

LegalShield Broker Program Code of Ethics, Qualifications and Rules of Engagement

Effective July 1, 2015

Business Rules: Mission Statement

- The LegalShield Broker Program has been created to support Licensed Insurance Brokers/Agents and to support the sales of our services in B2B channels.
- Business rules have been designed to assist in the outreach to Brokers and Agents and to equitably compensate Broker Certified Associates (BCA).
- These rules represent a balance – seeking to avoid confusion amongst Associates and to limit the number of solicitations by Associates which could lead to Broker and Agent frustration.
- Our goal is to maximize LOCAL sales opportunities and to create an orderly process in support of all Associate efforts.
- Additional objectives of the rules include:
 - **Deliver consistent marketing communications and brand identification throughout the insurance industry.**
 - **For multi-office multi-state brokers or agencies, maintain a corporate level contract with LegalShield Corporate who will in turn assist Associates in contracting with local offices, branches, and individual production units and their groups.**

Broker Rules: Update

Effective July 1, 2015

- After a thorough review and in an effort to make the recruitment of new insurance agents and brokers more effective, we have made modifications to the Broker Program.
- Please review this entire document for thorough understanding.

Qualifications for Broker Certification

- LegalShield Associates, qualified to become Broker Certified Associates, are required to attend and successfully complete broker certification training by LegalShield in order to sell LegalShield group memberships through Brokers, Agents and their Affiliates.

Updated: Certification Requirements

Effective July 1, 2015

- LegalShield Associates are qualified to attend the Broker Certification Training and become certified once they reach the Director Level and meet one or more of the following criteria:
 - **250 personal group sales AND 3 or more personal groups opened (Inception to date).**
 - **10 personal small business sales AND 3 or more personal groups opened (inception to date).**
 - **Platinum Council member**
- OR-**
- **Licensed Insurance Agent with 500 active lives**

- Any associate that meets these prerequisites may complete the Broker Training
- Once Broker Training is complete, contact Broker Services to finalize certification requirements including:
 - **Code of Ethics, Qualifications and Rules of Engagement - Review, sign and upload**
 - **Broker/Agency Solicitor Agreement - Review, sign and upload**
 - **Crossover Policy - Review**
 - **Use upload link to submit signature documents**
- Once reviewed and confirmed, requesting Associate will be notified via email from Broker Services regarding status

Recertification

Updated: Certification Requirements Effective July 1, 2015

- All current Broker Certified Associates are required to re-certify by completing the Broker BCA Training module, submitting a new Broker/Agency Solicitor Agreement and supporting documents to Broker Services.
 - **Associates will have thirty days to be recertified beginning July 1, 2015.**
 - **Verification of the completion of the training will need to be submitted to Broker Services on or before August 3, 2015.**
 - **The Broker Certified Associate-Qualified (BCA-Q) Associate will need to sign and date a new Broker/Agency Solicitor Agreement**
 - **Complete all supporting documents:**
 - Code of Ethics, Qualifications and Rules of Engagement - Review, sign and upload
 - Solicitor's Agreement - Review, sign and upload
 - Crossover Policy - Review
 - Use upload link to submit signature documents
 - **Failure to complete the Re-Certification and/or submission of incomplete documents will result in the BCA-Q Associate status to be changed to inactive.**
 - If inactive, no new clearances or pending clearances will be processed.
 - The inactive status will be in place until all recertification requirements are met.
 - Associate can continue to service existing active agreements only

Expanded Details

- All Broker Certified Associates are required to enter into an agreement (Broker/Agency Solicitor Agreement and Cross Over Policy) with LegalShield assuring, among other things, exclusive use of LegalShield Broker Division Collateral and Sales Aids.
- To contact a Broker, Agency or Insurance Intermediary, the Broker Certified Associate is required to submit a "Broker Clearance Submission Form" to the Broker Services email - brokerdocs@legalshield.com or by uploading the document through the Broker upload option on the B2B tab under Associate's Only.
- If two Broker Certified Associates cross over with the same Broker contact (Producer), LegalShield Corporate is to be contacted.
- LegalShield's Broker Services will help qualified Broker Certified Associates coordinate the best possible outcome for the Broker Certified Associates as well as the Broker relationship.

- If a Broker Certified Associate's production or retention levels indicate a lack or unusual drop off in membership levels, LegalShield has the right to contact that Broker office/branch leadership and determine why the Broker Associate's business appears to be in jeopardy.
- If the Broker office/branch leadership identifies a problem or issue specific to the designated Broker Certified Associate, it is at the discretion of LegalShield Corporate to determine whether or not the Broker Certified Associate has the right to maintain their clearance or relationship - as it relates to that office or branch.
- If a broader problem is identified regarding the Broker Certified Associate's work on behalf of LegalShield, that Associate's certification can be reviewed and is subject to suspension.
- Broker Certified Associates will not act as a spokesperson for or as an employee of LegalShield at any time including in any websites or social media, in any print media or at any public events, conferences and/or public speaking engagements.
- Authorized Broker Certified Associates are permitted to represent the LegalShield brand and its product offerings at a local brokerage office.
- In order to avoid confusion, all company (Broker, Agent or Insurance Intermediary) Headquarter contacts are to be coordinated through LegalShield's Broker Services.
- Once a Broker/Agent Application is approved, the initiating Broker Certified Associate earns the right to act as the designated LegalShield representative to that production team and to support the production unit in all marketing and production of memberships to that unit's prospects and clients.
- If another Broker Certified Associate has a separate relationship with another production team in that branch or location, it is the Broker/Agent's production unit that can ultimately select the LegalShield Broker Certified Associate with whom they are most comfortable working.

Broker/Agent Grandfather Clause

Any LegalShield client (or group) at a broker, agent or other insurance intermediary already existing at the time a broker application is approved will remain the client of the originating (predated) LegalShield Associate under the terms of the existing appointment as previously approved by LegalShield.

Rules of Sponsorship

- Rules of Sponsorship or Sponsorship Change: (Change of placement of Broker/Agency)
 - **Existing company sponsorship rules remain in place. If a change of sponsorship is requested:**
 - All business will be forfeited with a change of sponsorship.
 - Broker/Agency accounts are eligible for change of sponsorship after 2 years of no activity/production or 6 months following dropped status.
 - **Consider Commission Splitting in lieu of Sponsorship Change.**
 - **If a Producer leaves one Agency and moves to another:**
 - Each incident will be reviewed on a case by case basis with direct communication from LegalShield Corporate to Broker/Agency Corporate.
 - A letter is required to stipulate/define the change in Broker/Agency status.
 - **EXCEPTION:**
 - Written Broker/Agency requests resulting from conflicts will be reviewed internally by LegalShield Corporate.
 - Alternate Sponsor Program - An alternate sponsor request is an Internal review and Corporate Managed decision.

- Top 100 Brokers and Third-Party Intermediaries:
 - **Top 100 Brokers will not be placed in any LegalShield Associate's downline**
 - **This lineage rule also applies to PEOs, Third Party Administrators and Private Exchanges.**
 - **Broker Services has systems in place to track the business and pay the upline without placement in a specific organization.**

Infractions Information

- While LegalShield expects Broker Certified Associates to maintain professionalism and adhere to the Golden Rule, this infraction system was created for those that do not adhere to the rules of the program.
- Adherence to Broker Rules and Infractions:
 - **Violations may result from a 90-day suspension up to and including termination of an associate agreement.**
 - **The Degree of violation depends upon the type of infraction that occurs.**
 - Penalties for those who violate Broker Rules:
 1. 1st Violation – 90-day BCA suspension
 2. 2nd Violation – 6 months BCA suspension
 3. 3rd Violation – Revocation of BCA-Q and/or termination
 4. EXCEPTION: Degree of violation may require a more severe action upon company review.

Infractions Schedule

Broker Rules Infractions

#	Infraction	Linkage to existing Associate Services Categories	Level 1	Level 2	Level 3
			Reprimand and note in Associate File	Suspension from all Business OR from specific LOB for 30 days	Revocation of BCA Qualification or Termination
1	When LegalShield Corporate Office declines a clearance form or the processing of an agreement and an Associate disregards the direction provided.	Serious Complaints	1st occurrence	2nd occurrence	3rd occurrence
2	When an associate takes someone's prospect	Serious Complaints		1st occurrence	2nd occurrence
3	Contacting active producers / brokers intentionally, when they know another associate is working with them OR they have skipped the clearance process	Serious Complaints		1st occurrence	2nd occurrence
4	Disobeying Corporate Rules	Coaching Complaint	1st occurrence	2nd occurrence	3rd occurrence
5	Disobeying a Corporate decision made on a situation	Serious Complaints		1st occurrence	2nd occurrence
6	Sending in a contract on someone else's prospect (this should not happen if the Associate follows the clearance process)	Coaching Complaint	1st occurrence	2nd occurrence	3rd occurrence
7	Taking an existing account from another authorized Broker / General agent or Associate	Serious Complaints	1st occurrence	2nd occurrence	3rd occurrence
8	Misrepresenting and / or overselling the product, company or compensation	Coaching Complaint	1st occurrence	2nd occurrence	3rd occurrence
9	Complaints from a broker or group decision maker.	Coaching Complaint	1st occurrence	2nd occurrence	3rd occurrence
10	Unprofessional or offensive behavior	Coaching Complaint	1st occurrence	2nd occurrence	3rd occurrence
11	Unauthorized / unapproved editing of company materials or the creation of new materials, which could lead to misrepresenting LegalShield.	Coaching Complaint	1st occurrence	2nd occurrence	3rd occurrence
12	Sending unsolicited emails or using Robo/autodialer calls are prohibited. You must have proper clearance to engage with sai broker or agent	Serious Complaints	1st occurrence	2nd occurrence	3rd occurrence

All issues are generally reported either from another Associate, Broker, Agency or Group decision maker. Corporate will investigate all allegations thoroughly. Level 2 Means a Corporate decision will be made relative to "sit out" of Broker Division, all Business Solutions or all of LegalShield

Forms:

- Clearance Form:
 - Download the Clearance form from the Broker back office.
 - The revised form requires a signature.
 - BCA-Q Associates will be allowed to have a total of 10 open clearances at one time.
 - Clearance requests will be processed within 5 business days of receipt in Broker Services.
 - In order to maintain clearance Associate must submit a contact form within 30 days of approval.
 - Broker Services will be sending automated emails to notify Associates of the expiration of pending contact clearance forms within the 30 day and 6 month deadlines.
 - LegalShield can revoke or reassign clearance on requests that have not been submitted according to the defined schedule.

Forms and Procedures:

- Alternate or Upline BCA-Q Clearance:
 - A limit of 3 open clearances from an upline Broker Certified Associate can be in place at any one time.
 - The upline Broker Certified Associate will be required to be actively involved in the process of working with the Broker prospect.
 - The completion of the paper work will be the responsibility of the upline Broker Certified Associate. Upline Broker Certified Associate will be required until the downline “non-qualified” associate becomes BCA-Q
- Contact Form:
 - Download Contact Form from Broker back office.
 - Contact forms will be processed within 4 business days of being received in Broker Services.
 - An initial Contact Form should be submitted within 30 days of the approved clearance.
 - Automated email submittals will be sent to BCA-Q Associates notifying them of expiration deadlines of pending Contact Forms:
 - 10-days preceding the first 30-day update.
 - If received within 30 days, the BCA-Q Associate has 5 months to gain agreement from Broker/Agency prospect.
 - » **Updates should be submitted according to client meetings and contacts.**
 - 10-days preceding the 6-month deadline toward agreement.
 - If the 6-month deadline is not met:
 - Clearance status will be changed to Inactive.
 - Inactive clearances will be reviewed and could be reassigned.
 - Once lapsed, if the BCA-Q Associate desires to continue the process with the prospect, a NEW Request for Clearance must be submitted.
 - The clearance is subject to reassignment by Broker Services.

Contracting

Updated July 1, 2015

- Contracting Changes – The existing exemption from Associate Fees will be canceled effective July 1, 2015.
 - **How much is the fee?**
 - The fee will be the current/existing Associate Fee in place during the month the Broker/Agency submits their agreement.
 - **Who can pay the fee?**
 - The Broker or General Agent can pay directly.
 - The sponsoring associate can pay directly on behalf of the Broker or General Agent.
 - The sponsoring Broker Certified Associate-Qualified (BCA-Q) Associate can pay via a commission adjustment of the total amount divided into 3 commission adjustments for 3 consecutive months.
 - **Can you earn back your start-up fee?**
 - The Payer of the startup fee can earn back the fee upon completion of the Broker/GA writing a minimum of 60 new memberships within the first 90 days.
 - **To qualify for the Broker/Agency program the applicant must be a licensed insurance agent with a minimum of 500 lives.**
 - The sponsoring associate is responsible to validate these this criteria.
 - **On July 1, 2015, Broker Services will move to one agreement form for Broker/Agency submissions.**
 - The Broker/Agency will select their status as a Broker OR General Agent.
 - The Broker/Agency will choose their preferred commission payment type of level or variable commission.
 - If the broker/agency selects a variable commission, they can then select whether they desire advance, partial advance or earned commissions for first year.
- Processing Agreements:
 - **ONE AGREEMENT/ONE APPLICATION**
 - **Agreements will be processed within 5 business days OR when all documents are received and with no changes.**
 - **Changed contracts WILL NOT be processed unless and until all changes are reviewed and agreed upon.**
 - **Incomplete Documentation:**
 - One (1) email will list all the missing or supporting documentation.
 - BCA-Q Associates will have 15 calendar days to respond via email or return the necessary completed docs.
 - If the pending agreement is unable to be processed within 30 days after being received in Broker Services, the Agreement **will be discarded.**

- **A General Agent coming on board and bringing agents on board at the same time:**
 - Bulk Sign-Up is permitted.
 - Single location only.
 - If a clearance issue exists, Broker Services can deny the application.

- Rules of Contract Changes:
 - **Rules of engagement on a current finder's fee:**
 - A new Agreement will trump a non-active Finder's Fee.
 - If there is no existing relationship worked, clearance will be given.
 - If there is an existing relationship, clearance will be denied.

 - **Existing Relationship is defined as "Actively Worked."**
 - New business within the previous 12 months.

 - **Both a Finder's Fee Agreement and a General Agent Agreement can be contracted with the same sponsoring associate.**

Onboarding

- Welcome Call Procedures and Scripts:
 - **Broker Services will complete an initial Welcome Call.**
 - **All new Broker/Agency entities will be placed into a company onboarding campaign**
 - A 37-day email Onboarding Campaign will be completed which includes tools, links, contact information, etc.
 - This Corporate support will be completed in addition to the ongoing efforts of the Sponsoring Associate.

 - **The Broker/Agency will begin to receive monthly Broker/Agency Newsletters.**
 - **Other Third Party Intermediaries (those without Insurance License) will receive Welcome messages via the email Campaign.**
 - Other Third Party Intermediaries will have access to support tools via the Express Download site.
 - Emails may be sent on a case-by-case basis from Broker Services.

I acknowledge that I have read and understand the Code of Ethics, Qualifications and Rules of Engagement for the LegalShield Broker Program

Signature: _____

Associate Number: _____

Name: _____

Date: _____