

Covered California

EXHIBIT F
Agency Agreement
SCHEDULE OF COMMISSIONS

SCHEDULE OF COMMISSIONS**A. Individual Market:**

QHP Issuers are solely responsible for compensating Agencies and Agents for plans sold in the Individual Exchange. Compensation rates are set by QHP Issuers 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 CCSB employer groups that have 1 to 50 Enrolled Employees:

Effective date 1/1/2014 – 12/1/2017

1 st Year	6.5%
2 nd Year	6.2%
3 rd Year	5.9%
4 th Year	5.6%
5 th Year	5.3%
6+ Years	5.0%

Effective date 1/1/2018 – Later

1 st Year and after	5.0%
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Should an employer group exceed 50 Enrolled Employees, the above Schedule of Commissions shall not change to the schedule identified in Section C 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 Section B of Exhibit F above. This Schedule of Commission shall apply so long as the Employer Group fulfills the CCSB

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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.

D. Modification to Schedule of Commissions:

Unless all parties agree to sooner effective date, Covered California 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. Covered California will provide Agency with an updated "Schedule of Commissions" whenever changes occur by posting such changes to:

<https://www.coveredca.com/agents/>. No formal amendment is required for changes or modifications to the "Schedule of Commissions". By executing this Agreement, the Contractor understands and accepts that Covered California 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: <https://www.coveredca.com/agents/>.

E. Incentive Program:

1. Pursuant to Section A of Exhibit B, Covered California incorporates a performance incentive or "bonus" program into this Schedule of Commissions that provides additional compensation. The program applies to new Covered California for Small Business (CCSB) groups with initial effective dates of 7/1/25, 8/1/25, 9/1/25, 10/1/25, 11/1/25, 12/1/25, and 1/1/26. Agencies and Agents must strictly comply with the program rules to qualify for incentive payments. Covered California shall not be liable for any payments after cancellation of the program. Covered California retains sole discretion to determine compliance with the program rules.

As set forth below, Covered California will pay incentive payments to Agency in addition to standard commission payments as set forth in Section A of Exhibit B in this Agreement. Covered California shall report the incentive payments on Forms 1099 and 5500, as well as any other reporting as required by law.

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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. Covered California will make a good faith effort to notify Agency of any modifications to the Incentive Program. Covered California shall not be liable for payment of any incentive payments after cancellation of the program.

**Agency Incentive Structure
Table**

Group Subscriber Size	Tier 1 Agency earns bonus after submission of 3rd group	Tier 2 Agency earns increased bonus after submission of 6th group
51-100	\$8,000	\$12,000
26-50	\$4,000	\$6,000
11-25	\$2,000	\$3,000
5-10	\$1,000	\$1,500

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

Initial Payout Incentive:

- a. Applies to new Covered California for Small Business (CCSB) groups with initial effective dates of 7/1/25, 8/1/25, 9/1/25, 10/1/25, 11/1/25, 12/1/25, and 1/1/26.
- b. Agency must submit minimum of three groups to qualify for bonus program.
 - After qualifying with third group submission, group submissions 1-5 will be paid based on applicable subscriber size category (see *Agency Incentive Structure Table, Tier 1*)

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- Agencies who submitted 6 or more groups during the duration of incentive period shall receive the incentive payment applicable to group subscriber size listed in Tier 2 of the Agency Incentive Structure. If an Agency had previously received an incentive payment for groups under Tier 1 of the Agency Incentive Structure Table, it would receive a retroactive incentive payment of the difference between the Tier 1 and Tier 2 payment amounts for those groups. Agencies will be paid no more than the amount listed in Tier 2 for any group enrolled during the incentive period.
- c. To be eligible, the Employer Group must remain in force and pay premiums in full for ninety (90) days from their effective date of coverage.
- d. 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.
- e. Groups must satisfy standard CCSB binder payment requirements for enrolled employees to count towards incentive program payments.
- f. No pro-ration of target values will take place.
- g. Business written through partnering General Agencies qualifies.
- h. Covered California intends to issue incentive payments forty-five (45) days following the ninety (90) day requirement outlined in Section E(2)(c) of Exhibit F. Covered California may modify its payment schedule at any time.
- i. 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.
- j. 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).

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- k. If applicable, Agency shall disclose commissions and other payments as required by law.
- l. Covered California may cancel or modify this incentive program at any time without prior notice to the Agencies and Agents participating in the program. Covered California shall not be liable for payment of any incentive payments after cancellation or termination of the program.

F. Direct Deposit for Employer Group Commissions:

1. Agency may elect to enroll in direct deposit to receive standard commission payments as set forth in Section A of Exhibit B of this Agreement and incentive program payments as set forth in Section E of Exhibit F of this Agreement for CCSB employer groups by electronic funds transfer (EFT). Agencies enrolled in direct deposit will have their standard commission payments and incentive program payments deposited in their designated account.
2. Agency must be certified by Covered California to enroll in direct deposit. The Agency Manager Level 2 or Authorized Signer has the authority to initiate, change, or cancel direct deposit.
3. Agency shall be solely responsible for providing, maintaining, and updating their banking information for direct deposit. Agency must promptly report any changes to Covered California to prevent payment delays or errors. Covered California shall not be liable for payment errors or delays resulting from incorrect or outdated banking information provided by Agency. If Agency takes an action that leads to a direct deposit being rejected by the designated financial institution, Covered California is not responsible for issuing supplemental payment until the amount of the nonaccepted deposit is returned to the State by the financial institution.
4. If at any time the amount of the commission payment or incentive program payment deposit exceeds the amount of the payment due and payable to Agency, Covered California will withhold a sum equal to the overpayment from future commission payments.
5. If Covered California terminates Agency without cause pursuant to Section H of Exhibit C of this Agreement or for cause pursuant to Section G of Exhibit C of this Agreement or if Agency fails to maintain certification with Covered California pursuant to Section C(2) of Exhibit A of this Agreement, Covered California will terminate the Agency's enrollment in direct deposit. Covered California reserves the right to terminate an Agency's direct deposit at its discretion, which may result in the Agency receiving a paper warrant.