

BROKER COMMISSIONS AND REWARDS | CALIFORNIA

Unlock your sales potential in 2023

With our competitive commissions and bonus and reward programs, you can increase your earning potential and offer a quality health care solution that values the health and well-being of your clients in 2023.

Commissions for large groups

Medical payouts

Groups with 101+ full-time equivalent employees

All new and renewing commissionable large groups (101+ full-time equivalent employees) in California are paid commissions based on a percent of the premium in accordance with your broker agreement and confirmed by the policyholder.

Dental payouts

Group membership	Payout (per member per month)
KPIC PPO and fee-for-service	\$2.74
Dental HMO (DeltaCare® USA)	\$1.37

For the latest rules and conditions on broker commissions and rewards, go to account.kp.org.

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Commissions for small groups

Medical payouts

Groups with 1 to 100 full-time equivalent employees

- ▶ **Effective January 1, 2017, commissions for new and renewing small groups** are paid at a flat 5% of premium.
- ▶ For small groups with aggregate premiums higher than \$1,000,000 in any group year, commissions will be paid at:
 - A flat 5% of premium up to \$1,000,000
 - A flat 1% of premium for aggregate premiums higher than \$1,000,000 in that group year
- ▶ **For renewing commissionable small groups (1 to 50 eligible employees) with effective dates between January 1, 2015, and December 1, 2016,** commissions will be paid at 5% of premium.
- ▶ **For renewing commissionable small groups with effective dates between July 1, 2008, and December 1, 2014,** commissions remain at 7% of premium.
- ▶ **For renewing commissionable small groups effective prior to July 1, 2008,** commissions are \$17.94 per member per month in 2022.^{1,2}
- ▶ **For small group business sold through CaliforniaChoice® or Covered California for Small Business (formerly known as the SHOP),** commissions are paid and administered by the participating agency.

Dental payouts

Group membership	Payout (per member per month)
KPIC PPO and fee-for-service	\$2.74
Dental HMO (DeltaCare USA)	\$1.37

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Total Replacement reward

You'll earn a one-time reward when Kaiser Permanente is the sole carrier for any of your new or renewing groups with effective dates of January 1, 2023, through December 31, 2023. The Total Replacement reward is only available for each qualifying total replacement group sale or renewal made directly with Kaiser Permanente. Sales not made directly with Kaiser Permanente are not eligible for this reward.

New groups

Number of subscribers enrolled	Reward
10 to 19	\$1,000
20 to 29	\$2,000
30 to 39	\$3,000
40 to 49	\$4,000
50 to 199	\$5,000
200 to 499	\$7,500
500+	\$10,000

► **Groups with Kaiser Permanente membership that leave or break away from exchanges** (for example, CaliforniaChoice and Covered California), associations, trust funds, unions, or professional employer organizations and select Kaiser Permanente as the sole carrier are not eligible for the Total Replacement reward program.

► **A Total Replacement reward will only be paid once for a group.**

Under specific circumstances, there are a few exceptions when a Total Replacement reward may be payable more than once on a given group policyholder:

- The employer group terminates their group policy with Kaiser Permanente and later adds Kaiser Permanente coverage with a total replacement after a minimum of 2 years.
- A total replacement group adds another health plan and becomes slice. The slice carrier is subsequently replaced by Kaiser Permanente and the group becomes a total replacement after a minimum of 2 years has elapsed. The Total Replacement reward payout would be based on the existing business reward scale applicable at that point in time.

► **If a group terminates within 90 days of its effective date or renewal date**, the Total Replacement reward will be rescinded.



How to qualify

To qualify for Total Replacement rewards, Kaiser Permanente must be the only employer-sponsored group health plan for all eligible subscribers for the employer's locations in California.

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Existing groups

Number of additional subscribers enrolled	Reward
5 to 9	\$500
10 to 19	\$1,000
20 to 29	\$2,000
30 to 39	\$3,000
40 to 49	\$4,000
50 to 199	\$5,000
200 to 499	\$7,500
500+	\$10,000

- ▶ **The Total Replacement reward for existing groups is based on the additional Kaiser Permanente subscribers** (net increase) added to Kaiser Permanente coverage.
- ▶ **Solely moving any individual plan subscriber to the employer group-sponsored plan** does not qualify them as an eligible subscriber for total replacement purposes.



Important information about Medicare plans

Kaiser Permanente Senior Advantage, our Medicare plan, is available to individuals and groups in California. However, unless you have a contract with Kaiser Permanente that explicitly authorizes you to sell our Medicare products, brokers aren't authorized to market or sell our Medicare plan or products, and Kaiser Permanente doesn't pay commissions for Medicare individual or group sales. If your clients request Medicare information, contact your Kaiser Permanente account representative.

Individual and Family Plan reward

As a broker, you play a valuable role – and we reward you for it. Our California broker compensation for Kaiser Permanente for Individual and Family (KPIF) new sales and renewals are paid in a tiered structure as follows:

New Sales

Number of new members	Compensation rate
1 to 250	\$13 per member per month
251 to 750	\$16 per member per month
751+	\$19 per member per month

Example: If you have 275 new sale members in a month, your compensation will be \$13 per member for the first 250 members, and \$16 per member for the remaining 25 members, for a total compensation of \$3,650 for that month. Members are considered "new sales" as long as the member remains active, or until they renew the next plan year.

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This reward applies for:

- ▶ **New members who enroll in a Kaiser Permanente plan** through Covered California – even if they transfer from a Kaiser Permanente plan not written through Covered California
- ▶ **New members who enroll directly** with Kaiser Permanente
- ▶ **Members who transfer** from another KP plan to a KPIF plan

A new member is defined as not having previous KPIF coverage or having prior coverage with at least a one-day gap in coverage. Compensation will be the same whether members enroll through Covered California or directly with us.

Renewals

Number of renewing members	Compensation rate
1 to 250	\$9 per member per month
251+	\$11 per member per month

Example: If you have 275 renewing members in January, your compensation will be \$9 per member for the first 250 members, and \$11 per member for the remaining 25 members, for a total compensation of \$2,525 for January. You will continue to be compensated monthly at the renewal rate as long as the member remains active.

Plus, new ways to earn more

Kaiser Permanente is offering a year-end bonus for individual and family plan members. If you have 50 or more renewed members in January 2023 and retained 70% of your total KPIF book of business by December 2023, you will receive a one-time retention bonus of \$40 per member which will be paid in January of 2024.

Group Production reward

Receive a one-time \$1,000 reward once you have enrolled 25 new members from new groups with effective dates of January 1, 2023, through December 31, 2023. **Plus, you'll get \$25 for every additional member enrolled after the first 25.**

Enrolled subscribers and each dependent count as members.

New group sales made directly with Kaiser Permanente, through CaliforniaChoice, Covered California for Small Business, or General Agencies are eligible for this reward. The reward is a one-time

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payment for new group member sales only, and it's not limited to employees.

- ▶ **Rewards for all eligible new sales** will be paid by Kaiser Permanente.
- ▶ **Groups with Kaiser Permanente membership that leave or break away from exchanges** (for example, CaliforniaChoice and Covered California), associations, trust funds, unions, or professional employer organizations and select Kaiser Permanente as the sole carrier aren't eligible for the Group Production reward program.



Get faster payments with direct deposit

Direct deposit is quicker and more secure than checks – and leaves you more time to focus on your business. Sign up on account.kp.org and get paid 3 to 5 days sooner than by mail.

Rewards rules and conditions

- ▶ **Participating brokers must be in good standing** and appointed by Kaiser Permanente with a current signed Kaiser Permanente broker agreement and current license on file as of the group's or member's effective date.
- ▶ **Brokers and consultants shall disclose to their clients** all commissions and other payments made to them by Kaiser Permanente and Kaiser Permanente Insurance Company in compliance with all legal requirements.
- ▶ **Bonuses and rewards are in addition to your regular sales commission** and will be reported on Forms 1099 and 5500, and as otherwise required by law, including reporting required by California AB 2589.
- ▶ **To receive bonus and reward payments**, you must be the broker of record on the effective date the group qualifies for the reward.
- ▶ **The maximum reward payment** for any single group is \$50,000 for all rewards combined.
- ▶ **Groups split among brokers for commission purposes** will be considered split for group rewards at the same ratio as commissions.
- ▶ **For group rewards**, new members are those who have the same effective date as the date the group qualifies for the reward.
- ▶ **For eligible sales not made directly with Kaiser Permanente**, reporting from the participating agency may delay reward payments.
- ▶ **Bonus and reward programs** are subject to change at any time.

Information may have changed since publication.

¹Doesn't apply to small group guaranteed associations.

²Northern California health plans sold prior to October 1, 1996, and Southern California health plans sold prior to January 1, 1995, aren't commissionable.