



2019 PRODUCER INCENTIVE PROGRAM

from Cigna

Together, all the way.™





THANK YOU FOR CHOOSING CIGNA

Introducing the Platinum Program

At Cigna, partnering with Producers is vital to meeting our mission to become the leading health services company by helping improve the health, well-being and peace of mind for those we serve.

Our Go Deep, Go Global, Go Individual strategy has served us well.

With this solid foundation in place - and recognizing that our Go Deep, Go Global, Go Individual strategy has been fully integrated into who we are - we are evolving our Go strategy. This will allow us to further capitalize on our local market strategy, deepen our customer relationships, deliver greater levels of local personalization and affordability, and ensure we're even better situated to lead going forward. As we lead into the future, we will **Go Deeper, Go Local** and **Go Beyond**.

This takes our Go strategy to the next level by intensifying our focus on creating value for those we serve. Through our strategy, we will address the unique emerging needs of the customers, clients, partners and global communities we serve, and further elevate and differentiate the experiences we deliver.

- › **Go Deeper** drives us to expand and deepen our customer, client and partner relationships, while also intensifying our depth in targeted sub-segments and geographies.
- › **Go Local** is all about intensifying our efforts to ensure our product offerings and services reflect and meet customer, client and partner needs at a local market level.
- › **Go Beyond** means we will innovate and further differentiate our business, the experiences we deliver, and the overall social impact we have.

In recognition of the ways you enable Cigna to execute our mission, we are pleased to offer the 2019 Platinum Program (the "Program"). Eligible Producers can receive compensation for the growth and retention of Medical and Dental business placed with Cigna.

Please contact your Cigna Sales Representative for more information.

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- Important Program Information:**
- › Qualification Period and Term of Program - New business and renewal effective dates between February 1, 2019 and January 31, 2020
 - › Cigna refers to Under 500 and Over 500 "U500" and "O500" employees (O500 includes 500 plus and national) as a buyer grouping used to categorize qualification and payment.

MEDICAL PROGRAM

Our success is measured by the services and value provided each day to our clients. Cigna shares our achievements with meaningful rewards that increase as our shared success grows.

Participation to the Medical program is achieved by selling **3 new Accounts and 250 net new employees**.

New Medical Business Bonus

Employee Buyer Group	Funding Type/Product	Rate
U500	SR / MP / 50% DE	\$30
	ASO / GC	\$26
O500	SR / MP / 50% DE	\$55
	GC	\$20
	ASO	
	Medical	\$10
	RX / TBH / SL	+ \$3 per Product
	Specialty Bundled Bonus ¹ (all 3 sold)	+ \$5

- › Upsell new Medical to an existing Dental client and obtain Medical Account and payment eligibility.
- › Sell Pharmacy or Total Behavioral Health to existing ASO Medical with over 500 employees and earn \$3 for each product sold per Medical employee.

		Factor
Medical Net Growth Earn 10% to 40% more on qualified New Medical Bonus rates by selling more Accounts and maintaining higher retention levels.	<100%	x0.80
	100% - 119.9%	x1.00
	120% - 149.9% ²	x1.10
	150% - 199.9%	x1.25
	200%+	x1.40

The Medical Net Growth Formula = (New employees sold + active ending renewal employees) / total baseline employees

The Net Growth Percentage will determine the Factor multiplied to the qualified Medical New Business bonus rate.

¹ RX/TBH/SL individual and bundled bonus rates applicable only to O500 Medical ASO New Sales.
² A minimum of 5,000 baseline Medical employees required in order to be eligible for the 1.10 Net Growth Factor

Medical Retention Bonus

The Medical Retention Bonus is achieved by:

- (a) Meeting the New Medical Business Bonus requirements, and
- (b) Maintaining the minimum Medical Retention thresholds (excluding new business sold during the Term)

	Retention	SR / MP / 50% DE	ASO / GC
U500	100%+	\$22	\$18
	94% – 99.9%	\$19	\$16
	86% – 93.9%	\$17	\$14
O500	100%+	\$12	\$8
	93% – 99.9%	\$9	\$6

Medical Retention Formula

- › Medical Retention = Total enrolled renewed employees end of Program Term / total enrolled employees beginning of Program Term

Specialty Ancillary Carve-Out Formula

- › 500+ Medical ASO rate reduced by 33% for each specialty ancillary (Pharmacy, Stop Loss, Total Behavioral Health) carved-out or 100% if all three are carved-out of any Account that starts the program year with the specialty products.

Carve-out rate adjustment example (applies to over 500 Medical ASO only)

100% Retention	Rx Carve-Out (x .33) rate: \$8.00 x (1 - .33) = \$5.36
96% Retention	TBH & SL Carve-Out (x .66) rate: \$6.00 x (1 - .66) = \$2.04

DENTAL PROGRAM

Participation to the Dental program is achieved by selling **3 new Accounts and 250 net new employees or 2 new Accounts and 1,250 net new employees.**

New Dental Business Bonus

Per Employee Per Year

Product		Per Employee Per Year
	DHMO	\$7
	DPPO	\$5

Upsell Opportunity

- › Sell 25+ Dental employees to an existing Medical client and obtain client count eligibility to the New Dental Business Bonus calculation.

Dental Retention Bonus

The Dental Retention Bonus is earned by:

- (a) Meeting the Medical or Dental New Business minimum eligibility requirements, and
- (b) Maintaining the minimum Medical and Dental Retention thresholds (excluding new business sold during the Term)

	Retention	DHMO	DPPO GC	DPPO ASO
U500	100%+	\$4.40	\$4.40	\$2.20
	94% - 99.9%	\$4.00	\$4.00	\$2.00
	86% - 93.9%	\$3.20	\$3.20	\$1.60
O500	100%+	\$4.40	\$2.20	\$1.10
	93% - 99.9%	\$3.20	\$1.60	\$0.80

Dental Retention Formula

- › Dental Retention = Total enrolled renewed employees end of Program Term / total enrolled employees beginning of Program Term

CROSS-SELL BONUS

Medical

New Cigna Medical products sold with new or existing Cigna Group Insurance products and/or new or existing Cigna International Accounts, also known as Cigna Global Health Benefits.

Qualification Criteria²

1. Sale of new Cigna Medical product sold between 02/01/2019 and 01/31/2020 to an existing Cigna Group Insurance product or Cigna International client.

-OR-
2. Sale of a new Cigna Medical product sold between 02/01/2019 and 01/31/2020 along with a new Cigna Group Insurance product or Cigna International product to the same client.

New Medical Employees	Bonus Amount
25-99	\$500
100-249	\$1,000
250-499	\$2,000
500-999	\$4,000
1,000+	\$6,000

Dental

New Cigna Dental products sold with new Cigna Group Insurance products.

Qualification Criteria²

1. Sale of a new Cigna Dental product sold between 02/01/2019 and 01/31/2020 along with a new Cigna Group Insurance product to the same client.

New Dental Employees	Bonus Amount
25-99	\$100
100-249	\$250
250-499	\$500
500-999	\$1,000
1,000+	\$1,500

² Producer does not have to qualify for the Platinum Program to be eligible for the Cross-Sell Program.

CIGNA 2019 PRACTICES AND PROVISIONS

The rules and regulations set forth the meaning of terms used and provide more definition how compensation is calculated.

“New Business Sold” will be defined as a new population of Medical or Dental employees with Cigna that becomes effective between 02/01/2019 and 01/31/2020.

“New Business Policies” will be defined as new policies, not replacing any similar policy issued by the Companies or their affiliates. New Business Policies will have an original effective date during the 12-month period post January 31, 2019.

“Qualifying Policies” under the New Business Bonus Program will refer to policies which meet all of the following requirements:

- Except as otherwise specifically agreed by the Companies with respect to specific cases, are issued to employers, to trusts established by or for the employees of a single employer, or to trusts established by the Companies for the employees of subscribing employers, in each case with or without dependents.
- Except as otherwise specifically agreed by the Companies with respect to specific cases, are not issued to associations, multiple employer trusts, labor unions, labor-management or union welfare (Taft-Hartley) funds, non-employer-employee groups, or Third Party Administrator (TPA).
- The effective date of a new policy must be during the Term and the client must continue to be a client of Cigna throughout the Term.
- To receive compensation for a Qualifying Sale, a Producer must be the acknowledged Producer for the client as of the effective date of the Qualifying Sale.
- A qualifying account must have 25 or more employees to be eligible for the Cigna Producer Incentive Program.

“Account” will be defined as a client (employer, association or other group), policy, or case that has purchased either a Cigna Product, as defined above, or agreed to contract with Cigna for administration of its plan(s).

“Broker” will be defined as the national brokerage organization. For example, ABC Company with multiple regional offices (each an “Agency”) would be referred to as the Broker.

“Agency” will be defined as the local office of a national Firm. For example, the local offices of a national Firm would each be referred to as an Agency.

“Employees” will be defined as the number of people who have elected a health care plan.

“Broker or Consultant of Record” will be defined as the Broker Consultant or Writing Agent (“Producer”) designated by the policyholder or contract holder and recognized by the Company as entitled to receive commissions or service fees on a policy or contract to which this Agreement applies. In any case where the Producer is not receiving commissions or service fees, the Producer will be deemed to be Consultant of Record where Producer acts as the employer’s sole representative in the negotiation of the policy or any renewal thereof. The Producer will continue to be recognized as Broker or Consultant of Record for the duration of the applicable rate guarantee period, unless the employer has designated another Producer as its Broker or Consultant of Record.

“Company” refers to the Cigna Corporation, also referred to as Cigna and the Company.

Cigna New Business Bonus Provisions

- The effective date of the Cigna insurance policy, service agreement or Administrative Services Agreement sold must be during the Term and must remain in effect through the remainder of the Term.
- Sales of additional employees involving an existing Cigna client or a division of an existing client are excluded from the Medical New Business Bonus Program.
- Sales of new Medical employees to an existing Dental client will be included as a new sale for new payment and eligibility. The minimum new sales requirement must be achieved before payment is applied.
- Sales of new Dental employees to an existing Medical client will be included as a new sale for meeting the Dental eligibility minimum requirements.
- Sales to clients for which the Producer is the acknowledged Producer of Record at the time of the sale are included to the New Business Bonus calculation.
- New Business Bonus payment will be based on the enrolled employees as of the first day of the calendar month following the effective date of the product sold.
- Sales of products that terminate less than 12 months after the effective date of the product sold will be excluded from the New Business Bonus. Any qualification or payment based on the sale to such a client will be revoked, forfeited or, if already paid, returned by the Producer.
- Only sales of products, as determined by Cigna, that are first effective during the Term and that were not in effect on or earlier than January 31, 2019 will be used by Cigna in determining the qualification for and payment under the New Business Bonus Program.
- All Program payments are subject to the 2019 Program provisions specified herein.
- Medical and Dental eligibility will be determined independently and not in aggregate.
- The Specialty Ancillary (Rx/TBH/SL) carve-in’s must result in 500+ employees to an existing 500+ Medical ASO client. Carve-in rates applied to the Medical ASO employees.
- The Medical Net Growth Formula = broker’s Medical new employees + active ending Medical renewal employees / total Medical baseline employees; the resulting rate affects the new business bonus for medical product lines only. Based on the percentage from the above calculation, the medical new business bonus for all medical product lines can be reduced by 20% or can increase up to 40%.
- An additional \$3 per product is added to the 0500 ASO base rate of \$10 per employee. Add all three Ancillary products (Pharmacy, Stop Loss & Total Behavioral Health) to receive an additional \$5 per employee bonus for a total of \$24 per employee.

Cigna Retention Bonus Provisions

- The active employees by client at the end of Program Term will be used to determine the Retention calculation (25-499 or 500+).
- Qualification to the Retention Bonus Program will be based on the employees calculated (25-499 employees and 500+ employees) by product (Medical and Dental) separately. The Retention calculation will be determined by comparing the total enrolled covered renewed employees at end of program Term to the total enrolled covered employees at the beginning of the program Term.
- Eligibility for the Dental Retention Bonus is obtained by, (1) meeting the Medical and/or Dental New Business Bonus eligibility requirements and (2) meeting the Medical and Dental Retention minimum requirements.
- All earned incentives will be payable to the designated primary Producer Firm as determined by Cigna.
- If a client migrates from one Program-eligible Producer to another Program-eligible Producer by a Broker of Record change during the Term, the Broker of Record for the client at the end of the Term will receive the Retention Bonus Program compensation.
- All clients who terminate during the Term will be used in calculating the Retention Percentage but will not be considered in determining the Retention Bonus Program payment, no exceptions
- Retention Bonus Program payments will be made to the licensed and appointed Producer for the client on file with Cigna as of the end of the Term.
- The Medical Retention rate will result as a \$0.00 rate if all three ancillaries are carved-out, Pharmacy, Total Behavioral Health and Stop Loss even if Medical remains. Applies to Medical ASO with 500+ employees only.
- All Program payments are subject to the Program provisions specified herein.
- An Ancillary (Rx/TBH/SL) carve-out will result in a lowered per employee rate based on the applicable multiplier (Rx=.33, TBH=.33, SL=.33) to the Medical 500+ ASO rate and reduction is only applied to the client with incurred carve-out. Cases that do not start the program year with specialty products are not subject to the carve-out penalty.

Program Guidelines

The Programs described in this document supplement your commission agreement. The conditions of your compensation will be governed by your contract with Cigna. Please refer to your contract or commission agreement for specific details. The terms used in this document are defined in the Companies' rules applicable to payment of incentive compensation. Those rules are deemed to be an addendum to your contract or commission agreement. Cigna will have the discretion to interpret the terms of this Addendum and the incorporated Rules, and all decisions made in good faith by the Companies will be binding. Under guidance from the U.S. Department of Labor in Advisory Opinion 2005-02A, compensation paid under this Program will be allocated to specific policies for purposes of Form 5500, Schedule A reporting. Producers not wishing to participate in this incentive Program should send a written acknowledgement to their Cigna Sales Representative.

The Cigna Platinum Program ("the Program") and Cigna Cross-Sell Programs consist of the following:

- (a) The New Business Bonus Program ("New Business Bonus")
- (b) The Retention Bonus Program ("Retention Bonus")
- (c) The Cross-Sell Bonus Program ("Cross-Sell Bonus")

1. Term Of Program

The term of the Program will be from February 1, 2019 to January 31, 2020 (the "Term").

2. Eligible Participants

- (a) Subject to the terms and conditions of the guidelines set forth below, all licensed and appointed Producers are eligible for the Program. Producers who decline to participate must notify their Company representative in writing.
- (b) General agents are not considered eligible Producers; therefore, sales initiated through general agents who also act as the Producer will not be considered in determining qualification for payment under the Program.
- (c) Local offices (licensed and appointed Producers working within the same local geographic region, usually the same State) with the same business name and Tax ID may be combined for purposes of participating in this Program. Each entity must sell one case minimum during the Program year to warrant consolidation and payment. Request to combine must be received by 6/30/19 to be applicable to the 2019 Program Term. Regional offices expanding across state boundaries will not be combined without valid business reason by the company to consolidate.
- (d) Qualification requirements will be determined by reviewing the Accounts sold, and renewed, by each Agency's local office location. Qualification requirements are not measured by the Account's location.
- (e) Producers or Writing Agents who work for a Producer Agency will be included at the Agency level for qualification and paid at the Agency level. Other Producer relationships will be reviewed on an ad hoc basis for roll-up purposes.

3. Rewards For Service

The Program rewards qualifying Producers for performing services which are designed to help us provide our products and services more effectively. Compensation under this Program is contingent on performance of the following services to the satisfaction of the Companies:

- (a) Advising Cigna with respect to product needs of the marketplace, new product introductions of competitors, and trends in the marketplace which may impact the success of Cigna.
- (b) Making time available for a Company representative to overview existing and new product features.
- (c) Providing the Company with periodic reports concerning policyholder satisfaction with Cigna coverages and overall performance; success in selling quotations and reasons for failure to sell; reasons for termination of policies; and information that will enable Cigna to improve service, sales and retention.

4. Disclosures

- (a) Producers are required to disclose to clients, prior to the close of the sale or renewal, the Producer's eligibility to receive compensation under the Program.
- (b) Disclosure of the Program details will be made by the Company to the client during initial implementation of a new client and during renewal of an in-force client.

- (c) The amount paid for a client under the Program will be disclosed to the client on an Annual Policy Information Report (ERISA Form 5500 information).
- (d) Bonus payments under the Program are subject to the terms and conditions of Cigna's Producer Compensation Disclosure Policies that require that Producers disclose to clients, prior to the close of the sale or renewal, the Producer's eligibility to receive bonus compensation under the Program.

5. Limits, Minimums and Maximums

- (a) The maximum compensation to be paid to a Producer Agency in aggregate under the New Business Bonus Program and the Retention Bonus Program combined is \$600,000.
- (b) The maximum compensation to be paid to a Producer Agency in aggregate under the New Business Bonus Program is \$300,000.
- (c) The maximum compensation to be paid to a Producer Agency in aggregate under the Retention Bonus Program is \$300,000.
- (d) The maximum compensation to be paid per stand alone Medical or Dental client under the New Business Bonus Program or the Retention Bonus Program is \$35,000 or \$50,000 per client if Medical and Dental are combined under the same client. The \$50,000 combined Medical and Dental cap is applicable to the New Business Bonus Program only.
- (e) The maximum compensation to be paid to a Producer Agency that sells a qualified new Shared Returns, Minimum Premium, or 50% Dividend Eligible client is \$200,000 per new Account sold. Shared Returns, Minimum Premium, or 50% Dividend Eligible New Business bonus is included within the New Business Bonus Program maximum compensation of \$300,000 and overall Producer Agency maximum compensation of \$600,000.

6. Product Lines

The following Cigna product lines and Funding Types are eligible for the Incentive Program:

- Medical (Administrative Services Only (ASO); Guaranteed Cost (GC) plans); Shared Returns (SR) / Minimum Premium (MP) or 50% Dividend Eligible (50% DE) plans; Pharmacy (RX); Total Behavioral Health (TBH); Stop Loss (SL); SureFit
- Dental (Administrative Services Only (ASO) and Guaranteed Cost (GC) plans)

7. Payment

- (a) Compensation for the New Business Bonus, the Retention Bonus and the Cross-Sell Bonus will be calculated as of January 31, 2020 and paid approximately 120 days following the Term. All determinations concerning the calculation of compensation will be made by the Companies in their sole judgment, exercised in good faith, and will be conclusive. Each Company will be severally liable for the payment of the compensation so determined which will be due and payable as of the date the calculation is delivered to the Producer.
- (b) Checks or Electronic Funds Transfers (EFT) will be mailed or transferred directly to the Producer's address or bank account.
- (c) Subject to all of the terms and conditions of the Program, eligible Producers will be paid in accordance with the schedules herein.
- (d) Cigna will exclude any policy which the Producer or policyholder has requested in writing be excluded from consideration for purposes of calculation or payment of compensation.
- (e) A signed and executed Client and Benefit Advisor Acknowledgment Form (CBAF), for commissionable cases, or Consultant Acknowledgment Form (CAF), for non-commissionable cases, is required before any payment can be processed.

8. Final Determinations

- (a) Cigna will consider sales involving non-commissioned governmental entities (e.g., cities, towns, counties, states, school boards, public hospitals, unions and non-profit organizations) in determining qualification or payment under the Program unless Cigna is directed otherwise in writing by the client.
- (b) Client splits (if applicable) at the employee level will be used for qualification for the Program or for applicable bonus payment.
- (c) No disputes about any payment under the Program will be considered unless communicated in writing to your Cigna representative within 90 days of payment receipt. Any retroactive payment revisions will not be considered after 90 days post-payment receipt.
- (d) Please contact your Cigna representative for questions relating to the Program.
- (e) Cigna reserves the right to modify or discontinue the Program or any component thereof at any time.

DRIVEN TO PERFORM

Cigna has a proven track record of growth. Key to our success of being the undisputed partner of choice is a dynamic strategy that leverages local insights and creates differentiated value for our customers and clients. Spurring further innovation, driving greater affordability and accelerating the creation of customer and client value relies on focus and partnerships with valued producers. Cigna will continue to drive to be best-in-class through innovative capabilities and win strategies by going deep, going global and going beyond.

To learn more about Cigna's capabilities, please contact your Cigna representative.



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