



# 2023 Specialty Broker Bonus Program

Welcome to our **new business** and **retention bonuses** for all group sizes, including Small Group, Large Group, and National Group sales. Our bonuses allow you to earn up to \$25,000 per line of coverage for each group when you sell new dental, vision, life, disability, accident, critical illness, and hospital indemnity accounts with effective dates between February 1, 2023, and January 31, 2024. You can also earn additional bonuses for retaining existing business with us.

## To qualify for our **new business bonus**:

Sell a minimum of 10 new lines of coverage (LOC) and \$75,000 in new annualized premium.<sup>1</sup> If you sell more than \$250,000 in new annualized premium, we'll waive the line of coverage requirement. There are five levels of payout, so the more new specialty lines you sell, the higher your bonus payout will be.

Number of new combined lines of coverage and/or minimum annualized new premium for dental fully insured, life, disability, accident, critical illness, and hospital indemnity	Bonus on new annualized premium <sup>1</sup>
10 LOC and \$75,000	1.0%
20 LOC or \$250,000	2.0%
30 LOC or \$750,000	2.5%
40 LOC or \$1,500,000	3.0%
50+ LOC or \$3,000,000	4.0%

The bonus per new administrative services only (ASO) dental contract is \$1.20, and the bonus per new ASO vision contract is \$1.00.<sup>1</sup>

## To qualify for our **retention bonus**:

You must achieve the new business bonus and have at least 10 lines of coverage and \$100,000 in annualized premium for dental fully insured, life, disability, accident, critical illness, and hospital indemnity at the beginning of the bonus period. You'll also need a minimum of 87% premium persistency.

Premium retention percentage	Bonus retention percentage payout (excluding ASO dental and ASO vision) <sup>2</sup>
87% to 89.99%	0.75%
90% to 94.99%	1.00%
95%+	1.50%

The contract payout per ASO dental retention is \$1.20, and the contract payout per ASO vision retention is \$1.00.<sup>2</sup>

## Program information and disclosures

**Qualifying business:** New lines of coverage with effective dates from February 1, 2023, through January 31, 2024, are eligible for inclusion. All lines of coverage for the new business and persistency-level bonuses must be in force on January 31, 2024, to be counted.

**New coverages:** New life, disability, accident, critical illness, hospital indemnity, and fully insured dental lines of coverage added to existing groups in the qualifying period will be considered as a new line of coverage under the Specialty New Business Bonus program. Organic growth, an increase in coverage or face amount, or a change from embedded to nonembedded coverage is not considered a new line of coverage. Acquisitions or adding new divisions to an account will be reviewed on an exception basis.

**Contract:** Each subscriber constitutes a contract.

**New business annualized premium:** Annualized premium means 12 times the first month's paid premium (or estimated first month's premium, where necessary) for qualifying new business.

**Persistency calculation:** Persistency is measured by taking annualized paid premium in force on January 31, 2024, excluding new sales from February 1, 2023, through January 31, 2024, and dividing by annualized paid premium in force on January 31, 2023.

**Eligible lines of coverage:** Short-term disability, long-term disability, voluntary short-term disability, voluntary long-term disability, life, voluntary group term life (stand-alone), fully insured dental, voluntary dental, vision, voluntary vision, accident, critical illness and hospital indemnity.

Accidental death and dismemberment, dependent life and supplemental life coverage are not included in the line of coverage requirement count; however, the premium will be included in all compensation calculations. ASO dental and ASO/fully insured vision are not included in the line of coverage requirement count; however, the contracts/premium will be included in all compensation calculations. No compensation will be paid for dental or vision products embedded in the medical product.

**Fully insured dental and fully insured vision:** For fully insured dental groups, we will apply the full premium amount toward qualification. However, payment on any eligible fully insured dental and/or fully insured vision premium will be at 75% of face value, subject to all applicable payment caps.

**LOC/group maximum:** There is a \$25,000 per line of coverage per group cap.

**Exclusions:** Bonus includes only groups for which Anthem is paying commissions. Groups sold by a consultant (for example, acting on behalf of the group) are not eligible for bonus. General agents are also not eligible for the bonus.

**Bonus splits:** Producer bonus payments on producer splits will only be paid to a producer with at least 50% of the commission percentage on a given group, and any such bonus payment on said groups will follow the percent commission received by each producer on such group.

**Mergers, acquisitions, and divestitures:** Anthem Specialty reserves the right to change or amend this program as the result of any producer mergers, acquisitions, or divestitures where the producer's book of business changes by the lessor of: (1) \$3 million in annualized premium or (2) 10% of in-force block prior to the merger/acquisition/divestiture. Producer is required to notify Anthem Specialty of any such mergers, acquisitions, or divestitures within 60 days of the completion of such transactions.

**Producer of record (POR):** Producer-of-record changes will not be held in the original producer's book of business. On groups where Anthem processed a POR change, Anthem Specialty will move the group into or out of the producer of record's book of business, as applicable, for bonus purposes, including the beginning and ending premium calculations and subscriber counts. Any subsequent changes, including termination of policy, will be the responsibility of the new producer of record. If termination of the policy is coincident with a POR change, Anthem reserves the right to determine which party (producer or other entity) will be charged with the termination. This determination will be based on a variety of factors, including (but not limited to) reason for POR change, work done by parties to move or conserve the policy and overall case situation.

**Trusts/associations/multiple employer welfare arrangements/pooled groups/any other types of special purchasing arrangements:** These will be treated as recorded on Anthem's systems at its sole discretion for purposes of the calculation and payment of any compensation under this bonus program. This will include the application of any line of coverage caps and other program limitations.

**Lapses:** Group lapses will be assigned to the most recent producer for bonus purposes.

**Payment:** Bonuses will be paid by June 30, 2024, following the close of the applicable bonus period. If upon receipt of a bonus payment the producer identifies an error in the bonus calculation or amount, the producer must notify Anthem in writing within 60 days of receipt of the bonus payment. Anthem Specialty will review any such error identified by the producer only for the applicable bonus period for which the bonus was paid and determine whether any adjustment is appropriate. Anthem Specialty reserves the right to make any such determinations or adjustments, but in no event shall make any adjustments involving less than \$500.

**Anthem retains final authority to interpret, amend, change, or terminate this program.** This brochure serves as a summary overview, and Anthem, at its sole discretion, will make final decisions on the application of the above parameters.

By accepting a bonus, the producer certifies that they are not a fiduciary of any group health plan product included in this bonus program.



1. Must first sell the minimum of 10 new LOC and \$75,000 in new annualized premium (only fully insured dental, life, disability, accident, critical illness and hospital indemnity count toward the LOC/premium requirement). The minimum line of coverage requirement is waived if you sell more than \$250,000 in new annualized premium. For fully insured dental groups, we will apply the full premium amount toward qualification. However, payment on any eligible fully insured dental and/or fully insured vision premium will be at 75% of face value, subject to all applicable payment caps. No payment for dental ASO, vision ASO or vision fully insured if you do not meet the minimum qualifications. No payment for dental or vision products embedded in the medical product.

2. Only fully insured dental, life, disability, accident, critical illness and hospital indemnity count toward the LOC/premium requirement. However, payment on any eligible fully insured dental and/or fully insured vision premium will be at 75% of face value, subject to all applicable payment caps. No payment for dental ASO or vision ASO or vision fully insured if you do not meet the minimum qualifications. No payment for dental or vision products embedded in the medical product.

Unless specifically outlined by Anthem, groups, premium and contracts counted under this bonus program will not qualify for any other Anthem Specialty bonus program.

Compensation under this program will be reported where required under federal and/or state law. Anthem reserves the right to make all rules and determinations regarding the bonus program and may modify or eliminate the program at any time without notice. For more detailed information on the bonus program, please contact your Anthem Specialty representative.

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