



Broker Compensation

For commercial products

Commission schedule
and
bonus program

effective January 1, 2021



All brokers who meet eligibility requirements can qualify for Fallon's bonus program!

Fallon Health's broker bonus rewards our brokers who have consistently worked with Fallon as collaborative partners. The bonus program provides a comprehensive way to reward retaining and writing Fallon business. We separate the Retention and New Business Bonus Plans and have a Top Seller Bonus Plan.

The compensation schedule outlined below and the bonus programs detailed on the following page will take effect January 1, 2021.

Large group compensation

Commission plan: New and existing business

Fallon Health's standard monthly commission schedule offers competitive compensation to our brokers, based on block of business:

For fully insured large group accounts with 51+ eligible subscribers:

NEW HMO and PPO commission schedule consists of:	EXISTING HMO and PPO commission schedule consists of:
4% commission on the first \$500,000 of paid premiums	3% commission on the first \$500,000 of paid premiums
2% commission on the next \$500,000 of paid premiums	2% commission on the next \$500,000 of paid premiums
1% commission over \$1,000,000 of paid premiums	1% commission over \$1,000,000 of paid premiums

Individual/small group compensation

For fully insured HMO subscribers and PPO small group accounts with less than 51 eligible employees, and individuals, the commission schedule consists of:

\$10 per subscriber per month for individuals and groups with one subscriber

\$20 per subscriber per month for individuals and groups of 2 – 50 subscribers

For information on compensation for selling our Medicare plans, please refer to our Agent/Broker Compensation Schedule and Plan for Medicare Brokers. Call the broker line at 1-888-746-4823 or visit fallonhealth.org/brokers.

Large group bonus for new sales

Subscribers	Bonus per sale
50-99	\$2,500
100 and larger	\$10,000

Bonus programs

Standard bonus program – large and small groups

Retention		
Eligibility requirements	Threshold	Payment
Brokers must have a minimum of 150 subscribers from existing groups and a minimum of 3 renewed groups by December 31.	90-95%*	\$25 per existing subscriber
	95% and greater*	\$50 per existing subscriber
New business		
All brokers eligible	Minimum 30 new subscribers sold	\$50 per existing subscriber

Top seller bonus program – large and small groups

Brokers must finish the bonus year with minimum of 525 new and existing subscribers at the end of the bonus year.

Retention		
Eligibility requirements	Threshold	Payment
Brokers must have a minimum of 150 subscribers from existing groups and a minimum of 3 renewed groups by December 31.	90-95%*	\$50 per existing subscriber
	95% and greater*	\$75 per existing subscriber
New business		
All brokers eligible	Minimum 30 new subscribers sold	\$100 per existing subscriber

*Threshold is retention of subscribers in large group only.

Additional terms

- Existing business is business that has renewed within the bonus year.
- Bonus applies to a broker's book of business in the respective bonus year.
- Bonus for retention purposes requires that the broker retains Broker of Record Status for the entire bonus year.
- Eligibility and threshold requirements are measured on December 31 of the respective bonus year. Bonus payment for that year is paid in April of the following year.
- Retention requires a minimum of 150 subscribers within existing groups, one large group and a minimum of three existing groups (Merged Market or large).
- Only commissionable business is eligible for the purpose of tracking and paying bonus.
- The compensation schedule is available to qualified brokers who are licensed by the Massachusetts Division of Insurance (DOI) and in good standing with Fallon and FHLAC.
- This compensation schedule does not apply to accounts written through intermediaries.
- For subscriber-based commissions, in setting the appropriate commission schedule, Fallon and FHLAC will use the membership and product report. This determination will be made monthly according to in-force subscribers.
- All standard commissions and bonus plans are calculated and paid on a calendar year basis.
- Fallon may pay broker commissions retroactively if a Broker of Record letter is not received by Fallon. An affidavit from the employer is required to verify the authenticity of the original date of issue.
- All commissions stop when the broker is deceased.
- If a broker's Massachusetts DOI license expires, Fallon will withhold commissions for up to one year from the expiration date. After that date, the broker's contract with Fallon will be terminated.
- Fallon will not pay broker commissions on a retroactive basis beyond a period of 12 months.
- Should a brokerage firm's license expire, the firm's contract with Fallon will terminate as of the license expiration date. There will be no retroactive compensation.
- If Fallon receives multiple Broker of Record letters, the most current letter will be honored.
- For Broker of Record changes, the new broker will be paid commission coincident with the first of the month following the date documented on the employer group letter noting the new Broker of Record status.
- On accounts with more than one broker, only the primary broker will be given credit in terms of measuring and paying bonus.
- A broker shall notify Fallon in writing of any acquisition or merger of/with any other broker. For the purpose of measuring and paying any earned broker bonus, Fallon will deem such acquisition as having occurred at the beginning of the year following the date of acquisition.
- Fallon and FHLAC reserve the right to review and change this compensation schedule at any time and to validate final bonus data in determining bonus payment amounts.
- With the exception of new large groups, brokers are not eligible for payment under more than one bonus program at the same time.
- Brokers are required to secure a minimum of \$1 million in E&O coverage.
- All non-standard commission arrangements require disclosure from the broker and the client that the client has been advised, and approval by Fallon Health.
- Self-funded and retiree groups are excluded.

**For more information, call your direct broker line at
1-888-746-4823, or visit fallonhealth.org/brokers.**