2022 Broker

Schedule of Compensation

Effective January 1, 2022 to December 31, 2022

MASSACHUSETTS

2022 Broker Compensation Rates

BlueFit Incentive Program

We're excited to announce BlueFit, a comprehensive health plan that not only gives members the ability to lower annual costs, but actually helps them increase Health Savings Account (HSA) savings over time, avoid cost surprises, and invest in their future health care. All enrolled BlueFit subscribers will be paid **$10 more than the rates stated for new sales and $5 more than the retention rates**. On accounts with 100+ total medical enrolled we'll pay an **extra 1% on the first $500K of earned BlueFit premium** (or $5K per account where applicable).

Insured Medical and Dental Business with 2–99 Enrolled Subscribers[1]

	BlueQuote Subscribers				Manual Subscribers[5]	
	New Sales[3]		Retention[4]			
	Medical	Dental	Medical	Dental	Medical (New Sales/Retention)	Dental (New Sales/Retention)
2–4 Enrolled Subscribers	$10.00	$2.00	$8.00	$2.00	$5.00/$4.00	$1.00
5–50 Enrolled Subscribers[2]	$30.00	$6.00	$25.00	$4.50	$25.00/$20.00	$4.50/$2.00
5–50 Enrolled Subscribers[2] (Gold, Platinum, Diamond, and Diamond Plus Agencies)	$33.00	$6.00	$28.00	$4.50	$28.00/$20.00	$4.50/$2.00

	New Sales		Retention	
	Medical	Dental	Medical	Dental
51–99 Enrolled Subscribers	$40.00	$6.00	$32.00	$4.50

1. Per-subscriber rates will remain in effect until the next renewal.
2. Includes accounts that are rated outside of Small Group with fewer than 50 enrolled. These accounts will default to the BlueQuote rate. Each account is determined separately.
3. To qualify for each account, you must create prospects, including census and quotes, and complete the account and subscriber enrollment via the BlueQuote New Enrollment module.
4. To qualify for each account, you must create alternative quotes and finalize renewal with changes in BlueQuote.
5. Includes Merged Market rated accounts that were quoted outside of BlueQuote.

Insured Medical with 100+ Enrolled Subscribers

Portion of Account Annual Premium	% of Earned Premium Paid on New Business	% of Earned Premium Paid on Renewal Business
First $500,000	4.00%	3.00%
Next $375,000	2.50%	2.50%
Next $300,000	1.50%	1.50%
Next $17,000,000	1.00%	1.00%
Remainder	0.50%	0.50%

Insured Dental with 100+ Enrolled Subscribers

Portion of Account Annual Premium	% of Earned Premium
First $5,000	10.00%
Next $95,000	4.00%
Remainder	2.00%

Brokers may be eligible for additional compensation through the Blue Cross Blue Shield of Massachusetts bonus program.

To qualify, brokers/agencies must have at least $2,000,000 in annualized insured premiums, and 10 or more existing insured medical and/or dental accounts with five or more enrolled subscribers in each account, as of December 31, 2021.

For more information, please refer to the plan documents on **Broker Central**.

General Guidelines

1. Broker/agency shall maintain all credentials including license endorsements required by Blue Cross Blue Shield of Massachusetts ("the Company"), the Commonwealth of Massachusetts, and local laws and regulations, to sell, solicit, and negotiate health insurance coverage. Credentials also include Errors & Omissions insurance coverage with at least $1,000,000 in coverage. Non-compliance with these requirements will result in non-payment and possible termination of agreement.
2. Payments are made only via electronic funds transfer.
3. Commission statements are only available via our broker portal, **Broker Central**. If you have any commission-related questions, please email brokercommissions@bcbsma.com or call 1-800-531-2563 and follow the prompts.
4. Commissions are paid on a monthly basis in accordance with the commission schedule in effect as of the date the business is written, enrolled, or renewed.
5. Lines of business with one subscriber are non-commissionable.
6. Commission eligibility will be evaluated based on actual subscriber enrollment at that time. Plan-type subscriber count will determine the applicable payment schedule. For example, medical plan-type subscriber count determines which payment schedule applies to medical business.
7. Upon receipt of a valid and dated Broker of Record (BOR) letter on the account's letterhead and signed by an officer of the account changing the BOR, the Company reserves the right to recognize the BOR as of the first of the month following receipt. If a BOR is backdated to a prior month and not received within one week of the letter's effective date, Blue Cross will request a revised BOR dated within the current month. Refer to **Broker Central** for our BOR guidelines and templates.
8. Insured Group Medex® and Master Medical ("Indemnity Business") are paid in accordance with the insured medical schedule. Senior products (Managed Blue for Seniors, Medicare PPO Blue, Medicare HMO Blue, and Blue MedicareRx) are non-commissionable.
9. Each month Blue Cross will only remit earned commission payments to a given broker/agency with 20 or more commissionable subscribers. Brokers/agencies with fewer than 20 commissionable subscribers won't be compensated. Account-level subscriber counts are determined by the largest line of business.
10. If an account on which commissions aren't being paid ("direct account") names a credentialed broker as Broker of Record (BOR), the broker must have BOR status prior to current-year renewal. If one of the following requirements isn't met, commissions will commence upon the second renewal:

    • **Non-credible account eligibility as follows:**

    Payments may commence during the current plan year if the direct account with a minimum of 10 medical subscribers grows by 25% and/or by adding Blue Cross dental or two lines of ancillary to the direct medical account. Commission payments will begin as of the next payment cycle.

    • **Credible account eligibility as follows:**

    Payment may commence if the broker/agency has BOR status prior to current-year renewal, and commissions must be fully funded in the account rate and acknowledged with signed disclosure from the account. Otherwise, commission payments will begin as of the second renewal date.
11. Standard commissions arrangements will be calculated based on the standard scale for insured medical, dental, and indemnity business based on earned and received premiums at the time of processing. Where applicable, standard commissions are based on a plan-year basis and any changes to the commission schedule take place upon renewal. Any deviation from the standard scale must be acknowledged on the final executed rate sheet for the group and approved by the account and Blue Cross.
12. BlueQuote and manually quoted per-subscriber rates are evaluated on an account-by-account basis and take effect upon renewal. Accounts with fewer than 50 subscribers rated outside of Small Group Rating will default to the BlueQuote rate where applicable. If you have additional qualification questions, please contact your Blue Cross account or sales executive.
13. For the BlueFit incentive, medical enrollment will determine the rate of payment. The extra BlueFit incentive will be paid on BlueFit enrolled subscribers only.
14. Blue Cross complies with all applicable state and federal regulations with regard to producer compensation. All producer compensation will be reported as required for federal, state, and local income taxes. All producer compensation, including bonuses, overrides, and other compensation, may be subject to reporting to meet other regulatory requirements. Commissions, bonuses, overrides, and some non-cash compensation associated with some groups will be reported for ERISA-related reporting (Form 5500, Schedules A or C). The Company will have sole discretion as to whether, and to what extent, compensation is subject to reporting under these regulations. We encourage our producers to share their compensation arrangements with their customers. Our Agent/Agency Agreement and our compensation policies require disclosure to customers when required by law and provide discretion for us to disclose compensation directly to our customers as we deem appropriate.
15. Blue Cross has the right to exclude any case from eligibility for compensation, override, or recognition program for any reason. Exclusion of any case can take place if Blue Cross determines, at its sole discretion, that including the case in the program would create an actual or perceived conflict of interest for the broker/agency or our members. Revenue and enrollment generated by professional organizations, affiliations, trusts, and other associations may be excluded from the program.
16. Broker/agency is obliged to review on a regular and timely basis the accuracy and completeness of the monthly broker compensation reports. The Company isn't obliged to correct any errors or omissions in the calculation of compensation due if broker/agency fails to notify the Company of such error or omission within one hundred eighty (180) days of the date of the report.

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