



Starting Plan Year: 2024

Ancillary Broker Bonus Program

from Blue Cross and Blue Shield of Illinois for producers residing in Illinois only.

Qualifying Group Benefits Product Lines of Coverage (on groups with 10 or more insured lives/contracts)

Life and Disability Product Lines

Employer-Paid Products		Voluntary Products	
Life/AD&D	Critical Illness	Short-Term Disability	Critical Illness Plans
Group Short-Term Disability Insured and ASO plans	Vision Care	Long-Term Disability	Vision Care
	Stand Alone AD&D	Life/AD&D	Stand Alone AD&D
Group Long-Term Disability	Accident Indemnity	Supplemental Life/AD&D	Accident Indemnity
Hospital Indemnity		Hospital Indemnity	

Dental Products

BlueCare Dental - Insured	BlueCare Dental - ASO
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- All group Life, STD, LTD, Vision, Accident and Critical Illness, and all BlueCare Dental coverages are eligible for compensation as described within this document.

- ASO STD and ASO Dental fees will be used to qualify for number of lines sold and Estimated New Annualized Premium qualification levels. For ASO STD, fees will also be used in calculating the actual bonus payout, however for ASO Dental cases, those will be paid out on a per contract basis, as specific in the chart.

Ancillary Group Benefits New Business Bonus Schedule and Qualifying Requirements

Option A: Line Count and Premium Qualifier

Estimated New Annualized Premium		# of Qualifying Lines Sold (on groups with 10 or more insured lives)	New Business Bonus	ASO Dental (per contract)
\$0 – \$99,999	and	10	No Bonus	No Bonus
\$100,000 – \$149,999	and	10	1.0%	\$2.00
\$150,000 – \$199,999	and	15	2.0%	\$2.00
\$200,000 – \$249,999	and	15	3.0%	\$2.00
\$250,000 – \$299,999	and	15	4.0%	\$2.00
\$300,000+	and	15	5.0%	\$2.00

Option B: Case Count and Premium Qualifier

Estimated New Annualized Premium		# of Groups Sold (on groups with 10 or more insured lives)	New Business Bonus
\$0 – \$999,999	and	2	No Bonus
\$1,000,000+	and	2	2.0%

- A broker can qualify for a New Business Bonus under Option A or B, but not both.

- Qualifying lines are for groups with 10 or more insured lives/contracts. Groups with 2-9 lives/contracts do not count toward the New Business Bonus.

- ASO dental coverages will be paid out on a per contract basis.

- Under Option A, if number of Qualifying Lines Sold is between 10-14, regardless of Estimated New Annualized Premium, the New Business Bonus payout will be 1%.

Ancillary Group Benefits Renewal Persistency Bonus Schedule

Renewal Persistency Bonus Schedule: In order to qualify, a broker must (1) qualify for the New Business bonus described above; and (2) have at least \$100,000 of Current Plan Year Renewal Premium

Persistency Rate	Bonus Amount (% of Annual Renewal Premium) ¹					ASO Dental (per contract)
	First \$50,000	Next \$25,000	Next \$25,000	Next \$100,000	Remaining	
95%+	7%	6%	5%	3%	1%	\$2.00
92 – 94.9%	6%	5%	4%	2%	1%	\$2.00
88 – 91.9%	5%	4%	3%	1%	0.5%	\$2.00
84 – 87.9%	4%	3%	2%	1%	0.5%	\$2.00

¹This Annual Persistency Bonus is determined by applying the percent applicable above to the Annual Renewal Premium of the applicable cases. Fees for ASO STD and ASO Dental cases count in the persistency rate calculation. If broker qualifies for a Renewal Persistency Bonus, ASO STD fees will also be used in calculating the actual bonus payout, however for ASO Dental cases, those will be paid out on a per contract basis, as specific in the above chart.

Terms & Conditions

This program only applies to business, coverages or policies issued by Us for qualifying lines of insurance beginning on the starting plan year (shown on reverse).

- **New Employer Group(s)** shall mean an employer group having at least 10 lives/contracts insured with an effective date in the Current Plan Year. To qualify as a New Employer Group, group must be in force for 12 months or must be in force at the time bonus is calculated. New Employer Groups effective 1/1 with a term date of 12/31 of the Current Plan Year will qualify as a group in force for 12 months.
- **New Line of Coverage(s)** have the same terms and conditions as a New Employer Group except the coverage is being added to an In-Force Employer Group.
- **Estimated New Annualized Premium** shall mean the first-year annualized premium for New Employer Group(s) & New Lines of Coverage(s) that are effective during the Current Plan Year. It will be used to determine qualification levels for the New Business Bonus.
- **Qualifying New Annualized Premium** shall mean the premium that is qualified and used for the actual calculation of the New Business Bonus as determined by all stated terms and conditions. For any dental New Employer Group(s) or New Lines of Coverage(s), this premium will be 75% of the Estimated New Annualized Premium. For any life and disability New Employer Group(s) or New Lines of Coverage(s), this premium will be 100% of the Estimated New Annualized Premium.
- For New Business Bonus Option B, an In-Force Employer Group will not be counted as a New Employer Group, even if an additional qualifying New Line of Coverage was sold.
- For the New Business Bonus, a broker can only qualify for Option A or Option B. Option B will only be used if the broker does not qualify for Option A.
- **In-Force Employer Group** shall mean an Employer Group having at least two employees (lives/ contracts) insured with an effective date on or before 12/31 of the Prior Plan Year.
- **Persistency Rate** is determined by dividing the Current Plan Year Renewal Premium by the Prior Plan Year Renewal Premium
 - 1/1 effective groups terminating on 12/31 of the Current Plan Year will count toward a broker's persistency rate.
 - 1/1 effective groups terminating on 12/31 of the Prior Plan Year will count against a broker's persistency rate.
- **Current Plan Year Renewal Premium** – If the In-Force Employer Group remains active as of the Current Plan Year, the premium will equal the Prior Plan Year Renewal Premium figure. If the group has a termination date on or before 12/30 of the Current Plan Year, then the Current Plan Year Renewal Premium is zero.
- **Prior Plan Year Renewal Premium** shall mean the estimated annualized premium per In-Force Employer Group. It is calculated using modal premiums that have been applied and are associated with the Prior Plan Year.
- **Qualifying Renewal Annualized Premium** is the non-first year premium that is qualified in use for the actual calculation of the Renewal Persistency Bonus as determined by all stated terms and conditions. It is only applicable for those brokers who qualify for the Renewal Persistency Bonus. For any dental In-Force Employer Groups, this premium will be 75% of the Current Plan Year Renewal Premium. For any life and disability In-Force Employer Groups, this premium will be 100% of the Current Plan Year Renewal Premium.
- For both New Employer Groups and In-Force Employer Groups, for any single Employer Group, the maximum eligible premium (cap) for the life and disability product lines is \$250,000 for bonus calculation purposes; for dental product lines, it is \$500,000; however, for both the life and disability and dental lines, the full estimated annualized premium (prior to cap or premium adjustment) will be used to determine New Business Bonus qualification levels and Persistency Rate.

Example: If the below group had the following lines of coverage with Us, the total estimated annualized premium would be \$1,105,000 and the qualifying annualized premium would be \$750,000, as outlined below.

Life and Disability Product Lines	Estimated Annualized Premium	Dental Products	Estimated Annualized Premium
Life	\$150,000	Insured Dental	\$800,000
LTD	\$150,000		
ASO STD Fees	\$5,000		
Total Estimated Annualized Premium	\$305,000		\$800,000
Total Qualifying Annualized Premium	\$250,000		\$500,000

- **Plan Year** shall mean a calendar year. It begins on 1/1 and ends on 12/31 of that calendar year
- **Current Plan Year** shall mean the Plan Year for which a particular Broker Bonus is being determined.
- **Prior Plan Year** shall mean the year previous to the Current Plan Year.
- **Qualifying Lines Sold** shall mean any of the qualifying product lines from New Employer Groups and New Line of Coverage(s) with a coverage effective date in the Current Plan Year
- **ASO** shall mean Account Services Only or Administrative Services Only. Fees for ASO employer groups, both new and in-force, will be used to determine the New Business Bonus compensation rate and Persistency Rate. However, assuming a new business or Renewal Persistency Bonus level is met, ASO dental groups will receive the applicable rate per contract while fees for ASO STD groups (or New Line of Coverage(s)), will be used in calculating the actual bonus payout.
- **Contract(s)** shall mean the number of employees that are associated with Our BlueCare dental products
- **PMPM** stands for per member, per month. It is a rate used to estimate annualized premium for BlueCare dental products. It is used to determine both Prior Plan Year Renewal Premium and Estimated New Annualized Premium.
- An employer group with more than one line of coverage with Us counts as one case regardless of the number of lines of coverage or policies under which benefits are provided. Multiple divisions or subsidiaries or affiliates related to one policyholder count as one case.
- Cases that terminate due to policyholder bankruptcy, merger or acquisition may be excluded in the Persistency Rate calculation if such case information is provided by the broker in advance of the calculation
- Only a contracted agent with Us is eligible for the bonus plan
 - New business bonus credit will be given to the original agent of record only
 - Persistency bonus credit will be given to the agent of record as of 12/31 of the Current Plan Year only-or- the agent of record at the time of an In-Force Employer Group's termination
- Compensation under the Bonus Program is not vested, and We reserve the exclusive right and discretion to interpret the program or to modify or withdraw it at any time
- In the event We terminate a relationship/contract with any broker 'for cause' as determined at Our sole discretion, any rights to compensation under the Bonus Program shall cease with such termination and no compensation shall be payable under this program.
- Any compensation paid under the Bonus Program will be disclosed on a Schedule A of Form 5500, if required. The agent agrees to disclose to Employer Group clients all such payments made to the agent pursuant to this Bonus Program.
- If there are multiple brokers, producers or agents involved with a case, policy or business, the total amount We will pay under the Bonus Program regarding any case, policy or business will be the amount that would have been paid for such case, policy or business if the bonus had been payable to only one party
- When compensation regarding any case, policy or business is to be split between more than one party, the premium associated with the group will be split in accordance with Our administration system; however, all parties will be granted full line count credit.
- We reserve the right in Our sole discretion, to determine how to allocate any bonus payable among those parties and Our decision in such matters shall be final
- Brokers can qualify for this Bonus Program only if they are not already participating in another additional or supplemental compensation program with Us, with the exception of the Blue Leader Program. All coverages not listed as an eligible line of coverage for this Bonus Program and written thru Us are still eligible for that program.
- The broker's state of residence, as listed on Our administrative system, will be the sole determination as to which Bonus Program is utilized. However, regardless of which plan is used, all qualified groups, regardless of their state location, will be used to determine a broker's eligibility and payout for the program.
- General agents and Third-Party Administrators (TPAs) are not eligible for this program. In addition, any Employer Group(s) written through a TPA is not eligible for this program.
- The terms "renewal" and "persistency" are synonymous.
- The terms "agent" and "broker" are synonymous.
- The terms "We" or "Us" or "Our" refers to Blue Cross and Blue Shield of Illinois
- The term "Bonus Program" refers to Our Ancillary Broker Bonus Program
- Dental Network of American (DNOA) is the administrator of BlueCare dental products. Ancillary Broker Bonus proceeds related to dental products will be paid by DNOA.
- For brevity, both a New Employer Group or In-Force group may be referred to as a "group" or "case" throughout this document.
- Employer groups with a situs state of MI do not qualify for payment or toward any qualifications that must be met.