

**SCHEDULE K**

**COMPENSATION SCHEDULE FOR SENIOR BUSINESS (OH)**

**III. Commission**

**A. Payment on a Percentage of Original Premium (Over 65 Products – Any and All Modernized Medicare Supplement and Medicare Select)** – Subject to the Broker Agreement and except as noted in this Commission Schedule, commission payable on Broker’s Senior Business effective January 1, 2013 or later shall be paid on a percentage of Original Premium when premium is received by Company and appears on Company’s income file. Original Premium shall mean the premium rate on the member’s initial effective date of the Policy, regardless of whether the member changes plans, zip codes, underwriting levels, or agent/broker of record. Commission is not paid on rate increases, surcharges, Policy administrative fees, other fees, or changes to the Policy. For Medicare Supplement and Medicare Select Policy replacement sales, Commission shall be paid at the renewal percentage only. Any such first year and renewal Commission shall be calculated only for premium received by Company on Medicare Supplement and Medicare Select contracts issued, effective and in-force within a 12-month calendar year (January- December). Brokers shall begin each calendar year at Commission Tier Level 1 for new business. Commission shall be applied retroactively upon attaining a higher Commission Tier Level.

For Medicare Supplement and Medicare Select Policies effective on or after January 1, 2013, Commission shall be paid at the rate set forth in Table 1A, below.

<b>TABLE 1A</b>			
<b>Issue Age</b>	<b>Commission Tier Level</b>	<b>Years 1 – 6</b>	<b>Years 7+</b>
65+	Level 1: 1-10 lives	12%	4%
65+	Level 2: 11-25 lives	15%	4%
65+	Level 3: 26+ lives	18%	4%

**B. Payment on Original Premium (Over 65 Products- Medicare Supplement and Medicare Select)** – Commission payable on Broker’s Senior Business effective on or after January 1, 2010 through December 31, 2012 shall be paid on Original Premium when premium is received by Anthem and appears on Anthem’s income file. Original Premium shall mean the premium rate on the initial effective date of the Policy. Commission is not paid on rate increases, Policy administrative fees or changes to the Policy. For Policies issued in 2004 to which Original Premium applies, Original Premium shall mean the premium rate in effect at the time Anthem’s payment system converted to the Original Premium logic. For Medicare Supplement and Medicare Select Policy replacement sales, Commission shall be paid at the renewal rates only. All first year and renewal Commission shall be based upon actual premium paid for Medicare Supplement and Medicare Select contracts, issued, effective and in-force within a 12-month calendar year (January-December). Brokers shall begin each

calendar year at Commission Tier Level 1 for new business. Commission shall be applied retroactively upon attaining a higher Commission Tier Level.

For Medicare Supplement and Medicare Select Policies effective on or after January 1, 2010 through December 31, 2012, Commission shall be paid at the rate set forth in Table 1B, below.

TABLE 1B			
Issue Age	Commission Tier Level	Years 1 – 6	Years 7+
65+	Level 1: 1-10 lives	12%	4%
65+	Level 2: 11-25 lives	15%	4%
65+	Level 3: 26+ lives	18%	4%

For Medicare Supplement and Medicare Select Policies effective on or after March 1, 2009 through December 31, 2009, Commission shall be paid at the rate set forth in Table 2, below.

TABLE 2		
Benefit Plan	Years 1 – 6	Year 7 and after
Medicare Supplement and Medicare Select Plans	12%	4%

For Medicare Supplement and Medicare Select Policies effective on or after July 1, 2005 through February 28, 2009, Commission shall be paid at the rate set forth in Table 3, below.

TABLE 3			
Benefit Plan	Year 1	Years 2 – 10	Year 11 and after
Medicare Supplement and Medicare Select Plans	15%	7.5%	2%

For Medicare Supplement and Medicare Select Policies effective prior to July 1, 2005, Commission shall be paid at the rate set forth in Table 4, below.

TABLE 4			
Benefit Plan	Year 1	Years 2 – 10	Year 11 and after
Medicare Supplement and Medicare Select Plans	12%	6%	2%

**C. Payment on a Percentage of Premium (Over 65 Products-Group Trust Medicare Supplement)** – Commission payable on Broker’s Group Trust Senior Business shall be paid on a percentage of premium when premium is received by Anthem and appears on Anthem’s income file. For Group Trust Medicare Supplement Policy replacement sales, Commission shall be paid at the renewal rates only. All first year and renewal Commission shall be based upon actual premium paid for Group Trust Senior Business, issued, effective and in-force within a 12-month calendar year (January-December). Brokers shall begin each calendar year at Commission Tier Level 1 for new business. Commission shall not be applied retroactively upon attaining a higher Commission Tier Level.

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For Group Trust Medicare Supplement Policies effective on or after January 1, 2010, Commission shall be paid at the rate set forth in Table 5, below.

TABLE 5			
Issue Age	Commission Tier level	Years 1 – 6	Years 7+
65+	Level 1: 1-10 lives	12%	4%
65+	Level 2: 11-25 lives	15%	4%
65+	Level 3: 26+ lives	18%	4%

For Group Trust Medicare Supplement Policies effective on or after March 1, 2009 through December 31, 2009, Commission shall be paid at the rate set forth in Table 6, below.

TABLE 6		
Benefit Plan	Years 1 – 6	Year 7 and after
Group Trust Medicare Supplement Plans	12%	4%

For Group Trust Medicare Supplement Policies effective on or after July 1, 2005 through February 28, 2009, Commission shall be paid at the rate set forth in Table 7, below.

TABLE 7			
Benefit Plan	Year 1	Years 2 – 10	Year 11 and after
Group Trust Medicare Supplement Plans	15%	7.5%	2%

For Group Trust Medicare Supplement Policies effective prior to July 1, 2005, Commission shall be paid at the rate set forth in Table 8, below.

TABLE 8			
Benefit Plan	Year 1	Years 2 – 10	Year 11 and after
Group Trust Medicare Supplement Plans	12%	6%	2%

For Group Trust Guaranteed Issue Block Medicare Supplement Policies, Commission shall be paid at the rate set forth in Table 9, below.

TABLE 9		
Benefit Plan	Year 1	Years 2 – 6
Group Trust Guaranteed Issue Medicare Supplement Plans	Up to 8.8%	Up to 4.4%

**D. Payment on Original Premium (Dental)** – Commission payable on Broker’s Senior Dental Business shall be paid on Original Premium when premium is received by Anthem and appears on Anthem’s income file.

For Senior Dental Business, Commission shall be paid at the rate set forth in Table 10, below.

<b>TABLE 10</b>		
<b>Benefit Plan</b>	<b>Year 1</b>	<b>Year 2 and after</b>
Anthem Dental Plans	10%	10%
Anthem Extras – Standard Plan	10%	10%
Anthem Extras – Premium Plan	10%	10%
Anthem Extras – Premium Plus Plan	10%	10%
Anthem Extras – Dental Only Plan	10%	10%

**SCHEDULE N**

**COMPENSATION SCHEDULE FOR INDIVIDUAL (UNDER 65) BUSINESS (OHIO)**

**II. Commission**

**A. Payment on a Percentage of Premium Under Tiered Compensation Schedule for Individual (Under 65) Business with an Original Effective Date on or after January 1, 2012 (Health)** – Broker will earn Commission paid on a percentage of premium under a specific tier based on his or her current calendar year’s Annual Member Sales when premium is received by Anthem and appears on Anthem’s income file. First year and renewal Commissions for Individual Policies with an Original Effective Date (OED) on or after January 1, 2012 shall be based on the following terms and conditions.

**1. Determination of Applicable Compensation Tier.** For purposes of determining a Broker’s Annual

Member Sales and Compensation Tier, the following shall apply:

- a. Annual Member Sales shall be determined based on issued and paid Policies with an OED within the calendar year.
- b. On January 1 of each year, Broker’s Annual Member Sales for that year will be set to Compensation Tier 1. Anthem in its sole and absolute discretion may set Broker to a higher Compensation Tier than Compensation Tier 1 to begin the year. Anthem’s exercise of its discretion in any particular manner will not be binding on future actions or guarantee that such discretion shall be exercised in the same manner in the future.
- c. Increased Commission levels resulting from moving to a higher Compensation Tier based on increased Annual Member Sales will apply to Policies sold with OEDs in the same calendar year.
- d. There is a 3-month period after the end of each calendar year to allow for processing applications with requested effective dates in one year that are issued in the following year. For instance, if a Policy is sold in December of the prior year with a requested December effective date, and the Policy is issued in the first quarter of the following year with the requested effective date, it will count as part of the Annual Member Sales for the prior year. The cut-off for adjustments to the prior year’s Compensation Tier is March 31st of the following year.

**2. Criteria Used to Determine Commissions**

- a. First Year Commissions shall be based on Broker’s Compensation Tier in the year of the OED of the policy.
- b. Renewal Commissions shall be based on the age of the policy and on the Broker’s Compensation Tier.
- c. A Broker designated as the Agent of Record for a Policy as the result of Anthem accepting an Agent of Record change from a Subscriber shall be paid as follows:

- i. At the final Compensation Tier assigned to the original Broker who sold the Policy (the tier qualified for in the year of the OED of the Policy);

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- ii. At the Compensation Tier 1 if no final Compensation Tier was assigned to the original Broker; or
- iii. Compensation Tier 1 if Policy was not originally sold by a Broker.

**For Individual (Under 65) Business originally effective on or after January 1, 2012, Commission shall be paid as set forth in Tables 1-A and 1-B, below. The Table applicable to Broker shall be based upon whether Broker sells Individual Policies directly through Anthem (TABLE 1-A) or whether Broker sells Individual Policies through one of Anthem’s General Agent Partners (TABLE 1-B).**

**TABLE 1-A**

**Policies sold directly through Anthem**

TABLE 1-A				
Tier	Annual Member Sales	Commission		
		1st Yr	2 -3 Yr Renewal	4+ Yr Renewal
4	100 or more	10%	4%	3%
3	25-99	9%	4%	3%
2	10-24	8.5%	4%	3%
1	1-9	8%	4%	3%

**TABLE 1-B**

**Policies sold through a General Agent Partner**

TABLE 1-B				
Tier	Annual Member Sales	Commission		
		1st Yr	2 -3 Yr Renewal	4+ Yr Renewal
4	100 or more	9%	3.5%	2.5%
3	25-99	8%	3.5%	2.5%
2	10-24	7.5%	3.5%	2.5%
1	1-9	7%	3.5%	2.5%

**The Individual (Under 65) Business excluded from Tiered Compensation is set forth in Table 2, below. For Individual Short Term Limited Duration Plans sold directly through Anthem and sold through a General Agent Partner effective on or after January 1, 2012, Commission shall be paid at the rates set forth in Table 2, below. For Health Insurance Portability and Accountability Act (HIPAA) and Trade Adjustment Assistance Act (TAA) Plans effective on or after January 1, 2004, Commission shall be paid at the rates set forth in Table 2, below.**

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**TABLE 2**

**Policy Types Excluded from Tiered Compensation**

TABLE 2		
Policy Type	Commission	
	Year 1	Year 2 +
Individual Short Term Limited Duration Plans sold directly through Anthem	8%	N/A
Individual Short Term Limited Duration Plans sold through a General Agent Partner	7%	N/A
HIPAA Plans	3%	2%
TAA Plans	3%	3%
Individual Dental Plans	10%	10%

**B. Payment on Original Premium For Individual (Under 65) Business with effective dates prior to January 1, 2012 (Health)** – Commission payable on Broker’s Individual Business effective prior to January 1, 2012 shall be paid on Original Premium when premium is received by Anthem and appears on Anthem’s income file. Original Premium shall mean the premium rate on the initial effective date of the Policy. Commission is not paid on rate increases, Policy administrative fees or changes to the Policy. For policies issued in 2004 to which Original Premium applies, Original Premium shall mean the premium rate in effect at the time Anthem’s payment system converted to the Original Premium logic.

**For Individual (Under 65) Business with effective dates prior to January 1, 2012, Commission shall be paid at the rates set forth in Table 3, below.**

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**TABLE 3**

TABLE 3			
Policy Type	Commission		
	1st Yr	2 -10 Yr Renewal	11+ Yr Renewal
Under 65 Health Plans effective on or between January 1, 2011 and December 31, 2011	10%	4%	2%
Under 65 Health Plans effective on or between January 1, 2005 and December 31, 2010	14%	5%	2%
Under 65 Health Plans effective on or between January 1, 2004 and December 31, 2004	12%	6%	2%

**C. Not Eligible for Commission**

1. No Commission shall be paid on Plan Transfer Policies.
2. No Commission shall be paid on Group Transfer Policies.

**D. Payment on Original Premium (Dental)** – Commission payable on Broker’s Individual Dental Business shall be paid on Original Premium when premium is received by Anthem and appears on Anthem’s income file. Original Premium shall mean the premium rate on the initial effective date of the Policy. Commission is not paid on rate increases, Policy administrative fees or changes to the Policy.

**For Individual Dental Business, Commission shall be paid at the rate set forth in Table 4, below.**

**TABLE 4**

TABLE 4		
Policy Type	Commission	
	Year 1	Year 2 +
Individual Dental Plans	10%	10%

**II. Definitions**

The following are the definitions of terms and phrases used in this Compensation Schedule.

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- A. **Annual Member Sales** – shall mean all new members on a Policy (other than a Policy excluded from Tiered Compensation) with an OED within a calendar year (January 1 through December 31) that are issued and paid at least one month’s premium for the calendar year. Anthem retains sole discretion to determine what constitutes a ‘new’ sale or member. For example and without limitation, Anthem may determine that switching plans, splitting plans, and/or switching Subscribers does not constitute a ‘new’ sale. Additions to an existing Policy will not count as a new sale for purposes of Annual Member Sales unless the addition is completed in the same calendar year as the OED. Member lapses that are not considered “cancelled never effective,” will not reduce the Annual Member Sales count.
- B. **Original Effective Date (OED)** – shall mean the first effective date of a Policy issued by Anthem.