

2017 Commission schedule

- Individual and Family plans
- Medicare Supplement plans
- Medicare Advantage Prescription Drug (MA-PD) plans for individuals
- Medicare Prescription Drug Plans (PDP) for individuals
- Dental PPO plans for Medicare Supplement plan subscribers
- Individual term life insurance*
- Individual and Family dental and vision plans
- Commission schedule for Small Business (groups with 1 to 100 eligible employees)
- Excludes large group business; no schedules apply to large group business

For all business lines inside and outside the health insurance exchange (exchange), except Covered California for Small Business (CCSB) and Medicare plans, commissions will be paid on base premium only, which excludes all applicable taxes and fees, including but not limited to ACA taxes and fees. Commissions will be paid if dues/premiums are paid, or paid late. However, commissions will not be paid if dues/premiums are not paid. For Small Business and IFP, we will not pay commissions on new policies until the policy is in effect and paid. In order to receive commissions on Blue Shield products, you must be appointed by Blue Shield.

Blue Shield will continue to participate in the exchange for Individual and Family (IFP) and CCSB plans, and abides by all applicable laws and regulations established for the exchange, including the payment of commissions.

Y0118_16_389B 09152016

* Underwritten by Blue Shield of California Life & Health Insurance Company.

Individual and Family Plans

This schedule applies to Individual and Family (IFP) Plan contracts issued to Blue Shield subscribers with original effective dates on or after January 1, 2017 (with the exception of the Bronze 5550 alternative off-exchange plan).

Commissions for Medicare Supplement plans are covered by separate schedules.

For all Individual and Family plans (except for the Bronze 5550 alternative off-exchange plan)

Contract year	Percentage
First year	2.5%
Renewal year(s)	2%

Bronze 5550 alternative off-exchange plan

Contract year	Percentage
First year	1.5%
Renewal year(s)	1.5%

Commissions for all years of a contract will be calculated as a percentage of the first year's dues/premiums received and allocated by Blue Shield. The first year's dues/premiums are defined as the dues/premiums in the month of initial contract enrollment. Commissions for renewal business will remain tied to the rate tables in use when the contract first became effective, and will not increase over time as dues/premiums increase.

Medicare Supplement plans

This schedule applies to Medicare Supplement plan contracts issued to Blue Shield subscribers with original effective dates on or after January 1, 2017.

Commissions for Individual and Family Plans (IFP) are covered by separate schedules.

For all Medicare Supplement plans (except for the High Deductible Plan F)

Contract year	Payable on accepted applications*
1	20%
2+	10%

* Blue Shield will pay 10% commission the first year, as well as in all renewal years, for new business that transfers from another Medicare Supplement plan.

Medicare Supplement High Deductible Plan F

Contract year	Payable on accepted applications*
1	10%
2+	5%

* Blue Shield will pay 5% commission the first year, as well as in all renewal years, for new business that transfers from another Medicare Supplement plan.

Payable commissions for the first and renewal year of a contract will be calculated as a percentage of the dues/ premiums received and allocated by Blue Shield. Commissions for renewal business will increase when dues increase at renewal.

All Medicare Supplement plan commission payments will be made only after an application is approved, or accepted on the basis of guaranteed-issue eligibility, and the first month's dues have been collected. If the subscriber's dues/premiums payment is not received within 30 days of the current coverage from date indicated on the subscriber's billing statement, the termination of the subscriber's coverage will be effective on the last day of the last coverage period for which payment was received by Blue Shield. All approved or accepted Medicare Supplement applications count toward your production totals for performance bonuses, if any.

Medicare Advantage Prescription Drug (MA-PD) plans for individuals

2017 MA-PD commission schedule

	First-year commission	Renewal year
Certified Blue Shield producer for sales in the county of Fresno	\$536	\$267
Certified Blue Shield producer for sales in the county of Sacramento	\$510	\$255
Certified Blue Shield producer for sales in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura	\$553	\$277

Commissions are paid as a renewal unless CMS provides data indicating the commission should be an initial first-year commission because the beneficiary is a new enrollee to Medicare or to a Medicare Advantage Prescription Drug (MA-PD) plan for the first time. The balance will be paid once Blue Shield validates that the enrollment qualifies for a first-year commission. Your commission will be paid in a lump sum 30 days following the member's effective date.

However, if the member disenrolls at any time during the first three months following their effective date (considered rapid disenrollment), the full commission amount will be deducted from your future commissions.* Also, if a member disenrolls within the calendar year following the effective date, your lump sum payment will be prorated and deducted from future commissions. Because payment may only be made for the months a member is enrolled, midyear renewal payments equate to a prorated payment.

Note: For the counties of Kern, San Luis Obispo and Santa Barbara (formerly served by GEMCare Health Plan), commissions are only available to Blue Shield's exclusive captive agent.

Payment of MA-PD Plan commissions is subject to CMS guidelines, which are subject to change.

Certification requirement

To qualify for applicable commissions for the sale of Blue Shield's MA-PD plans, you must certify that you have received and understand all the rules and regulations that govern the sale of an MA-PD plan including:

- Applicable Medicare Advantage and/or Part D laws
- Current CMS Medicare marketing guidelines

Producers must complete the annual certification training that is required by CMS and each specific carrier. Please sign the producer information section and clearly print your name on each Blue Shield MA-PD Plan application to be eligible for commissions.

Commission splits

The Blue Shield MA-PD plans are not eligible for commission splits between producers.

Eligibility for bonus and reward programs

Applications for Blue Shield MA-PD Plans do not count toward your production totals for any bonus or reward program.

Blue Shield of California is an HMO plan with a Medicare contract. Enrollment in Blue Shield of California depends on contract renewal.

* Please note, when a Medicare beneficiary enrolls for an October 1, November 1 or December 1 effective date, and subsequently changes plans effective January 1 of the following year, it is not considered a rapid disenrollment.

Medicare Prescription Drug Plans (PDP) for individuals

2017 PDP commission schedule

	First-year commission	Renewal year
Certified Blue Shield producer	\$71	\$36

Commissions are paid as a renewal unless CMS provides data indicating the commission should be an initial first-year commission because the beneficiary is a new enrollee to Medicare or to a Medicare Prescription Drug Plan (PDP) for the first time. The balance will be paid once Blue Shield validates that the enrollment qualifies for a first-year commission. Your commission will be paid in a lump sum 30 days following the member's effective date.

However, if the member disenrolls at any time during the first three months following their effective date (considered rapid disenrollment), the full commission amount will be deducted from your future commissions.* Also, if a member disenrolls within the calendar year following the effective date, your lump sum payment will be prorated and deducted from future commissions. Because payment may only be made for the months a member is enrolled, midyear renewal payments equate to a prorated payment.

Payment of PDP commissions is subject to CMS guidelines, which are subject to change.

Certification requirement

To qualify for applicable commissions for the sale of Blue Shield Medicare PDP for individuals, you must certify that you have received and understand all the rules and regulations that govern the sale of a Medicare PDP including:

- Applicable Medicare Advantage and/or Part D laws
- Current CMS Medicare marketing guidelines

Producers must complete the annual certification training that is required by CMS and each specific carrier. Please sign the producer information section and clearly print your name on each Blue Shield Medicare PDP application to be eligible for commissions.

Commission splits

The Blue Shield Medicare PDPs are not eligible for commission splits between producers.

Eligibility for bonus and reward programs

Applications for Blue Shield Medicare PDPs do not count toward your production totals for any bonus or reward program.

Blue Shield of California is a PDP plan with a Medicare contract. Enrollment in Blue Shield of California depends on contract renewal.

* Please note, when a Medicare beneficiary enrolls for an October 1, November 1 or December 1 effective date, and subsequently changes plans effective January 1 of the following year, it is not considered a rapid disenrollment.

Dental PPO plans for Medicare Supplement plan members

This schedule applies to Dental PPO plan contracts issued to Blue Shield subscribers with original effective dates on or after January 1, 2017.

Contract year	Payable on accepted applications*
1	20%
2+	10%

* Blue Shield will pay 10% commission the first year, as well as in all renewal years, for new business that transfers from another Medicare Supplement plan or when dental coverage is purchased after the first year of medical coverage.

Payable commissions for the first and renewal year of a contract will be calculated as a percentage of the dues/ premiums received and allocated by Blue Shield. Commissions for renewal business will increase when dues increase at renewal.

All dental plan commission payments will be made only after an application is approved, or accepted on the basis of guaranteed-issue eligibility, and the first month's dues have been collected. If the subscriber's dues/premiums payment is not received within 30 days of the current coverage from date indicated on the subscriber's billing statement, the termination of the member's coverage will be effective on the last day of the last coverage period for which payment was received by Blue Shield. All approved or accepted Medicare Supplement dental plan applications count toward your production totals for performance bonuses, if any.

Optional supplemental Dental PPO plan for MA-PD Plan members

This schedule applies to optional supplemental Dental PPO plan contracts issued to Blue Shield MA-PD Plan members with original effective dates on or after January 1, 2017.

Contract year	Payable on approved applications
1	20%
2+	10%

Payable commissions for the first and renewal year of a contract will be calculated as a percentage of the premiums received and allocated by Blue Shield. Commissions for renewal business will increase when premiums increase at renewal.

All MA-PD optional supplemental Dental PPO plan commission payments will be made only after an application is approved and the first month's premium has been collected. The commission payment is only payable for the months the member is actively enrolled in the plan.

Individual term life insurance and individual and family dental and vision plans

This schedule applies to Individual and Family plan (IFP) dental, vision and life insurance* plan contracts issued to Blue Shield subscribers with original effective dates on or after January 1, 2017.

For IFP dental, vision and individual term life insurance plans

Contract year	Commission
Year 1	20%
Year 2+	10%

Commissions for all years of a contract will be calculated as a percentage of the first year's dues/premiums received and allocated by Blue Shield. The first year's dues/premiums are defined as the dues/premiums in the month of initial contract enrollment. Commissions for renewal business will remain tied to the rate tables in use when the contract first became effective, and will not increase over time as dues/premiums increase.

* Individual term life insurance is underwritten by Blue Shield of California Life & Health Insurance Company.

Commission schedule for Small Business products

This schedule applies to Small Business (groups with 1 to 100 eligible employees) plan contracts outside of the exchange issued to Blue Shield subscribers with original effective dates on or after January 1, 2017.

Medical plans only

Blue Shield Off-Exchange Package for Small Business 1-100 Eligible Employees

Contract year	Percentage
First year	5%
Renewal years	5%

Blue Shield Mirror Package for Small Business 1-50 Eligible Employees

Year	Percentage
1st year	6.5%
2nd year	6.2%
3rd year	5.9%
4th year	5.6%
5th year	5.3%
6th year and beyond	5.0%

Blue Shield Mirror Package for Small Business 51-100 Eligible Employees

Contract year	Percentage
First year	5%
Renewal years	5%

Specialty products

Product	Percentage
Vision plans*	10%
Dental plans	10%
Life insurance plans*	10%

* Underwritten by Blue Shield of California Life & Health Insurance Company.

Commission schedules are assigned based on the number of eligible employees employed at the time of the group's enrollment with Blue Shield. Life insurance plans are based on 2-100 eligible employees. Please see the definition of eligible employee in Blue Shield's Small Group underwriting guidelines. Commissions for the Mirror plans reflect Covered California for Small Business (CCSB) rules. In the event there is an inconsistency between a Blue Shield schedule and the CCSB rules, the CCSB rules will be followed.

Renewals on contracts for groups with 2 to 50 eligible employees sold before January 1, 2014, will be paid on the applicable commission schedule in effect at the time of the original sale.