

Broker policies and procedures

I. Initial documents required in order to be qualified for Fallon/FHLAC Broker compensation:

- Fallon/FHLAC Brokerage Agreement signed and dated by licensed agent and the Manager of Sales Operations
- Copy of current Massachusetts resident broker's license/producer license, which must be current, in good standing and renewed within state guidelines
- Completed, signed and dated W-9 form. The top line, 'Name (as shown on your income tax return)' must match the Social Security number and/or the Employer Identification Number.
- Copy of the declaration page of licensed agent's E&O policy showing coverage of at least \$1,000,000; coverage must be maintained yearly

II. New business submission checklist

To access the new business submission checklist, go to: fallonhealth.org/brokers/Forms

III. Changes in Broker of Record:

Any broker changes to the account must be on employer stationery and signed by an officer of the company.

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.

If Fallon receives multiple Broker of Record letters, the most current letter will be honored.

Fallon reserves the right to verify Broker of Record status with the designated employer group.

If the Employer has a Broker of Record, the broker may be eligible to receive a commission based on the current broker fee schedule; Fallon/FHLAC will make specific commission information available on request. Employer agrees that the Plan may disclose to its Broker of Record member information for the purpose of assisting the Employer with its enrollment and/or disenrollment activities.

IV. Payment on existing direct non-brokered business:

- The broker must obtain a Broker of Record letter from the Employer, signed by an officer of the account.
- Broker compensation is contingent upon the number of Fallon or FHLAC subscribers increasing by 25% from the effective date of the new Broker of Record designation.

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V. Broker acquisitions/mergers:

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 or merger as having occurred at the beginning of the year following the date of the acquisition or merger. Fallon requires legal documentation and a new W-9 form for all acquisitions or mergers and company name and address changes.

VI. Retroactive commissions payments:

- 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.
- Fallon will not pay broker commissions on a retroactive basis beyond a period of 12 months.

VII. Broker compensation schedule:

- The Fallon standard broker compensation only applies to eligible Fallon/FHLAC fully insured commercial business.
- The compensation schedule is available to qualified brokers, including those paid through agencies, who are licensed by the Massachusetts Division of Insurance and in good standing with Fallon and FHLAC.
- Fallon and FHLAC reserve the right to review and change the compensation schedule.
- Commission shall be calculated on commissionable premium payments received by Fallon/FHLAC and/or subscriber-based calculations.
- As of December 31 of the previous year, each broker's beginning block of business determines their bonus program eligibility. Bonus payment will be determined by the following year's production.
- Bonus payments are calculated and paid on eligible commissioned accounts only.
- Brokers shall notify Fallon/FHLAC in writing within 15 days of the termination, expiration, surrender, suspension, revocation, or disciplinary proceedings relating to broker's license.
- It is the responsibility of any brokerage agency to ensure that all of its brokers are licensed by the Commonwealth of Massachusetts.
- Fallon/FHLAC will make specific broker commission and compensation information available to the broker's client on request.

To access the broker compensation schedule, go to: fallonhealth.org/brokers/doing-business/become-a-broker

For the Medicare commission payment information please go to: fallonhealth.org/brokers/doing-business/become-a-broker (Medicare Broker Kit).

If you have any further questions or would like additional materials, please call your sales executive or give us a call on the Fallon broker line at 1-888-746-4823.

fallonhealth.org/brokers

