

SCHEDULE B GROUP PLAN COMMISSIONS

SOLICITED POLICIES

Subject to the terms of this Group Plan Commissions Schedule and of the Commercial Agency/ Independent Producer Agreement to which it is attached, the Agency is hereby authorized to solicit applications for Group healthcare coverage.

COMMISSION SCHEDULE

For each such policy for which application is solicited by the Agency and accepted by PacificSource, PacificSource will pay a commission to the Agency based on group size in accordance with the following Commission Schedule. Group size is determined at initial enrollment and reviewed at renewal each year. Medical and dental premium and commission are calculated separately. In no case shall PacificSource vary the commission level on a small employer group.

COMMISSION SCALE / SCHEDULE

The following commission scale applies upon the effective or renewal date of the group policy:

Oregon	Medical	Family Dental	Pediatric Dental
Small Group Market	\$17.00 PMPM*	\$3.00 PMPM*	\$0
Large Group Market – 100 or Fewer Enrolled Employees	\$17.00 PMPM*	\$3.00 PMPM*	\$0
Large Group Market – 101 or More Enrolled Employees	Negotiated	Negotiated	\$0

Idaho	Medical	Family Dental	Pediatric Dental
Small Group Market (0-5)	\$26.00 PEPM	\$3.00 PMPM*	\$0
Small Group Market (6+)	\$32.00 PEPM	\$3.00 PMPM*	\$0
Large Group Market	Negotiated	Negotiated	\$0

Montana	Medical	Family Dental	Pediatric Dental
Small Group Market	\$17.00 PMPM*	\$3.00 PMPM*	\$0
Large Group Market	Negotiated	Negotiated	\$0

** PMPM commissions for children are capped consistently with premium.*

PAYMENT OF COMMISSIONS

Premium Tolerance – Commission will only be paid once the premium received meets the premium tolerance of 60% for group policies. Once an employer group has paid at least 60% of their billed premium, PacificSource will pay commission on that group.

Premium Paid – Commissions will apply only to premiums or payments paid to, received, and accepted by PacificSource during the term of such policies. Commission paid is based on same percentage of premium received (i.e., If group pays only pays 80% of their premium, only 80% of the commission is paid). If any premium earned and paid to PacificSource is adjusted because of retroactive or pro rata payments, the commission paid will be adjusted accordingly on the next commission payment.

Retrospective Funding Financial Arrangements – No additional commission will be paid if the client owes money under the retrospective funding financial arrangement at the end of the contract period. In addition, PacificSource will not ask for a return of commissions if the group client receives a refund from PacificSource.

Self-Funded / ASO – If an ASO agreement is terminated, no additional commission will be paid to the Agency during the run-out period.

Waived Premium – Commissions will not be payable on any premiums or other payments due to PacificSource which are waived under the terms of a policy or other agreement with a policyholder.

Canceled Policy – If a policy is canceled and the Agency already has received commission for such policy, the Agency agrees to refund to PacificSource a portion of the commission for said policy, pro rata with the amount of the premium refunded.

DELIVERY OF COMMISSIONS

The Agency has the option of having its commission checks direct deposited or mailed. In no case can an Agency pick-up its commission check or have it hand delivered.

COMMISSION SCHEDULE MODIFICATION

PacificSource may modify the above commission schedules with advance written notice. The Agency shall be deemed to have accepted the modified commission schedule unless the Agency provides prior notice. In such event, the Agency/Independent Producer Agreement between PacificSource and the Agency shall be cancelled and terminated.

APPROVED:

PacificSource Health Plans



by: John Espinola, MD
President, Chief Executive Officer

Agency Principal

Signature

Name (printed or typed)

Date