



September 19, 2014

Dear Broker:

As we approach the end of what has been a challenging year for us all, I am pleased to share some good news with you about our 2015 broker compensation programs. We will be increasing some of our base commission rates, while maintaining 2014 levels for others.

Below are some of the highlights of our 2015 broker compensation:

- Renewal commission rates for Individual Affordable Care Act compliant plans renewing or after January 1, 2015 will be paid \$12.00 Per Member Per Month (PMPM). This is an increase from the current \$9.00 PMPM rate.
- For grandfathered Individual plans (non-ACA compliant), base commission rates will remain unchanged and will continue with a percent of premium methodology.
- For Group business we are increasing our renewal commission rates by \$1.00 PCPM in the 4 – 14 and 15 – 50 market segments. All other commission rates will remain the same.
- Group and Individual commission rates will continue to be the same on the public exchange or off-exchange.

Here are the details regarding commissions for the specific market segments:

Individual Business – Base Commission Rates

For ACA-compliant plans, the base commissions will continue on a Per Member Per Month (PMPM) methodology.

The 2015 commission rates for ACA-compliant plans will be:

First Year	Renewal Year
\$18.00 PMPM	\$12.00 PMPM

Group Business – Base Commission Rates

Commission rates for all Group business will continue to be paid on a Per Contract Per Month (PCPM) basis. The commission rates for new business and renewals with effective dates of January 1, 2015 and later will be:

Initial Enrollment	First Year	Renewal Year
2 – 3	\$30.00 PCPM	\$20.00 PCPM
4 – 14	\$35.00 PCPM	\$30.00 PCPM
15 – 50	\$30.00 PCPM	\$25.00 PCPM
51 – 99	\$25.00 PCPM	\$20.00 PCPM
100 +	Single Case Agreement	Single Case Agreement

Group Business – Association Service Fees

In the 2 – 50 market segment, Value Added Associations are paid a service fee, which is deducted from broker commissions. We will continue this program, with no change in the service fees for 2015 as follows:

New Sales

Effective January 1, 2015, the service fee for new sales in the 2 – 50 market segment will continue at \$12.00 PCPM for Associations, but broker commission reduction for these Associations will remain at current rates of either \$5.00 PCPM or \$2.50 PCPM depending on the specific Association agreement.

Renewals

For renewals effective January 1, 2015 or later, the service fee paid to Associations will remain at either \$2.00 PCPM or \$1.00 PCPM depending on the specific Association agreement. For brokers with Value-Added Association groups in the 2 – 50 market, the PCPM commission will be reduced by the amount of the service fee.

New Sales Bonus for 2 – 50 Groups Effective December 2014 or January 2015

For new groups in the 2 – 50 market, effective in December 2014 or January 2015, we will pay \$100 per enrolled contract, payable at \$8.33 per contract per month for 12 months provided the group remains in effect for the full 12 months. This additional payment will be made on the normal monthly commission payment cycle and will be reflected on the commission statement.

We are looking forward to an exciting 2015 and to working closely with you to support our customers as we continue to meet the challenges and opportunities of the Affordable Care Act. Our commitment to our broker distribution channel remains strong and we appreciate the support you have given us in 2014. We recognize that, in many cases, this has been a challenging year for all of us, and that is why we are particularly pleased to be able to increase our commission rates in many of our market segments, while maintaining the same rates in others. Thank you for your business and for your partnership with us. We wish you all the best for 2015.

Sincerely,



Jeff Ricketts
Regional Vice President
Virginia Sales