BRETT O'NEIL
Office of the Commissioner of Securities and Insurance
Montana State Auditor
840 Helena Avenue
Helena, MT 59601
406-444-0385
Bo'neil@mt.gov

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
MONTANA STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF MONTANA FARM BUREAU FEDERATION, Respondent.	CASE NO. INS-2011-242 **AMENDED NOTICE OF PROPOSED AGENCY ACTION**

Staff of the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101, et seq. (Code), is proposing to the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), that she take specific action against Respondent Montana Farm Bureau Federation for violations of the Code. The Commissioner has authority to take such action under the provisions of Mont. Code Ann. §§ 33-1-102, 33-1-301, 33-1-311, 33-1-317, 33-1-318, 33-17-102(20), 33-17-102(10). Service of process is pursuant to Mont. Code Ann. § 33-1-314.

REASONS FOR ACTION

There is probable cause to believe that the following facts, if true, justify and support such specific action. Furthermore, there is reason to believe that the following facts will be proven true, and, therefore, justify and support the return of any money collected regarding business in the state of Montana and an appropriate fine.

ALLEGATIONS OF FACT

1. The CSI received a consumer complaint on September 22, 2010, regarding a health plan offered by Respondent. Respondent's representative discussed with the consumer that by purchasing its plan, the consumer would receive a one month premium holiday, thus resulting in cheaper coverage.

2. Respondent is registered to do business in Montana, as it has filed with the Montana Secretary of State, license number #D015985.

3. Respondent is not licensed to sell insurance.

4. Respondent partnered with New West Health Services, Inc. (New West) and Payne Financial Group (PFG) to offer health coverage to Montana citizens. Respondent would provide its logo, PFG would produce the business, and New West would underwrite the plans.

5. Respondent entered into a separate agreement with New West in which it allowed New West to use various logos and marks. Exhibit 1.

6. As part of that agreement, Respondent agreed that there was no compensation provided to New West for services rendered or to be rendered. *Id.*

7. New West agreed to pay Respondent 1.5% of all premiums issued on New West Plans sold "under the Farm Bureau Association Health Plan or Respondent branded health insurance products." *Id.* at Schedule A.

8. Respondent drafted and delivered a pamphlet describing the plan. The pamphlet stated that MFBF members "join together to spread their risk of catastrophic health expense among its large membership, helping to minimize annual premium variations." Exhibit 2.

9. Respondent's pamphlet also encouraged members to visit its website. The website enabled members to fill out an application for insurance and discussed the benefits of the plan. It reiterated the pamphlet's claim by again stating: "By joining together, MFBF members spread their risk of catastrophic health expense among our large membership~~, helping to minimize annual premium variations~~." Exhibit 3.

10. On or about January 12, 2010, Respondent's representative Stan Kulbeck (Kulbeck) requested information from PFG on how to help clients through the paperwork associated with the New West plan because he had never done it before.

11. On or about January 14, 2010, Kulbeck sought additional, unspecified information from New West in order to entice members to join the New West health plan.

12. Upon receipt of that plan, Kulbeck circulated information within the Respondent's office which provided talking points and directed members to the Respondent's website for applications and plan comparisons.

13. On or about January 18, 2010, Kulbeck contacted a New West representative to request information on why the people should choose the New West plan and why the Respondent's program was so good for its membership. This information was to be used to encourage members to sign up for the New West plan.

14. On or about October 2010, PFG terminated its role. However, Respondent's website continued to cite its relationship with PFG as a talking point as late as February 2011.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter pursuant to Mont. Code Ann. § 33-1-101, et seq.

2. Montana Code Annotated § 33-1-202(3) defines "Person" as an individual, insurer, company, association, organization, partnership, business trust, corporation, or any other legal entity.

3. Respondent is a "Person" as defined by Mont. Code Ann. § 33-1-202(3).

4. Insurance is a contract whereby one undertakes to indemnify another or pay or provide a specified or determinable amount or benefit upon determinable contingencies. Mont. Code Ann. § 33-1-201(5)(a).

5. "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance. Mont. Code Ann. § 33-17-102(10).

6. A person may not sell, solicit, or negotiate insurance or act as an insurance producer in this state unless licensed as an insurance producer. Mont. Code Ann. § 33-17-201(1).

7. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance. Mont. Code Ann. § 33-17-102(22).

8. "Negotiate" means the act of conferring directly or indirectly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract if the person engaged in negotiation either sells insurance or obtains insurance from insurers for purchasers. Mont. Code Ann. § 33-17-102(18).

9. Respondent, through its agents, acted as an unlicensed producer when it solicited and negotiated insurance to its membership. Respondent attempted to entice people to its product by giving them the equivalent of a marketing slick about why they should sign up for the plan and discussing the benefits of the plan with the person. These discussions included statements regarding the premium holiday, how to navigate the paperwork maze, and plan comparisons, a violation of Mont. Code Ann. § 33-17-201(1).

10. A person may not receive a commission for a service, service fee, brokerage fee, or other valuable consideration for a service as an insurance producer, unless the person is properly licensed as such. Mont. Code Ann. § 33-17-1103(1).

11. Although consideration was framed as a royalty agreement with no payment for services, Respondent actually received a commission for soliciting and negotiating insurance when it directed, assisted, and enticed its membership to purchase the New West plan, a violation of Mont. Code Ann. § 33-17-201(1).

12. No person shall make, issue, circulate, or cause to be made, issued, or circulated a statement which misrepresents the advantages of any insurance policy. Mont. Code Ann. § 33-18-202(1).

13. Respondent made, issued, ~~and~~ circulated or caused to be made, issued or circulated, a pamphlet, and placed information on its website, which stated that its membership reduced its risk by pooling together its large membership. Policies issued to Respondent's members are issued and rated as individual or small employer group policies. The risk was not spread amongst MFBF's large membership as indicated by the statements in the marketing materials. Individual policies issued by New West to MFBF members recognize no more

minimization of annual premium variation than New West's individual and small group insureds who are not members. These statements violate Mont. Code Ann. § 33-18-202(1).

14. Respondent did not offer an association group health plan administered by New West. In fact, there was no association group health plan, violating Mont. Code Ann. § 33-18-202(1).

RELIEF REQUESTED

WHEREFORE, the CSI seeks the following relief:

1. Pursuant to Mont. Code Ann. § 33-17-317, imposition of a fine not to exceed $25,000 per violation of the Code.

STATEMENT OF RIGHTS

You are entitled to a hearing to respond to this notice, present evidence and set forth arguments on all issues involved in this case. You have a right to be represented by an attorney at any and all stages of this proceeding. You may demand a formal hearing before a hearing examiner appointed by the Commissioner pursuant to the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-601, et seq., including § 2-4-631. If you demand a hearing, you will be given notice of the time, place and the nature of the hearing.

If you want to contest the proposed action under the jurisdiction of the Commissioner, you must advise the Commissioner within 20 days of the date you receive this notice. You must advise the Commissioner of your intent to contest the proposed action by writing to Brett O'Neil, State Auditor's Office, 840 Helena Avenue, Helena, Montana 59601. Your letter must clearly indicate whether you demand a hearing, or whether you waive formal proceedings and, if so, what informal proceedings you prefer for disposition of this case. Pursuant to Mont. Code Ann. § 2-4-603(2), you may not request to proceed informally if the action could result in suspension,

revocation or any other adverse action against a professional license. Should you request a hearing on the matters raised in this Notice, a hearing must be held within 45 days of the request, unless postponed by mutual consent of the parties, pursuant to Mont. Code Ann. § 33-1-701(2).

Should you request a hearing, you have the right to be accompanied, represented, and advised by counsel. If the counsel you choose has not been admitted to practice law in the state of Montana, he or she must comply with the requirements of *Application of American Smelting and Refining Co.,* 164 Mont. 139, 520 P.2d 103 (1973), and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. O'Neil,* 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

CONTACT WITH COMMISSIONER'S OFFICE

If you have questions or wish to discuss this matter, please contact Brett O'Neil, legal counsel for the CSI, at 840 Helena Avenue, Helena, MT, 59601, 406-444-2040. If an attorney represents you, please make any contacts with this office through your attorney.

POSSIBILITY OF DEFAULT

Failure to give notice or to advise of your demand for a hearing or informal procedure within 15 days will result in the entry of a default order imposing the disciplinary sanctions against you without further notice to you, pursuant to Mont. Admin. R. 6.2.101, and the Attorney General's Model Rule 10, Mont. Admin. R. 1.3.214.

DATED this 6th day of February, 2013.

BRETT O'NEIL
Attorney for CSI

Our Partnership

We've partnered with hospital sponsored, not-for-profit *New West Health Services*, our Association plan administrator and underwriter. The 2nd largest health plan in Montana; New West is a company you can trust. It is a Montana-based, not-for-profit, hospital sponsored health plan serving over 700 businesses, over 41,000 Montanans, accessing a network of more than 3,300 Montana medical providers. Nationally, New West has access to over 500,000 physicians and 50,000 facilities.

By joining together, Montana Farm Bureau Federation members spread their risk of catastrophic health expense among our large membership helping to minimize annual premium variations.

Visit the Montana Farm Bureau website

Farm Bureau, FB, and the FB National Logo are registered service marks owned by the American Farm Bureau Federation, and are used by New West Health Services under license from the American Farm Bureau Federation and the Montana Farm Bureau Federation

EXHIBIT 3

COPY CONFIDENTIAL

ROYALTY AGREEMENT – MONTANA FARM BUREAU FEDERATION

THIS AGREEMENT (the "Agreement"), effective on the date hereinafter set forth, by and between New West Health Services, a Montana Corporation, hereinafter referred to as "Company" and the undersigned Montana Farm Bureau Federation (hereinafter referred to as "FEDERATION"), which is a member of the American Farm Bureau Federation ("AFBF") (collectively, the "Parties").

WITNESSETH:

WHEREAS, the FEDERATION has the exclusive right to the use and benefit of the name "Farm Bureau" and the logo "FB" within the State of Montana (the "Territory");

WHEREAS, an essential purpose of the FEDERATION is to raise the quality of life of the people of rural Montana; and

WHEREAS, FEDERATION desires to develop a Farm Bureau Association Health Plan and find an exclusive service provider that will provide affordable health insurance services to its membership; and

WHEREAS, FEDERATION desires to find and exclusive service provider that will provide affordable individual health insurance services to its membership (collectively, the "Program");

WHEREAS, the Company has expertise in developing, marketing and servicing such a Program as FEDERATION desires;

WHEREAS, Company wishes to derive benefit from the development of the Program and its association to the FEDERATION through the use of the name "Farm Bureau" and related logo "FB" in exchange for a royalty payable to the Federation by the Company in accordance with the formula contained in the attached "Schedule A", which by this reference is incorporated herein and made a part hereof;

WHEREAS, AFBF is the owner of all rights, title, and interest in and to the collective membership mark FARM BUREAU and the service marks FARM BUREAU, FB, the FB National Logo, and The Voice of Agriculture (collectively, the "Farm Bureau Marks"), and the United States Collective Membership Mark and Service Mark Registrations therefor, and has granted an exclusive license to MFBF to use and sublicense the use of the Farm Bureau Marks within the boundaries of the Territory subject to the provisions of the Membership Agreement and the policies and resolutions of the AFBF Board of Directors; and

WHEREAS, the Parties agree that, in order to protect the Farm Bureau Marks, Company's use shall be subject to appropriate control by FEDERATION and AFBF over such use of the Farm Bureau Marks by the Company as set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth below, and other good and valuable consideration, the Parties hereby agree as follows:

1. LICENSE GRANT

FEDERATION hereby grants to the Company, and Company accepts, for the Term of, and subject to the provisions of this Agreement, an non-exclusive, nontransferable, license to use the Farm Bureau Marks only within the Territory and only in connection with the operation, promotion, and advertising of the Program only in (1) general advertising materials; (2) publications of general circulation; (3) Internet

EXHIBIT 1

websites; (4) direct mail circulars; (5) and (6) advertising and promoting any event or activity incidental to the Program (the licensed uses of the Farm Bureau Marks set forth in this Paragraph 1 are hereinafter referred to collectively as the "Uses"), subject to the revocation of such license by AFBF's Board of Directors in accordance with the provisions of paragraph 15 herein. The Company shall not use the Farm Bureau Marks outside the Territory except in accordance with the Internet Agreement between FEDERATION and AFBF. All Uses by the Company shall comply with the Internet Agreement between FEDERATION and AFBF. FEDERATION represents and warrants that FEDERATION has the right and power to enter into this Agreement and grant the licenses herein contained.

2. OWNERSHIP OF THE MARK

The Company recognizes and acknowledges AFBF's ownership of the Farm Bureau Marks and FEDERATION's exclusive right to use the Farm Bureau Marks within the Territory. The Company shall not claim any right, title, or interest in or to the Farm Bureau Marks. Except as permitted by this Agreement, the Company will not use, register, attempt to register, or employ or aid any third party in using, registering, attempting to register, or employing the Farm Bureau Marks or any trademark, service mark, trade name, domain name or other designation or commercial symbol which is confusingly similar to the Farm Bureau Marks. The Company shall not use the Farm Bureau Marks as or as a part of any trade name or corporate name.

3. BENEFIT OF USE

The Parties agree that all use of the Farm Bureau Marks shall inure to the benefit of AFBF and/or FEDERATION.

4. SAMPLES OF USE

The Company shall provide to FEDERATION for approval prior to any actual use, representative samples of all Uses. FEDERATION shall have the right to review and approve any and all such Uses and the Company shall not distribute, publish or otherwise use any Uses unless and until FEDERATION has notified them in writing of its approval. Federation shall provide to Company for approval prior to any actual use, representative samples of all uses of Company's logo, name, or image. Company shall have the right to review and approve any and all such Uses and the Federation shall not distribute, publish or otherwise use any Uses unless and until Company has notified them in writing of its approval.

5. QUALITY STANDARDS

The Company agrees that the nature and quality of the Program and the products sold and services rendered by the Company through the Program shall meet or exceed the standards of nature and quality agreed upon between FEDERATION and the Company, and/or existing at the Effective Date of this Agreement, but shall in any case meet industry standards and otherwise be appropriate for the needs of FEDERATION's members.

6. FORM OF USE

The Company agrees to use, display, and reproduce the Farm Bureau Marks only in the form and manner, including but not limited to the standards and policies set forth in the **FARM BUREAU MARKS USE MANUAL**, which is attached hereto as **EXHIBIT B** and is incorporated herein by reference), and with such legends and legal notices, as are prescribed from time to time by FEDERATION and/or AFBF.

The following legend shall appear in connection with all Uses, where reasonably practicable, in substantially the following form, or in such other form as AFBF and/or FEDERATION may provide from time to time:

> **"Farm Bureau, FB, and the FB National Logo are registered service marks owned by the American Farm Bureau Federation, and are used by New West Health Services under license from the American Farm Bureau Federation and the Montana Farm Bureau Federation"**

7. ROYALTY

The royalty payments are subject to the terms and conditions set form in Schedule A and are not compensation to the Federation for services performed for the Company. The Federation will not provide any services to the Company as a condition, nor in exchange for the royalty payments received pursuant to this Agreement, other than those duties necessary to allow the Company to use the Farm Bureau Marks and related intangible benefits.

8. AREA OF EMPAHSIS

The Company pledges to offer the Program and related products to Farm Bureau members with emphasis on those members living in rural areas of the Territory.

9. INDEMNIFICATION

The Company hereby indemnifies and agrees to defend and hold FEDERATION and AFBF, their affiliates, and its county and individual members and their affiliates, and each of them and each of their respective directors, officers, employees and agents, harmless from and against any and all liability, loss or damage, cost or expense (including but not limited to court costs and attorney's fees) of any nature, including but not limited to products liability and patent, trademark, copyright, trade secret or other intellectual property infringement claims or liability, arising out of, resulting from, or in any way connected with the Program, the Program's operation, the products sold and/or rendered through the Program, the acts or omissions of the Company or its officers, agents or subcontractors relating to performance of their obligations under this Agreement.

In order to assure the indemnity described above, Company shall, at its sole expense and at all times during the term of this Agreement and for at least two (2) years thereafter, maintain product liability/comprehensive general liability insurance in full force and effect with a single minimum limit of one million dollars ($1,000,000) naming as additional insured by an endorsement to the insurance policy each of the parties listed on **Exhibit C** attached hereto, and each of them and each of their respective Directors, Officers, employees and agents against all liability arising out of this Agreement, the services provided, including product liability, personal liability, physical injury or property damage, and specifically including liability of Company under the indemnity provision set forth above in this Agreement; and Company will, not less than annually, if requested furnish FEDERATION and/or AFBF with certificates of insurance issued by the insured stating the names of the parties insured by an endorsement to the insurance policy as set forth in **Exhibit C**, the applicable insurance period, the amount of the coverage and the deductible amount, if any. Each certificate shall provide that FEDERATION and/or AFBF receive at least thirty (30) days prior notice of all cancellation or termination of the terms and conditions of each applicable insurance policy and the amount of any deductible (*i.e.*, the amount of loss which must be borne by the insured). Such insurance shall provide coverage for claims occurring subsequent to termination of the policy if related to the products marketed, distributed and/or provided by

Company during the term of the policy. The company or companies providing such insurance coverage as set forth herein shall have a rating of A- or better and a Financial Size Category Rating of VII or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies.

All the rights, duties, responsibilities and obligations required of the Company in this section shall also be required of the Federation in respects to the Company.

10. INFRINGEMENTS

The Company shall undertake promptly to notify FEDERATION and AFBF of any claim, threat, lawsuit, filing or other notices or allegation of infringement of which it is aware regarding the Company's use of the Farm Bureau Marks or of any uses of marks by others which are the same or confusingly similar to or include the Farm Bureau Marks.

AFBF shall have the sole right, but no obligation, to bring and/or defend against infringement, unfair competition, or other claims or proceedings involving the Farm Bureau Marks. When requested by AFBF, the Company shall cooperate with AFBF in efforts to stop an infringement of or otherwise protect the Farm Bureau Marks or in efforts to defend against claims of infringement.

11. COMPLIANCE WITH LAWS

Each Party hereto shall perform its obligations under this Agreement in compliance with all applicable laws, orders, or regulations of all appropriate jurisdictions.

12. ASSIGNMENT AND SUBLICENSING

This Agreement is personal to the Parties and may not be assigned or sublicensed by the Parties unless agreed to in writing by the Parties.

13. TERM

This Agreement shall take effect the 1st day of January, 2010, (the "Effective Date") and shall continue in full force from such date until the 31st day of December, 2010 (collectively, the "Term"). Thereafter, the Agreement shall continue from calendar year to calendar year except that the same may be canceled by any party hereto during such renewal period at anytime upon the giving of one hundred eighty (180) days notice in writing, mailed to the other party.

14. EARLY TERMINATION

Notwithstanding the foregoing, this Agreement shall terminate:

(a) immediately if FEDERATION withdraws from membership in AFBF, or if FEDERATION's membership in AFBF terminates; or

(b) immediately if the AFBF Board of Directors or FEDERATION revokes the Company's license to use the Farm Bureau Marks or the right to use the Farm Bureau Marks under this Agreement for any reason.

15. EFFECT OF TERMINATION

Upon termination of this Agreement, the Company shall do the following as to all use of the Farm Bureau Marks: immediately and permanently discontinue and use its best efforts to ensure that it discontinues any and all use of the Farm Bureau Marks or any designation confusingly similar to the Farm Bureau Marks, including without limitation, any use of the words "FARM BUREAU" or the National Logo or any FEDERATION state Marks in any form, whether alone or in combination with other words or symbols, and destroy or surrender to FEDERATION or AFBF, at the option of AFBF, within thirty (30) days from the date of termination all materials bearing any of the Farm Bureau Marks as directed by AFBF. Any remedy for any breach which has not previously been cured shall be preserved and shall survive termination of this Agreement.

16. INJUNCTIVE RELIEF

The Company acknowledges that FEDERATION or AFBF and their members and affiliates will be irreparably harmed by any material breach of this Agreement and that any monetary relief will be inadequate to compensate FEDERATION, AFBF and their members and affiliates for any such breach. Accordingly, the Company agrees that, in addition to any monetary relief available to FEDERATION or AFBF and their members and affiliates, FEDERATION and AFBF and/or either of them will be entitled, without the necessity of proving actual damages or posting any bond, to injunctive relief against the Company upon making an adequate showing of a material breach by the Company under Paragraph 5 or 6 herein or any breach not under Paragraph 5 or 6 that is not remedied after the notice and cure periods provided for under this Agreement.

17. NOTICES

All notices and other communications hereunder shall be in writing and shall be deemed given (a) when received, if delivered personally, via overnight courier, or via facsimile or (b) five (5) business days after mailing, if mailed by registered or certified mail, return receipt requested, to the Parties at the following address (or such addresses as they may hereafter specify by a notice complying herewith):

For FEDERATION:	**Jake Cummins** **502 South 19th Ave, Ste 104** **Bozeman, MT 59718**
With a copy to AFBF:	**Dave Mayfield, Deputy General Counsel/Secretary** **American Farm Bureau Federation** **600 Maryland Avenue, S.W., Suite 1000W** **Washington, D.C. 20024** **(202) 406-3616**
For the Company:	_____ _____ _____

18. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes and replaces all previous negotiations, commitments, and writings with respect

thereto and may not be modified or amended except by a writing duly signed by the authorized representatives of the Parties.

19. WAIVER

No delay or omission or failure to exercise any right or remedy provided in this Agreement shall be deemed a waiver thereof, or to constitute laches, or to constitute acquiescence in the event giving rise to such right or remedy, but every such right and remedy may be exercised from time to time and so often as may be deemed expedient by the Party exercising it.

20. SEVERABILITY

If any provisions of this Agreement shall be, or be held by a court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not render this Agreement invalid as a whole, and, in such event, such provision shall, if possible, be changed or interpreted so as best to accomplish the objective of such unenforceable or invalid provision.

21. CHOICE OF LAW AND VENUE

In the event of a dispute between FEDERATION and the Company arising out of or relating to this Agreement, this Agreement shall be construed in accordance with and governed by the laws of the State of Montana; without reference to their principles of conflict of laws. Any legal dispute shall be resolved in a legal proceeding in Gallatin County Circuit Court.

22. HEADINGS

The paragraph and section headings of this Agreement are for reference and convenience only and shall have no bearing on the interpretation of this Agreement.

23. INDEPENDENT CONTRACTORS

FEDERATION the Company shall act hereunder as independent contractors with respect to each other, and shall not be deemed, expressly or by implication, to be partners, joint venturers, agents, employees, representatives or servants of each other for any purpose whatsoever.

24. AMENDMENT

This Agreement may be amended by mutual written consent of the Parties hereto.

25. MODIFICATION

No modification or amendment of this Agreement or any waiver of any right granted hereunder, shall be of any force or effect unless reduced to writing and signed by the Party or Parties claimed to be bound thereby.

26. BINDING EFFECT

This Agreement, which may be executed in counterparts, all of which shall be taken together and deemed one instrument, shall be binding upon the Parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the Parties hereto, through their authorized representatives, have signed this Agreement effective as of the Effective Date.

NEW WEST HEALTH SERVICES

By: _____
Title: CEO
Date: 1-11-10

MONTANA FARM BUREAU FEDERATION

By: _____
Title: Executive Vice President
Date: 1/11/10

ROYALTY AGREEMENT
SCHEDULE A

The amount of the royalty to be paid to the Federation by the Company pursuant to this Royalty Agreement shall be based on premiums received at the following rate and terms:

One and ½ percent (1.5%) of all premiums received by New West Health Services, its subsidiaries and affiliates, on issued and paid for business sold under the Farm Bureau Association Health Plan or Farm Bureau branded health insurance products.

The Company shall pay the Federation said royalty by the 15th of each month for premium received during the previous month (collectively, the "Royalty Due Date"). Any royalty payments, not disputed in good faith by either party and made to FEDERATION after Royalty Due Date therefore shall bear interest at the rate of 1% per month (12% per annum) of the outstanding royalty payment due FEDERATION or at the maximum applicable legal rate if such rate is less than 12% per annum, from the Royalty Due Date to the date of the actual royalty payment to FEDERATION. The parties hereto agree to negotiate promptly and in good faith to resolve any royalty disputes, and payment of only the disputed portion of the royalties may be deferred without interest accruing. However, FEDERATION's right of interest on late payments shall not preclude FEDERATION from exercising any of their rights or remedies pursuant to this Agreement or otherwise, including but not limited to immediate termination of the Agreement, with regard to Company's failure to make timely royalty payments, if Company fails to cure within ten (10) days of notification of any late royalty payment. Company shall provide a sales and Royalty report to FEDERATION on a quarterly basis, using such procedures, methods of communication and computer equipment as may be specified by Company from time-to-time. Each sales and Royalty report from Company to FEDERATION shall be certified as true and correct by an officer of Company rendering such report and shall contain: (1) a computation of all gross sales of the under the FEDERATION-Company Program; and (2) a computation of the amount of royalties due and payable from Company to FEDERATION.

Two Ways to Find Out More:

EXHIBIT 2

1. Call us

Call New West Health Services directly at 888.873.8046.

2. Visit us online:

You can learn more about your association group health plan at the MFBF website. Go to www.mfbf.org.

Looking for Individual Health Insurance Instead?

If you need individual coverage rather than coverage through an employer, MFBF members receive an exclusive pricing benefit. Call the number below to find out more and make sure you mention Montana Farm Bureau Federation.

MONTANA FARM BUREAU FEDERATION

Association Group Health Plan

For employers with 2 to 50 employees

Your Partner
For Success

Contact a Representative Today:
New West Health Services
130 Neill Avenue
Helena, MT 59601
888-873-8046

Underwritten by New West Health Services

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served on the 6th day of February, 2013, to the following:

By Hand- Delivery:

Terry B Cosgrove
Murry Warhank
Attorneys at Law
Gough, Shanahan, Johnson & Waterman, PLLP
PO Box 1715
Helena, MT 59624-1715

Andres N. Haladay
Department of Justice
Agency Legal Services Bureau
1712 Ninth Ave.
P.O. Box 201440
Helena, MT 59620-1440

Joan Barlow

Montana Farm Bureau launches health insurance plans for members

MFBF_New_Res_Logo.jpg NewWestHSvector.jpg PFG_Logo.jpg

The Montana Farm Bureau Federation, New West Health Services and Payne Financial Group have partnered together to offer MFBF members affordable and comprehensive health care coverage.

Montana Farm Bureau Federation Association Group Health Plan

About our association plan:

Thank you for your interest in the Montana Farm Bureau Health Plan for your Employees. New West Health Services, our Association plan administrator is a company you can trust. New West is the 2nd largest health plan in Montana. It is a Montana-based, hospital sponsored health plan serving over 40,000 Montanans. By joining together, Montana Farm Bureau Federation members spread the risk of catastrophic health expenses among our large membership.

We believe our membership, by the nature of our work, is more likely to be active and healthy than the general population. If this is the case, by joining together we are pooling ourselves into a group in which health expenses should be less than average -- resulting, over time, in premiums that are lower than average.

Core to this strategy is not just encouraging a healthy lifestyle for our members but also encouraging association plan members to make sensible decisions about receiving smart, preventive medical services. Staying healthy is as important as living healthy.

We don't just talk about believing in prevention – we prove it with our health plan benefits.

All plans include:

$10 annual eye exam, 100% of allowable charges for breast, cervical, and prostate cancer screenings, cholesterol and lipid disorder screenings along with a $1,300 annual benefit for colorectal cancer screenings. In addition, coverage is also provided for well child care and routine immunizations.

In addition:

Coverage is also provided in all plan options for other preventive services such as routine immunizations, cervical cancer screening, cholesterol & lipid disorder screening, preventive medical testing, and prostate cancer screening.

You qualify for the association plan:

If you are a member in good standing with the Montana Farm Bureau Federation and you have between 2 and 50 employees.

Click here to view our Benefits at a Glance

Not a member of an employer group? As a Farm Bureau member you qualify to receive a special premium holiday when first enrolling in a New West individual plan! After 11 months of continual coverage the 12th month premium is waived! (New health plan members only)

Would you like to find out more? Call our help line at (888)-873-8046

AMENDED EXHIBIT 3

Leave a Reply

Name (required)

(Mail will not be published) (required)

Your Comment (required)