Producer compensation plan

Fully insured commercial business with attachment B

Providence Health Plan’s producer compensation program builds long-term relationships with successful producers who choose group health insurance as their primary business. It rewards those producers who support both new business and retention with Providence.

Jan. 1, 2011
Our producer compensation plan includes:

- Per-member per-month commissions for groups with 200 or fewer members
- Percentage of premium commissions for groups with more than 200 members
- New group bonus

This program applies to fully-insured commercial business only.

Earning a new appointment

Before Providence Health Plan will issue quotes for new group business, you must be an appointed producer.

- Complete and return our appointment application. Please provide all information requested, including references. The application will be reviewed with consideration for professional association affiliation, group health insurance focus, and congruence with Providence core values. This application includes:
  1. A completed Agency and Commission Agreement
  2. A copy of current Errors and Omissions Policy, stating policy holder name, policy limits ($1 million minimum aggregate coverage) and policy effective dates
  3. A copy of your current producer/agency license(s)
  4. A completed W-9 form for accounting purposes
- Attend and complete a Providence Health Plan producer training session
- Achieve a minimum of 50 members by the completion of the first full calendar year as a Providence Health Plan appointed producer. (Example: If you are appointed in June 2011, you have until Dec. 31, 2012, to achieve the minimum membership requirement.)

Maintaining an existing appointment

Producers who are currently appointed with Providence Health Plan are required to meet the following appointment standards:

- Maintain 50 enrolled members, based on Providence Health Plan records as of Dec. 31 of each calendar year
- Attend at least one Providence Health Plan producer education session/forum during each calendar year
- Maintain current license in Oregon and/or Washington
- Maintain $1 million in errors and omissions coverage at all times
- Comply with all provisions of the Providence Health Plan agency agreement
Groups with 200 or fewer members
For each service agreement for groups with 200 or fewer members (subscribers and their enrolled dependents). A new group bonus is paid only for groups that are new to Providence Health Plan.

<table>
<thead>
<tr>
<th>Enrolled members per group</th>
<th>Per-member rate (paid monthly)</th>
<th>New group bonus (paid one time, one month after new enrollment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 9</td>
<td>$14.27</td>
<td>$100</td>
</tr>
<tr>
<td>10 to 25</td>
<td>$14.27</td>
<td>$200</td>
</tr>
<tr>
<td>26 to 50</td>
<td>$11.25</td>
<td>$400</td>
</tr>
<tr>
<td>51 to 75</td>
<td>$9.34</td>
<td>$400</td>
</tr>
<tr>
<td>76 to 100</td>
<td>$8.74</td>
<td>$400</td>
</tr>
<tr>
<td>101 to 125</td>
<td>$7.91</td>
<td>$600</td>
</tr>
<tr>
<td>126 to 150</td>
<td>$7.79</td>
<td>$600</td>
</tr>
<tr>
<td>151 to 175</td>
<td>$7.08</td>
<td>$600</td>
</tr>
<tr>
<td>176 to 200</td>
<td>$6.86</td>
<td>$600</td>
</tr>
</tbody>
</table>

Commissions will be paid based on the initial member enrollment number for the effective date of a new group (or each year when the group renews) and will stay at that rate for the contract year.

Groups with more than 200 members
For each service agreement for groups with more than 200 members (subscribers and their enrolled dependents). A new group bonus is paid only for groups that are new to Providence Health Plan.

<table>
<thead>
<tr>
<th>Enrolled members per group</th>
<th>Commission rate (paid monthly)</th>
<th>New group bonus (paid one time, one month after new enrollment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>201 to 500</td>
<td>Sliding 6% scale; see below</td>
<td>$1,500</td>
</tr>
<tr>
<td>more than 500</td>
<td>Sliding 6% scale; see below</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

From our Agency and Commission Agreement
- All premiums paid under a single, master group service agreement designated as such by Company shall be aggregated and considered a single premium. Commissions shall be issued to Agent no later than the fourth Wednesday of the month for the previous month’s paid premium following Company’s receipt and acceptance of the relevant premium. If a policy is canceled, Agent shall refund to Company a portion of the commission for said policy, pro rata with the amount of the premium refunded.
- Annual premium starts on the date the group service agreement is effective and continues for the duration of the contract period. Commissions are negotiable on contracts that are longer or shorter than 12 months.
- Company may modify the above commission schedule with written notice. Agent shall be deemed to have accepted the modified commission schedule unless Agent provides 90 days prior written notice of termination of the Agreement to Providence Health Plan. In such event, the Agreement shall be cancelled and terminated 90 days after Providence Health Plan receives such notice.

Premium Steps | Annual Premium Amount | Commission Percentage
---|-----------------------|-----------------------|
First | $0–30,000 | 6%
Next | $30,001–50,000 | 5%
Next | $50,001–100,000 | 4%
Next | $100,001–300,000 | 3%
Next | $300,001–500,000 | 2%
Next | $500,001–1,000,000 | 1%
Next | $1,000,001+ | 0.5%
OUR MISSION
As people of Providence, we reveal God's love for all, especially the poor and vulnerable, through our compassionate service.

OUR CORE VALUES
Respect, Compassion, Justice, Excellence, Stewardship

Portland, Beaverton and Eugene
503-574-6300 or 877-245-4077 (toll free)
Providence Health Plan mailing address:
P.O. Box 4327
Portland, OR 97208-4327

Portland office
Providence Office Park
Building 2, Suite 690
4400 NE Halsey St.
Portland, OR 97213

Beaverton office
3601 SW Murray Blvd., Suite 10
Beaverton, OR 97005

Eugene office
1500 Valley River Drive, Suite 200
Eugene, OR 97401

www.providence.org/healthplans/producers

Providence Health & Services, a not-for-profit health system, is an equal-opportunity organization in the provision of health care services and employment opportunities.