

EXHIBIT F
Agency Agreement
SCHEDULE OF COMMISSIONS

A. Individual Market

QHPs are solely responsible for compensating Agencies and Agents for plans sold in the Individual Exchange. Compensation rates are set by QHPs and may vary depending on the terms and conditions established by agreement with Agent or Agency.

B. Employer Groups with 1 to 50 Enrolled Employees

The following is the Schedule of Commissions for new CCSB employer groups that have 1 to 50 Enrolled Employees:

Effective date 1/1/2014 – 12/1/2017		Effective date 1/1/2018 - Later	
1 st Year	6.5%	1 st Year and after	5.0%
2 nd Year	6.2%		
3 rd Year	5.9%		
4 th Year	5.6%		
5 th Year	5.3%		
6+ Years	5.0%		

Should an employer group exceed 50 Enrolled Employees, the above Schedule of Commissions shall not change to the schedule identified in Subsection B of Exhibit F below. The above Schedule of Commissions shall apply so long as the Employer Group fulfills the CCSB eligibility requirements as identified in 10 CCR § 6522. The sole factor to determine the applicable Schedule of Commissions is the number of Enrolled Employees in the employer group at the time the employer group enrolls in coverage through CCSB.

C. Employer Groups with 51 to 100 Enrolled Employees

For employer groups with 51 to 100 Enrolled Employees, the Schedule of Commissions shall be 5.0%. Should an employer group fall below 51 Enrolled Employees, the commission rate shall remain at 5.0% and will not change to the Schedule of Commissions identified in Subsection A of Exhibit F above. This Schedule of Commission shall apply so long as the Employer Group fulfills the CCSB eligibility requirements as identified in 10 CCR § 6522. The sole factor to determine the applicable Schedule of Commissions is the number of Enrolled Employees in the employer group at the time the employer group first receives coverage through CCSB.

Unless all parties agree to sooner effective date, the Exchange may modify or replace its commission schedule upon forty-five (45) calendar days prior notice to Agency. Such modified or replacement schedule shall apply to all other QHPs sold by Agent effective on or after the effective date of such modification or replacement. The Exchange will provide

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Agency Agreement
SCHEDULE OF COMMISSIONS

Agency with an updated “Schedule of Commissions” whenever changes occur by posting such changes to hbex.coveredca.com/agents. No formal amendment is required for changes or modifications to the “Schedules of Commissions”. **By executing this Agreement, the Contractor understands and accepts that the Exchange may modify or replace its commissions schedule upon forty-five (45) calendar days prior notice to the Agency and that any modified commissions schedule will be posted to hbex.coveredca.com/agents.**

D. Incentive Program

Pursuant to Section A(2)(a) of Exhibit B in the Agency Agreement (Rev. April 2017) and the Agent Agreement (Rev. July 2016), the Exchange hereby updates its Schedule of Commissions to include a performance incentive or “bonus” program that provides additional compensation above the standard agent commissions. The program applies to new to Covered California for Small Business (CCSB) groups with initial effective dates of 1/1/18, 2/1/18, 3/1/18, 4/1/18, 5/1/18, and 6/1/18. Agencies and Agents must strictly comply with the program rules in order to qualify for incentive payments. The Exchange shall not be liable for any payments after cancellation of the program. The Exchange retains sole discretion to determine compliance with the program rules.

As set forth below, the Exchange will pay incentive payments to Agency in addition to standard commission payments as set forth in Sections A(2)(a) of Exhibit B in this Agreement. The Exchange shall report the incentive payments on Forms 1099 and 5500, as well as any other reporting as required by law.

The Incentive Program as set forth in this section is subject to cancellation or modification at any time by the Exchange without prior notice to Agency. The Exchange will make a good faith effort to notify Agency of any modifications to the Incentive Program. The Exchange shall not be liable for payment of any incentive payments after cancellation of the program.

Agency Incentive Structure

Group Size (in Enrolled Employees)	Incentive
1 - 5	\$ -
6 - 15	\$500
16 - 25	\$1,000
26 - 50	\$2,500
51 - 100	\$5,000

1. The terms and conditions for the Incentive Program are as follows:

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SCHEDULE OF COMMISSIONS

Initial Payout Incentive

- a. Applies to new to Covered California for Small Business (CCSB) groups with initial effective dates of 1/1/18, 2/1/18, 3/1/18, 4/1/18, 5/1/18, or 6/1/18.
- b. Subscriber count (i.e. enrolled employee count) is determined at time of initial enrollment as counted in CCSB systems and is based on medical subscribers only. No retroactive additions will be eligible for incentive payment. Dependents of enrolled employees are not counted.
- c. Groups must satisfy standard CCSB binder payment requirements for enrolled employees to count towards incentive program payments.
- d. No pro-ration of target values will take place.
- e. Business written through partnering General Agencies qualifies.
- f. The Exchange intends to issue incentive payments 90 days following the effective month of a qualifying group. The Exchange may modify its payment schedule at any time.
- g. Agency may participate in this incentive program so long as it maintains active certification required by Section C(2) of Exhibit A and otherwise complies with all provisions in this Agreement.
- h. Bonus payments are in addition to regular sales commissions. Bonus payments will be reported on Forms 1099 and 5500 and as otherwise required by law, including reporting required by California AB 2589 (January 2009).
- i. If applicable, Agency shall disclose commissions and other payments as required by law.
- j. The Exchange may cancel or modify this incentive program at any time without prior notice to the Agencies and Agents participating in the program. The Exchange shall not be liable for payment of any incentive payments after cancellation or termination of the program.