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November 6, 2006

Subject: 2007 CareFirst BlueCross BlueShield Broker/Agent Agreement (Agreement)

Dear Broker/Agent:

Once again, I want to express my gratitude for your efforts and contributions in 2006. In recognition of the excellent service that the CareFirst Broker/Agent partnership provides our customers, I'm pleased to announce a 3.8% increase in commissions for all products in each market segment. You may obtain the new 2007 Broker/Agent Agreement and updated Broker/Agent Administrative Manual by visiting the *Brokers and Agents/Solution Center* at www.carefirst.com. The new Broker/Agent Agreement shall become effective on January 1, 2007.

This notification shall act as an amendment to the existing CareFirst, Inc. Broker/Agent Services Agreement. You **do not** need to take any action in order to accept the terms of this Amendment and keep your contract in-force for the year 2007. Contractor agrees that any and all sums due, owing or payable as of the effective date of the 2007 Agreement have been paid under the terms of any prior written or verbal agreement or other understandings between the parties.

Unless you have already done so, please forward the required documentation for licensing and insurance policy evidence (copies of in-force health/life licenses for MD, DC, VA for Contractor and Producing Agents, Certificate of Insurance evidencing in-force E&O coverage, and election forms for any selections of Administrators, Delegated Billers, and/or Wholesalers) to William Pinkine, CareFirst BlueCross BlueShield, 10455 Mill Run Circle, MailStop: OM1-560, Owings Mills, MD 21117.

If you do **not agree** to the terms of the 2007 Agreement, forward your written notice of termination to Ms. Dana Reeves no later than Friday, December 8, 2006. Please be aware that if you do not accept the terms of the 2007 Agreement, CareFirst will be unable to recognize your representation for any new business effective January 1, 2007.

General Highlights of the new 2007 Broker/Agent Agreement:

- Increased commission by raising PCPM rate by 3.8% for all products in all market segments.
- Changed Form for Election of Qualified Administrators, Delegated Billers, and Wholesalers (maximum of two group market contractors will be allowed.)
- Removed from Broker/Agent Agreements the Group & Individual Market Fee Schedule (now located in Broker/Agent Administrative Manual)
- Updated Account Installation calendar for 2007 (please refer to Broker/Agent Administrative Manual)
- Increased PCPM rate for all CDH groups (new & existing) that elect to use our integrated administrative services, (the increased rate is now at the BlueChoice or BluePreferred level, respectively.)

Highlights of the 2007 Broker/Agent Agreement for *Group Market Business*:

- Increased minimum contract requirement for Direct Broker/Agents from 125 to 175 enrolled, paid Medical contracts
- Increased qualifying paid premium level by 5% for persistency bonus

Highlights of the 2007 Broker/Agent Agreement for *Individual Market Business*:

- Increased minimum contract requirement from 6 (combined average over any consecutive four-month period) to 10 finalized, paid Benefit contracts

I look forward to our continued success in 2007. If you have any questions, please contact Dana Reeves at 410-998-7181.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Felber". The signature is written in a cursive, flowing style.

Michael J. Felber
Senior Vice President, Sales

cc: William Casey, Jeanne Kennedy, Dana Reeves, Robyn Baumgartner, C. Shekar Subramaniam, and Samuel Webb