of the state prior to the requested effective date.
- PPO applicant must provide one (1) form of documentation/proof of residency.
- Initial premium payment is required prior to Health Net considering the enrollment application.
- Complete and sign the Producer Certification section of the application. Your signature means that you are unaware of any information not disclosed, or inaccurately or incompletely disclosed, that has a bearing on risk. Once signed, the producer assumes liability that the application has been completed as required by law and in accordance with Health Net guidelines.

Producer disclosure requirements

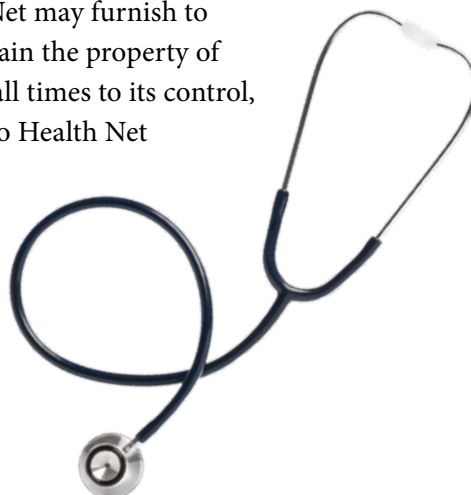
To ensure that point of sale disclosures are made in compliance with the Health Net Producer Agreement:

1. The producer should disclose the fact that he or she is a commissioned producer contracted with Health Net.
2. In addition, the producer must provide written descriptions of plan information (made available by Health Net).
3. The producer must comply with the rules and regulations of Health Net relating to the completion and submission of applications for coverage under Health Net Group and/or Individual & Family Plans programs.

Sales materials, advertising and producer websites

All Health Net sales materials are made available to the producer via the sales representative or the broker portal at **www.healthnet.com**. The producer is expected to use all current sales materials and is responsible for ensuring he or she has the most up-to-date information. Materials designed for producer education or reference shall not be shared with external audiences without prior Health Net permission.

All printed collateral, applications and sales literature that Health Net may furnish to the producer shall remain the property of Health Net, subject at all times to its control, and shall be returned to Health Net upon demand.



Marketing materials (including any marketing materials that need to be translated) must be submitted to Health Net for approval by the producer before the Health Net name or logo can be added. While we do not support translated marketing materials, we will review them on a case-by-case basis. These materials will be stored for future review. The process is as follows:

- The producer submits an approval request for material usage through the Health Net sales representative.
- The sales representative's request is submitted to the Marketing Department for approval or denial.
- If the material is disapproved by Marketing, revisions must be made by the requestor and submitted back to Marketing. If the materials are approved for use, the sales representative will notify the producer.
- If the independent sales producer creates advertising, which includes, but is not limited to, print advertising; broadcast graphics; direct mail; business cards; and Internet addresses, postings or links, the producer agrees to comply with logo usage guidelines supplied by Health Net.

Penalties for misuse of materials, advertising and the producer website:

- The producer is required to use current Health Net sales materials as approved by Health Net without post-approval content changes.
- Penalties for misuse of or noncompliance with these guidelines may follow an escalating range of corrective actions, up to termination with cause. Producer penalties range from education or warning, and may escalate up to and include revocation of authority to sell Health Net products and forfeiture of any future compensation and commissions.

Website usage (www.healthnet.com)

Regular Privacy Statement: Health Net complies with all requirements of the Federal Gramm-Leach-Bliley Act of 1999. When you conduct business with, for, or on behalf of Health Net, you must comply with all confidentiality laws and regulations and take steps to maintain the security of the personal information about Health Net insureds. Failure to act in accordance with the above could result in a breach of your contract, explicit or implied, with Health Net, and/or violation of federal and state law.

- Should the producer have access to confidential financial information, proprietary information, PHI, or IIHI pertaining to Health Net, Group and/or Individual & Family Plans, the producer agrees to protect any confidential financial information, proprietary information, PHI, or IIHI in his or her possession as required under the applicable state and federal privacy laws, including HIPAA privacy regulations, and in accordance with the Health Net Notice of Privacy Practices.
- The producer is responsible for ensuring that his or her password is safeguarded.
- As the user of the website, the producer assumes full risk and responsibility for any and all uses of this site, including the information presented on the site.
- Health Net will not be liable to the producer or anyone else for any harm to the producer or others resulting from the use of our site and/or the products and services provided through our site.

- It is the responsibility of the brokerage firm or individual producers to safeguard appropriate access to the information contained in the Broker Registration, Book of Business and Activity History portions of this website. In addition, the brokerage firm is responsible for promptly notifying Health Net of any changes to its brokerage firm information, including, but not limited to, the need to restrict access to its broker portal account. This may occur for various reasons, most commonly when an individual, either employed by or contracted with the brokerage firm, ceases employment or terminates his or her contract with the brokerage firm.

While Health Net will attempt to keep the account activity information contained on, or accessible through, this site both timely and accurate, Health Net makes no guarantees and disclaims any implied warranty or representation about the information's accuracy, relevance, timeliness, completeness, or appropriateness for a particular purpose.

By using this site and the links accessible through this site, the producer expressly agrees to abide by these brokerage firm and individual producer responsibilities.

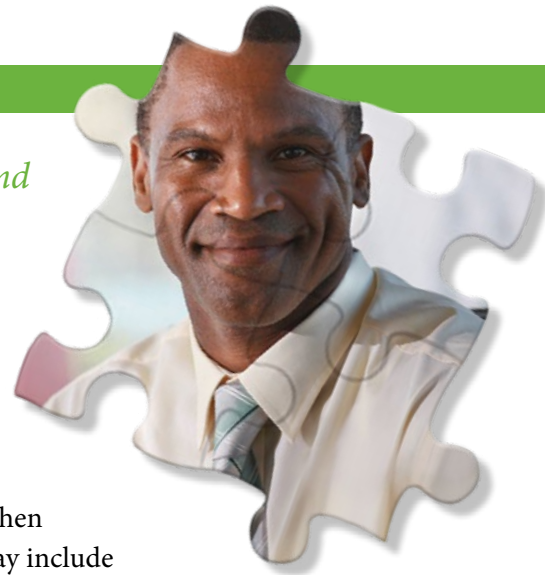


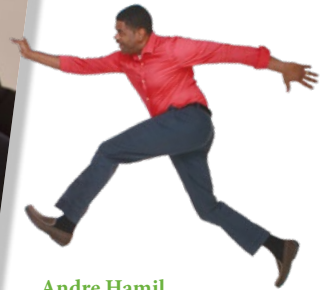
Monitoring compliance and addressing deficiencies

Protecting applicants/groups

Health Net has instituted processes for tracking, analyzing and investigating individual producer complaints and taking the appropriate corrective action when complaints are verified. This may include suspension or termination of our relationship with the producer involved. This ongoing process of evaluation allows Health Net to identify sales conduct that merits investigation, such as fraud; provision of incorrect, misleading, or inaccurate information; or unauthorized contact.

Corrective action against the producer will be initiated as required, including, if appropriate, reports of misconduct to state agencies overseeing producer licensure. A designated officer of Health Net will be responsible for determining the corrective action to be taken, potentially including contract termination and/or forfeiture of any future compensation and commissions for the producer. Since noncompliance can range from relatively minor issues to significant ones, and individual to multiple and continued cases of noncompliance, producer-specific corrective action plans will be designed to address the problem(s) and will be tracked to completion.





**Andre Hamil,
Health Net**

*We put affordable health
care coverage within reach
of more people.*

To the extent that any information within this guide contradicts the terms of the Producer Agreement, the terms of the Producer Agreement control.

Sales Made Simple *Start Here*

With Health Net, your clients have more budget-friendly options to choose from, which means that more clients can buy. And when more clients are buying, you can do more selling. It's another way we're working hard to make health care work for you!

Need answers? Find them here:

- Call your Health Net sales representative at 1-888-802-7001, option 2.
- Visit us online at www.healthnet.com/broker.
- See ACA-related information at www.healthnet.com/broker/reformguide.

Save time online.

Everything Health Net – from sales materials to the latest news – is available to you around the clock at www.healthnet.com/broker.

It's also the destination that makes health coverage administration easy for your clients. And for employees, our easy-to-use website connects them with essential information, wellness resources and more to help them achieve an overall sense of good health. It's all part of the Health Net experience!