

# 2024 Broker Compensation Program

Rhode Island



At Harvard Pilgrim, being a good partner to our brokers is about being a good listener and delivering the products, tools and resources you and your clients need. It's also about providing you with fair, competitive compensation designed to drive our mutual success.

# 2024 Group Commissions

## Small & Mid Group Commissions (Less than 51 enrolled)

For Rhode Island-based accounts, we will pay commissions to qualified brokers based on a per subscriber per month (PSPM) schedule. Commissions are paid each month based on the number of subscribers enrolled as of the last day of the prior month.

ENROLLED SUBSCRIBERS	MONTHLY COMMISSION
2-4	\$10 per enrolled subscriber
5-9	\$21 per enrolled subscriber
10-50	\$29 per enrolled subscriber

- Applies to accounts sold directly through Harvard Pilgrim.

## Large Group Commissions (51+ Enrolled)

Commissions are paid each month based on the number of subscribers enrolled as of the last day of the prior month. Commissions are calculated using a graded PSPM schedule. For example, commissions on a group of 250 subscribers would be paid \$29 for the first 50 subscribers, \$24 for the next 50, and \$11 for the remaining 150.

ENROLLED SUBSCRIBERS	MONTHLY COMMISSION
First 50	\$29 per enrolled subscriber
Next 50	\$24 per enrolled subscriber
101+	\$11 per enrolled subscriber

- Applies to fully insured and Medicare Enhance accounts only.
- Commission schedules are assigned to accounts based on the number of enrolled subscribers, not the rating class.

# 2024 Bonus Programs

## Retention Bonus

Retention business includes your current Tufts Health Plan subscribers migrating to Harvard Pilgrim. Retention bonuses are calculated annually based on the number of subscribers on 12/31/2024 compared to the number of subscribers on 12/31/2023. Bonus payouts below are applied to your entire book of retained subscribers.

LEVEL	FULLY INSURED RETAINED SUBSCRIBERS	80%	85%	90%	95%
Tier 1	5000	\$24	\$30	\$50	\$78
Tier 2	2000	\$17	\$21	\$38	\$65
Tier 3	1000	\$15	\$19	\$35	\$62
Tier 4	250	\$12	\$15	\$31	\$58

## New Business Bonus

The New Business Bonus provides an opportunity to receive a per subscriber payout on your entire book of new sales in 2024. Only 100 new subscribers needed to qualify, with no retention requirement.

LEVEL	FULLY INSURED NEW SUBSCRIBERS	BONUS
Tier 1	750	\$200
Tier 2	500	\$165
Tier 3	250	\$130
Tier 4	100	\$75

## Self-Funded Bonus

Any broker that qualifies for either the New Business Bonus or Retention Bonus would also receive an additional bonus payout on any ASO business they have with our organization.

SELF-FUNDED BOOK OF BUSINESS	PAYOUT PERCENT
Admin Fees	0.50%
Stop Loss	0.75%

## Commissions

- On an annual basis, we verify the number of enrolled subscribers in order to assign to the small or large group structure accordingly.
- If there are disputes regarding the interpretation of any of the details of this Broker Compensation Program, we reserve the right to final interpretations.
- The commission plan described herein applies to fully-insured groups with up to 1,000 eligible employees. For groups with 1,000 or more eligible employees, we reserve the right to negotiate a client specific schedule with the broker.

## Broker of Record Changes

- Upon receipt of a valid and dated letter on the account's letterhead and signed by an officer of the account changing the Broker of Record, we will make the change effective the first day of the month following receipt of the letter.
- Broker of Record letters will be honored up to 90 days from the date of the letter.
- The named broker must be credentialed with Harvard Pilgrim and/or Tufts Health Plan.
- Commission for newly written business will be paid to the original broker for the first 90 days, regardless of whether a new Broker of Record letter is received during this time period.
- If an account on which commissions are not being paid names a credentialed broker as its Broker of Record, we will pay commissions to that broker based on the commission schedule described in this brochure.
  - A valid and dated Broker of Record letter on the account's letterhead and signed by an officer of the account must be presented.
  - Commission payments will be payable beginning on the next anniversary date after Harvard Pilgrim or Tufts Health Plan receives the Broker of Record letter.
  - Applies to accounts sold directly through Harvard Pilgrim and/or Tufts Health Plan only.
- If we receive multiple Broker of Record letters on the same account, the most current letter will be honored.

## Bonus

- Subscribers acquired via agency acquisition will be added to both the current year and historical year for retention calculation purposes and assessed as of the aggregation date.
- Aggregation requests must be communicated to us by 7/1 in order to be considered for current year bonus calculations.
- Bonuses apply only to accounts sold directly through Harvard Pilgrim.
- Bonuses will be based on subscribers represented in 2024 and paid no later than March 31, 2025.
- Broker of Record Takeover accounts do not qualify as new business for bonus programs.
- A returning group will be considered "new" if there has been a minimum of 12 months since their last effective date.
- Subscribers represented by accounts lost due to a Broker of Record Letter but remain active with Tufts Health Plan and/or Harvard Pilgrim will be removed from the current and historical subscriber base to avoid the negative effect on retention calculations.
- Medicare Enhance membership is not eligible for bonus compensation.

## General

- The commission plans described in this brochure are available only to qualified brokers who are licensed by the Rhode Island Division of Insurance and who have signed the Harvard Pilgrim Broker Agreement and Business Associate Agreement.
- We reserve the right to change or modify this plan without prior notice.
- If there are disputes regarding the interpretation of any of the details of this Broker Compensation Program, we reserve the right to final interpretations.
- Subscriber total is counted across all states and bonus payment will be applied to the state in which each account is located.
- Error in Payment: The broker will reimburse us for any commissions erroneously paid to the broker for any reason and we also have the right to offset any overpayments from future payments. We will adjust payments to the broker for a period not to exceed the 12 months immediately preceding the date upon which we receive notice of any error. We may pay commissions retroactively if a Broker of Record is not processed correctly.
- We may also offer brokers the opportunity to participate in contests and special programs, which shall be deemed to be included in the Broker Compensation Program.
- Broker has the legal obligation to disclose to accounts any compensation paid or payable under this Program, including the disclosure obligations under the Consolidated Appropriations Act of 2021.