You're always there for your customers.

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Blue Cross Blue Shield of Michigan and Blue Care Network

2027 AGENT COMMISSIONS AND INCENTIVES GUIDE



We appreciate our partnership with you and all the efforts you've made on our behalf.

For 87 years, Blue Cross Blue Shield of Michigan and Blue Care Network have been committed to improving the health of Michigan residents and we know we couldn't do this without you.

To acknowledge your support, we've put together a series of commission and incentive programs that reward you for selling Blue Cross and BCN products.

We'll continue to give you the most up-to-date information to help you guide your customers to a Blue Cross plan that best fits their needs.

And if you sell Blue Cross and BCN group and individual medical, dental, vision and pharmacy plans in 2027, you'll be rewarded.

This guide includes all the commission and incentive programs available to you.

Commissions

Blue Cross Bonus Program

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COMMISSION DESIGNATION POLICY

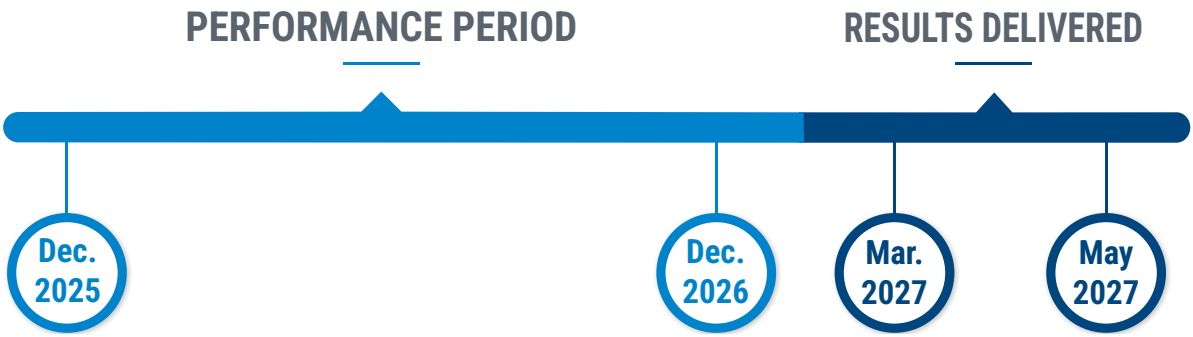
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GROUP COMPENSATION DISCLOSURE REQUIREMENT

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Group > Commission tiers

In 2027, the group commission tier will be assigned to all agencies and agents based on the performance of the agency or agent during the 2026 calendar year. Performance will be measured based on the agency or agent's book of group commercial, medical business inclusive of group sizes fewer than 1,000. Group customers with 1,000 or more contracts won't be measured for purposes of tiering. A snapshot of the agency or agent's book of business will be taken on Dec. 31, 2025, and measured against the book of business as of Dec. 31, 2026. Your final scorecard will be available in March 2027, which will detail your performance during the measurement period. You will be paid based on the assigned tier starting with your commission check in May 2027.



The tier will be based on the following:

- Medical retention (by CID) excludes new business CIDs
- Pharmacy penetration (by contract)
- New business growth (by contract) ***or*** total volume (by contract)

TIER	RETENTION	PENETRATION	GROWTH	VOLUME
Platinum	≥ 92%	≥ 92%	≥ 300	≥ 2,000
Preferred	≥ 85%	≥ 85%	≥ 125	≥ 750
Standard	**All other**	**All other**	**All other**	**All other**

Scorecard for

Sample Agency 3

Report as of: December 2026

Baseline: December 2025

Your results

Current tier: **Standard**

Tracking towards: **Platinum**

Medical retention *(by CID)*	+	Pharmacy penetration *(by contract)*	+	[New business growth *(by contract)*	*or*	Total volume *(by contract)*]
98.00%		94.17%		330		890
Percentage		*Percentage*		*Out of 300*		*Out of 2,000*

	CID	Contracts
Baseline	50	360
Retained	49	350

	CID	Contracts
Pharmacy	50	360

	CID	Contracts
New business	50	360

	CID	Contracts
Total volume	50	360

		Medical retention	Pharmacy penetration	New business growth	Total volume
2026 Tiering Criteria	**Platinum**	**≥ 92%**	**≥ 92%**	**≥ 300**	**≥ 2,000**
	Preferred	**≥ 85%**	**≥ 85%**	**≥ 125**	**≥ 750**
	Standard	All other	All other	All other	All other

How your commission is determined

Your commission tier is determined in one of two ways:

- By the agency with which you're associated
- Your personal book of business
  - When commissions for a group are split between multiple agents, counts are credited only to the servicing agent of record.

If you change your agency, your commission tier will be the same as your new agency. If you leave an agency and have your commissions paid directly to you, your commission will be in the standard tier unless the prior agency releases your business to you. In that case, your released business will be evaluated against the tier requirements and your tier will be assigned based on the results.

You will be notified of your assigned tier in March and the 2027 tier will appear on your commission statement as of the May payout. If you wish to challenge the tier assigned to you by Blue Cross and BCN, send a written appeal to Strategic Agent Partnerships Team by March 31, 2027. Appeals will be reviewed, and you'll be notified of the decision by April 30, 2027.

Email Agent Engagement at **AgentPartnerships@bcbsm.com** for tiering appeals.

Group > Fully insured commission schedule

New and existing medical and pharmacy contracts

Fewer than 100 contracts

The following chart applies to medical and pharmacy lines of business based on the contract counts as of the time of the renewal development.

Contracts	Platinum tier	Preferred tier	Standard tier
1-9	3.5%	2.5%	1.5%
10-49	4%	3%	2%
50-99	4.5%	3.5%	2.5%

100 or more contracts

The following chart applies to medical and pharmacy lines of business based on the group size at the time of the renewal development beginning with the group customer's renewal on or after Jan. 1, 2027. Group size is based on the count of commercial group medical contracts. These are the recommended rates. The rate applies to the entire customer (CID). Blue Cross and BCN segments must have the same rate. An agent may negotiate a different rate with the group at the time of new business or renewal. Negotiated rates may be in quarter percentages (for example, 3.25%, 3.5%) not to exceed 10%. Once the rate is established, it may not be changed until the next renewal.

- If the group requests an agent of record change mid-year, the new agent will be paid the same rate.
- If the group size falls to under 100 at the renewal, commissions will be paid based on the agent tier and the under-100 commission schedule. The 100+ negotiated rate no longer applies.
- If the group increases to 100+ at a future renewal, standard 100+ commissions will be paid unless the agent and group negotiate a revised rate.

Group size at renewal	Recommended rate
100-299	3%
300+	1.5%

COMMISSIONS

Guidelines and information

- To be eligible for commissions, there must be an agent of record on file for the group, and the group must be commissionable.
- Blue Cross and BCN pay commissions monthly based on group size. Group size is based on the number of active new business and renewal contracts at the time the renewal is developed. Commissions are paid as a percentage of the group's monthly commissionable premium (paid premium minus group late fees and federal and state taxes and fees).
- Blue Cross and BCN reserve the right to change all compensation scales.
- Group size for a customer will be based on combined Blue Cross and BCN commercial business segments.
- A group is considered new to Blue if it hasn't had Blue Cross or BCN coverage for at least six months.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.

Group > Self-funded stop-loss medical

Blue Cross and BCN will pay commissions on specific and aggregate stop-loss coverage based on group contracts at the time of renewal.

Blue Cross and BCN will pay 3.5% of the monthly billed stop-loss premium for self-funded groups of 50 or more contracts.

For self-funded groups of 25 to 49 contracts, Blue Cross and BCN will pay stop-loss commissions based on the agent's tier.

Platinum tier	Preferred tier	Standard tier
8.25%	7.25%	6.45%

Guidelines and information

- To be eligible for stop-loss commissions, there must be an agent of record on file for the group.
- The monthly billed stop-loss premium amount will be used to determine the commission payment.
- There is no annual reconciliation process or customization for stop-loss commissions.
- Stop-loss commissions will be reported as a separate line item on the detailed commission statement.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.

Group > Blue Dental℠, Blue Vision℠ and Essential Vision

In addition to standard commissions, Blue Cross and BCN will pay the following for dental and vision group contracts.

Fewer than 100 Blue Cross or BCN contracts*

Contracts	Blue Cross and BCN (all tiers)
1-49	10%
50-99	8%

100 or more Blue Cross or BCN contracts*

Contracts	Blue Cross and BCN (all tiers)
100-249	5%
250-499	3.75%
500-999	3%
1,000-2,499	1.5%
2,500-4,999	1%
5,000+	Determined on a group-by-group basis

*Commissions are payable for contracts resulting from pediatric-only dental plans that are packaged with medical plans. However, they're not payable for contracts resulting from dental and vision plans embedded in medical plans.

Self-funded dental and vision commission schedule

Group contracts effective Jan. 1, 2027

The following commission schedule applies to:

- Blue Dental, Blue Vision and Essential Vision coverage included for new self-funded customers
- Blue Dental, Blue Vision and Essential Vision coverage added for existing self-funded customers

Self-funded commissions for dental and vision new business in 2027	
Group size	**Commission rate (percentage of claims paid)**
25-49	7.5%
50-99	6%
100-249	3.75%
250-499	2.8%
500-999	2.25%
1,000-2,499	1.1%
2,500-4,999	0.75%
5,000+	Determined on a group-by-group basis

Today, Blue Cross pays commissions for self-funded dental and vision lines of business with a start date of Jan. 1, 2027, or later. For those agents who have elected to have Blue Cross and BCN administer the fee agreement, we'll maintain the existing fee agreement previously negotiated and will continue to process these payments for your clients. They won't be reflected in the administrative fee.

Guidelines and information

The following applies to new self-funded dental and vision business with a start date on or after Jan. 1, 2027:

- Commission rates are based on group size and are paid as a percentage of the group's monthly claims.
- Commissions are paid monthly and are reflected on monthly statements. They won't be included in quarterly settlements.
- If you wish to negotiate a nonstandard commission rate for new self-funded dental or vision business — other than what's on the schedule — you may do so using our self-funded agent fee process. Blue Cross and BCN will process those payments, which aren't included in your client's administrative fee, according to the signed agreement between you and your client.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.

COMMISSIONS

Supplemental and Voluntary Life, Disability and Illness Products underwritten by Symetra®

Symetra acquired Dearborn Life Insurance Company in 2025. While no major changes to commission were updated, the following charts outline the commission schedules for supplemental and voluntary products.*

Symetra is able to offer customized commissions upon request.

If a specific commission level is not requested, Symetra will pay according to the following graded commission schedule for Life and Disability and Illness benefits. Some voluntary benefits have the opportunity for heaped commissions.

Life & Disability Benefits Premium	Commission
$0-$15,000	15%
$15,000.01-$25,000	10%
$25,000.01-$50,000	5%
Over $50,000	1%

Voluntary Benefits	Commission
Hospital	55/10
Accident	60/10
Critical illness	65/10
Symetra health	Flat 20 (not eligible to be heaped)

*Commissions for supplemental and voluntary life, disability and illness benefits are paid by Symetra

Individual > MyBlue℠ agent commission schedule

Member type	HMO members	PPO members
New to Blue (year 1)	5.5%	4%
Retention (years 2+)	3%	2%

Guidelines and information

- Commission amounts are determined based on the total commissionable premium, which is the sum of the premium paid by the insured plus any advanced premium tax credits paid by the federal government minus federal and state taxes and fees. The commissionable premium will adjust anytime a change is made to the policy that affects the total premium, for example, the addition of dependents, rate adjustments or coverage changes.
- Commissions will be paid monthly in the commission cycle following the payment by the insured. In the event that advanced premium tax credits cover the insured's full premium amount, commissions will be paid as if a premium payment was received from the insured in that month.
- Producing agent must remain in good standing with Blue Cross and BCN and as the agent of record to receive initial and renewal commissions. "Good standing" is defined as maintaining an active sales license, being appointed by Blue Cross and BCN, and completing product training for Blue Cross and BCN plans. Commissions will cease upon the death of producing agent or when the contract is canceled due to nonpayment or customer request.
- To be compensated for enrollments on the Federal Health Insurance Marketplace, producing agent must complete the training and testing requirements necessary to be registered to sell on the Marketplace.
- Producing agent is responsible for understanding and complying with all state and federal requirements, including those applicable to all sales materials; and remaining informed of all Blue Cross and BCN individual products' rules and regulations provided to them by Blue Cross and BCN.
- Commission schedules and payment intervals are subject to change at the sole discretion of Blue Cross and BCN.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.
- Commission inquiries must be submitted to Blue Cross in writing within 24 months of the payments in question. No commission adjustment will be considered after the 24-month period has lapsed.

New-to-Blue retention guidelines and information

- Agent must be certified by the Marketplace before the sale or engagement of any qualified health plan enrollment. If the agent is found not to be Marketplace-certified by the receipt date of the qualified health plan application, that agent won't be eligible for commission payments on affected enrollments for the calendar year.
- Agent must be appointed by Blue Cross and BCN.
- For retention business, agent must actively facilitate the member's enrollment to maintain agent of record status and be paid renewal commissions.
- Agent may reassign business to another agent in the cases listed below. However, if the agent doesn't actively request his or her business reassignment, Agent Administration will facilitate the reassignment upon notification of:
  - Agent retirement
  - Agent death
  - Agent employment change/termination
  - Agent moving to a non-agent role in the agency or changing role within the agency
- New to Blue enrollment is defined as a contract that hasn't been in effect with any Blue Cross individual plan for at least 12 months prior to the effective date of the most current enrollment.
- For new to Blue enrollment, agent must actively facilitate the member's enrollment to obtain agent of record status and be paid new to Blue commissions.
- New to Blue enrollments are paid at year one pay levels for 12 consecutive months.
  - Example: Agent X enrolls new to Blue member for a January 1, 2027, start date. That contract will continue to pay Agent X at three percent until the end of the 2027 plan year assuming the contract remains active. Effective January 1, 2028 the contract would drop to a three percent/two percent retention payout from that date forward.
- Retention contracts are considered a contract that was written and renewed the following open enrollment period with no lapse in coverage greater than three consecutive months.

Individual > Blue Dental and Blue Vision

The following chart outlines the Blue Dental and Blue Vision product commission schedule effective Jan. 1, 2027:

Year	Commission
Years 1 and 2	8%
Year 3	6%
Year 4	4%
Years 5+	2%

Guidelines and information

- Commission payments for Blue Dental or Blue Vision products will continue to be paid in 2027 based on the original start date of the contract.
- Commissions don't apply to pediatric-only dental and vision benefits embedded in or packaged with medical plans.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.

Senior Health Services > Blue Cross and BCN group Medicare Advantage

In 2027, Blue Cross and BCN will pay the following agent commissions for group Medicare Advantage and prescription drug plan products.

Blue Cross and BCN contracts		Per contract per year
From	To	Year one and beyond
1	1,000	$110
1,001	1,500	$60
1,501	2,000	$50
2,001	5,000	$35
5,001+		$20

General

- This commission schedule applies to group Medicare Plus Blue℠ PPO, BCN Advantage℠ HMO-POS and Prescription Blue℠ PDP plan enrollments.
- Commissions are cumulative, based on the count of contracts. For example:
  - Group ABC has 2,317 contracts for the month of May, the first 1,000 contracts are paid a rate of $9.17 and the following 500 contracts are paid a rate of $5 per contract. The next 500 are paid at a rate of $4.17 and the remaining 317 are paid at a rate of $2.92.
  - (1,000 x $9.17) + (500 x $5) + (500 x $4.17) + (317 x $2.92) = $14,674.58 per month or $176,095 per year
- Producing agent must remain in good standing with Blue Cross and BCN to receive initial and renewal commissions. "Good standing" is defined as maintaining an active sales license, being appointed by Blue Cross and BCN, and completing annual certification and product training for Blue Cross and BCN Medicare Advantage and Part D group plans with a passing score of 85% or better.
- Producing agent agrees and understands that Medicare Advantage initial year group enrollment commissions are paid when the agent has been appointed and certified for Blue Cross and BCN Medicare Advantage products before the group's initial effective date in the plan.
- Producing agent agrees and understands that Medicare Advantage renewal year group enrollment commissions are paid when the agent has been recertified for Blue Cross and BCN Medicare Advantage products before the group's renewal effective date.
- Producing agent is responsible for understanding and complying with all Centers for Medicare & Medicaid Services requirements regarding sales and marketing, including all sales materials. Producing agent is also responsible for being informed of all rules and regulations provided by Blue Cross and BCN regarding Medicare Advantage plans or prescription drug coverage plans.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.

Senior Health Services > Blue Cross and BCN individual

Medicare Advantage individual products

In 2027, Blue Cross and BCN will pay the following agent commissions for these Medicare Advantage individual products:

Blue Cross individual Medicare Advantage commission schedule

Individual Medicare Advantage	Blue Cross product	CMS initial enrollment Year 1: paid as two distinct payments	CMS renewal enrollment Year 2 and beyond: paid as one lump sum	Rollover contract Year 2 and beyond: paid in 12 monthly installments
Medicare Advantage prescription drug coverage plans	Medicare Plus Blue℠ PPO Secure	$700	$350	$350
	Medicare Plus Blue℠ PPO Vitality			
	Medicare Plus Blue℠ PPO Signature			
	Medicare Plus Blue℠ PPO Assure			
	Medicare Plus Blue℠ PPO Value			
	Medicare Plus Blue℠ Giveback			
	Medicare Plus Blue℠ +Meijer			
	Medicare Plus Blue℠ PPO Essential			
Prescription drug coverage plans	Prescription Blue℠ PDP Select	$15	$15	$15
	Prescription Blue℠ PDP Premier			

COMMISSIONS

Blue Care Network individual Medicare Advantage commission schedule

Individual Medicare Advantage	BCN product	CMS initial enrollment Year 1: paid as two distinct payments	CMS renewal enrollment Year 2 and beyond: paid as one lump sum	Rollover contract Year 2 and beyond: paid in 12 monthly installments
Medicare Advantage and Medicare Advantage prescription drug coverage plans	BCN Advantage℠ Elements	$700	$350	$350
	BCN Advantage℠ Classic			
	BCN Advantage℠ Prestige			
	BCN Advantage℠ ConnectedCare			
	BCN Advantage℠ Prime Value			

Producing agents who successfully enroll a beneficiary in a Blue Cross or BCN Medicare Advantage plan with a start date of Jan. 1, 2027, through Dec. 31, 2027, will be paid a lump sum amount following the enrollment of the beneficiary into a Blue Cross or BCN plan. The lump sum amount will be equal to the annual renewal commission rate. If the beneficiary qualifies as a CMS initial enrollee, the remaining CMS year-one amount will be paid.

COMMISSIONS

General

- This commission schedule applies to Medicare Plus Blue[SM] individual, Prescription Blue and BCN Advantage[SM] individual plan enrollments with start dates of Jan. 1, 2027, and ending Dec. 31, 2027.
- Producing agent must remain in good standing with Blue Cross and BCN to receive initial, renewal and rollover commissions. "Good standing" is defined as maintaining an active sales license, being appointed by Blue Cross and BCN, and completing annual certification and product training for Blue Cross and BCN Medicare Advantage and Part D plans with a passing score of 85 percent or better.
- Producing agent agrees and understands that CMS initial year-one enrollment commissions are paid at renewal rate until CMS notifies Blue Cross and BCN that an enrolled beneficiary is verified as an initial new member. Remaining compensation will be paid after CMS sends verification of valid enrollment to Blue Cross and BCN.
- Initial enrollment compensation is paid for new enrollments into MAPD or PDP plans.
- When a customer moves between unlike plan types, pro-rated initial compensation is paid. The number of months in the new plan determines the pro-rated compensation.
  An "unlike plan type" includes moving from:
  - A PDP to an MAPD
  - An MAPD to a PDP
- A contract that is canceled and then reenrolls with Blue Cross and BCN after one year is considered a new enrollment and will be paid the appropriate initial lump sum payment.
- Renewal enrollment compensation will be paid after a beneficiary's initial year of enrollment in a plan. It is also paid when a beneficiary enrolls in a different plan of like plan type following the initial year of enrollment. A "like plan type" refers to moves from:
  - A PDP to another PDP
  - A MAPD to another MAPD
- For dual enrollments (meaning, in a Medicare Advantage only plan and a stand-alone PDP), the compensation rules apply independently to each plan. However, when dual enrollments are replaced by an enrollment in a single plan, compensation is based on the Medicare Advantage movement.
- Compensation for rollover contracts will be paid after a beneficiary's initial year of enrollment in the same plan as 12 equal monthly installments according to the renewal rate during the course of the plan year.
- Renewal contracts refer to those contracts for beneficiaries that have been previously enrolled in a Medicare Advantage plan originating from a carrier other than BCBSM or BCN. Renewal commissions are paid in one lump sum (see chart on page 14), according to the terms stated herein, as long as the beneficiary remains enrolled in the plan. Rollover contracts refer to those contracts that renew on a BCBSM or BCN plan from one year to the next. Commissions (both initial and renewal commission) may be earned on rollover contracts.
- Blue Cross and BCN are required to recover all commission payments when a beneficiary disenrolls from a plan within the first three months (rapid disenrollment) of enrollment unless CMS determines that the recovery isn't in the best interest of the Medicare program. If a beneficiary disenrolls during the enrollment year but after the first three months, all unearned commissions are recovered. If a beneficiary disenrolls effective Dec. 31 of the enrollment year, commissions aren't recovered.
- Producing agent is responsible for understanding and complying with all CMS requirements in regard to sales and marketing, including all sales materials; and to remain informed on all rules and regulations provided to them by Blue Cross and BCN, in regard to Medicare Advantage plans or PDP plans.

COMMISSIONS

- Notwithstanding the terms set forth in this commission schedule, at all times the compensation to producing agents will be in compliance with CMS regulations or guidance and with any other laws relating to the marketing or sale of Medicare Advantage or PDP products. This schedule is subject to change based on regulatory requirements.
- Commissions paid in error or overpayments by Blue Cross and BCN to producing agent must be repaid to Blue Cross and BCN or will be deducted from producing agent's future commission payments.

General agent role

Producing agent is required to write under a general agent (referred to from now on as GA). Commissions written through a general agent will be paid to the general agent for distribution, unless the general agency has elected to have its agents paid directly. In that case, commissions will be paid as directed by the agent in the Commission Payment Designation Form, ADDENDUM C, Applicable Laws and Applicable Medicare Laws. Please note that commissions to be paid won't vary or depend in any way upon the value of the book of business generated for Blue Cross or BCN. The commissions listed in this commission schedule will be paid for all Medicare beneficiaries who have enrolled in a Blue Cross or BCN individual Medicare product. Blue Cross and BCN will make no payments to agent for the services rendered hereto outside the scope of this agreement for any reason. The commissions to be paid may be withdrawn if Blue Cross and BCN determine that the agent is misleading beneficiaries, cherry–picking based on beneficiary health or churning beneficiaries between products that compete with Blue Cross or BCN Medicare products.

Commissions on termination of agreement

Blue Cross and BCN shall pay commissions to the agent that are earned prior to termination of this agreement but haven't been paid. All other commissions payable hereunder cease upon termination of this agreement or upon Blue Cross and BCN's termination of their individual Medicare products.

Assignment of commissions

Assignment of commissions earned by the agent under the terms of this agreement will start when the agent submits the *Commissions Payment Designation* form to our Agent Administration department that is signed and dated by the agent.

Commission advance payments and vesting

Enrollment commissions are paid in advance based upon CMS and Blue Cross and BCN acceptance of accurate and complete applications for enrollment into a Blue Cross Medicare Plus Blue or Prescription Blue individual Medicare product or a BCN Advantage product, subject to satisfaction of the following:

Initial commission — year one

Each year-one commission advance vests when the eligible Medicare beneficiary is issued a start date of coverage and enrolled for three consecutive months from the start date of coverage. Year-one commissions are paid in two distinct payments during the first plan year. To prevent churning, CMS requires that plans initially pay renewal rate compensation rather than the initial year compensation amounts for all plan changes. Once CMS verifies that an initial commission was warranted, Blue Cross and BCN will retrospectively pay the agent an additional amount for a total payment of initial compensation rate described in this agreement.

Rollover commisions — year two and beyond

For new Medicare Advantage (excluding stand-alone Medicare Part D and Medicare supplement plans) enrollments with an effective coverage date of 2027, and subject to the limitations, exclusions and conditions in this Addendum and the Agreement, agent will be paid the renewal rate based upon year of initial enrollment for the life of the contract, subject to the exclusions and limitations (including applicable law) herein. This policy only applies to rollover commissions. If an active plan change is made, the renewal rate will reset to the year of the change.

For purposes of this renewal commission policy 'active plan change' means the following:

- The renewal rate exceeds the maximum rate established by CMS
- The beneficiary experiences an 'unlike' plan change, or
- A new contract is written for the beneficiary

Under any of these circumstances, the renewal rate will reset to that in effect for the plan year for which the new contract is written.

All renewal commissions for contracts written before plan year 2027 will receive the renewal commission rate stated in each subsequent commission guide.

Refund or return of commission advances that fail to vest

In the event an eligible Medicare beneficiary's application doesn't result in Blue Cross or BCN issuance of enrollment with a start date of coverage, or the beneficiary rapidly disenrolls from the plan, the entire commission advance payment fails to vest. CMS also requires plans to prorate commissions in the event the member disenrolls prior to the conclusion of a plan year. Rapid disenrollment recoupments apply to initial plan year enrollment only.

Blue Cross and BCN shall report monthly to the agent those advanced commissions failing to vest, if any, for the reported period. Blue Cross and BCN shall debit the amount advanced against other payments due to the agent on its commission statement.

In the event the aggregate debit exceeds the agent's aggregate commissions and credits, the agent shall remit the balance in full to Blue Cross and BCN within 60 days of the commission statement date.

Commissions are payable to the agent by the 25th of each month and are based on the number of applications effective in that month.

Required compliance provisions

Agents are prohibited from making payments to beneficiaries.

Agents shall make the following disclosure in writing, prior to enrollment or at the time of enrollment, to all potential enrollees: "The person discussing plan options with you is either employed by or contracted with Blue Cross or BCN. The person may be compensated based on your enrollment in a plan."

All coordinated marketing carried out by agents under this contract must be done in accordance with all applicable MA and Part D laws, CMS policies, including CMS marketing guidelines, and all federal health care laws, including civil monetary penalty laws.

This commission schedule won't vary or depend in any way upon the value of the book of business generated for Blue Cross or BCN. The commissions listed above shall be paid for all Medicare beneficiaries who have enrolled in a Blue Cross or BCN individual Medicare product, regardless of the Medicare beneficiary's risk profile or any other factor.

No payments shall be made outside the scope of this agreement unless agreed to by Blue Cross and BCN.

Amendments to commission schedule

The commission schedule may be amended going forward, from time to time, at the sole discretion of Blue Cross and BCN on no fewer than 30 days prior written notice (unless a shorter time frame is required to comply with federal regulations) to the agent or MA or GA or both at Blue Cross' and BCN's election. In the event that the revised commission schedule isn't acceptable, notice of such nonacceptance shall constitute a notice of termination of the agreement to start on the date the revised commission schedule is to start.

COMMISSIONS

Commission payment amounts and intervals are subject to change at the discretion of Blue Cross and BCN with 30 days' notice.

Medigap and Medicare Supplement products

Blue Cross Medicare Supplement℠ plans A,* D, F, G, N and High-Deductible F and G commission schedule

Enrollment status	Based on member health status rating tier	Years 1-3	Years 4 and beyond
Guaranteed issue during initial Open Enrollment Period	Preferred	$400	$150
Guaranteed issue for any other reason	–	$25	–
Non-guaranteed issue	Preferred	$400	$150
Non-guaranteed issue	Tier 1	$400	$150
Non-guaranteed issue	Tier 2	$200	$100
Non-guaranteed issue	Tier 3	$0	$0
Age < 65		$0	$0

Blue Cross Medicare Supplement plans with the Dental Vision Hearing Package, A,* D, F, G, N and High-Deductible F and G commission schedule (Effective dates of April 1, 2021, or later)

Enrollment status	Based on member health status rating tier	Years 1-3	Years 4 and beyond
Guaranteed issue during initial Open Enrollment Period	Preferred	$415	$165
Guaranteed issue for any other reason	–	$40	–
Non-guaranteed issue	Preferred	$415	$165
Non-guaranteed issue	Tier 1	$415	$165
Non-guaranteed issue	Tier 2	$215	$115
Non-guaranteed issue	Tier 3	$0	$0
Age < 65		$0	$0

Commissions are paid only for years one through six for any contract effective before Jan. 1, 2019.

Individuals (any age) enrolled in Medicare Parts A and B and live in Michigan at least six months of the year are eligible for Blue Cross Medicare Supplement plans.

*If under age 65, member may only enroll in Plans A and D.
If under age 65, plan A is only available for individuals who qualify for conversion.

If a member originally enrolled under age 65, no commissions are paid on their contract, even once they turn 65.

No one will be declined coverage due to health status (referred to as guaranteed acceptance).

Guaranteed issue

Certain times or situations allow a Medicare beneficiary to enroll in a Medigap or Medicare supplement plan as guaranteed issue with no medical underwriting. The beneficiary's age, gender and ZIP code are used to determine their rate. Individuals are eligible for guaranteed issue enrollment if they meet one of these criteria:

The individual:

- Enrolled in Medicare Part B less than six months and is 65 or older (also called the Medigap Open Enrollment period)
- Has a Medicare Advantage plan and the plan leaves Medicare, stops providing care in the member's geographic area, or the person moves out of the plan's service area
- Has an employer group plan (including retiree or COBRA coverage) and the plan is ending
- Has original Medicare and a Medicare SELECT policy and they move out of the Medicare SELECT plan's service area
- Joined a Medicare Advantage plan when they were first eligible for Medicare Part A at age 65 and, within the first year, they decide they want to switch back to original Medicare
- Dropped a Medigap policy to join a Medicare Advantage plan or switch to Medicare SELECT for the first time, been in plan less than a year, and wants to switch back
- Has a Medigap plan and the insurance company goes bankrupt, or they otherwise lose coverage through no fault of their own
- Has a Medicare Advantage plan and leaves the plan, or drops a Medigap plan, because the insurance company hasn't followed the rules or misled them

Non-guaranteed issue

When an individual does meet any of the Guaranteed Issue criteria above, they are considered Non-Guaranteed Issue and will be medically underwritten to determine the premium they will pay. NGI rates are based on age, gender, ZIP code, tobacco usage and health status. An individual will be assigned one of four rating tiers (Preferred, Tier 1, Tier 2, or Tier 3) based on their health status at the time of underwriting.

BCN MyBlue℠ Medigap commission schedule

	Years 1-3	Years 4+
Commission rate	17%	4%

Commissions are paid on the net premium (minus federal and state taxes and fees). Agents will be paid commissions on or around the 18th of each month.

BCN MyBlue Medigap product was discontinued. No member may be enrolled with an effective date of April 1, 2019, or later. Renewal commissions for BCN MyBlue Medigap plans that have effective dates prior to April 1, 2019, will continue to be paid provided the members remain active and continue to pay their premiums.

COMMISSIONS

Commission schedule details

Initial commission – year one

Year-one commissions for Blue Cross Medicare Supplement products are paid in one lump sum during the first plan year. Pro-rated commissions will be recovered if the contract is cancelled within the first plan year.

For BCN MyBlue Medigap, commissions are paid monthly based on cash received.

Year-one commissions will be paid if a member is new to Blue or if a member moves from a Blue Cross or BCN Medicare Advantage product to a Blue Cross Medicare Supplement A, D, F, G, N or High-Deductible F or G product.

Commissions – year two and beyond

Commissions for Blue Cross Medicare Supplement products during years two and beyond are paid monthly as long as the contract remains active. For BCN MyBlue Medigap, commissions are paid monthly based on cash received.

Commissions year two and beyond will be paid after a beneficiary's initial year of enrollment in the same plan. Commissions year two and beyond are also paid when a beneficiary enrolls in a different plan of "like plan type" following the initial year of enrollment. A "like plan type" includes moving from any new Blue Cross Medicare Supplement plan to any other new Blue Cross Medicare Supplement plan.

A contract that is canceled and then reenrolled in a Blue Cross Medicare Supplement plan after one year is considered a new enrollment and will be paid the appropriate year-one commissions.

Commissions for Blue Cross Medicare Supplement plans will be paid only for six years if the contract is effective prior to Jan. 1, 2019. For contracts effective Jan. 1, 2019, or later, commissions will be paid as long as that contract remains in force.

General agent role

Producing agent is required to write under a general agent (referred to from now on as GA). The commissions listed in this commission schedule shall be paid for all beneficiaries who have enrolled in a Blue Cross Medicare Supplement or BCN Medigap product. There shall be no payments paid to the agent by Blue Cross and BCN to the agent for services rendered outside the scope of this agreement for any reason.

Commissions on termination of agreement

Blue Cross and BCN shall pay commissions to the agent that are earned prior to the termination of the agreement but have not been paid. All other commissions payable hereunder cease upon termination of their agent agreement or upon Blue Cross and BCN's termination of their individual products.

Assignment

Assignment of commissions earned by the agent under their agent agreement will start when the agent submits the *Commissions Payment Designation* form signed and dated by the agent to Agent Administration. The *Commissions Payment Designation* form defines the payable for all business segments for the agent.

Blue Cross Bonus Program

The Blue Cross Bonus Program rewards agent performance and improves the quality and quantity of business written each year. There are three separate programs:

1) Michigan Business Medical and Pharmacy bonus program (applies to group customers of fewer than 1,000 commercial group contracts)

2) Auto National Medical and Pharmacy bonus program (applies to group customers of 1,000+ commercial group contracts)

3) Specialty Benefits bonus program (applies to all group commercial business)

Note: Michigan Business group commercial customers with 1,000+ contracts will be subject to the Auto National Medical and Pharmacy bonus program.

Guidelines and Information (applies to all three programs)

- Agent and agency must be active and appointed with Blue Cross at the time we distribute bonuses.
- Groups and contract counts will be based on December year-end membership information for the previous year — so membership information from December 2026 will determine the results for the 2026 Bonus Program, which will be distributed in 2027.
- Scorecards to monitor performance and contract counts are now available monthly on the Agent Portal.
- Year-end performance results for the bonus program will be available mid-March.
- Any questions or appeals must be submitted no later than April 30.
- The bonus program rewards will be distributed no later than June 30.

BLUE CROSS BONUS PROGRAM

Michigan Business Program (groups of fewer than 1,000 contracts)

The bonus payout will be based on retention and growth of medical and pharmacy group business.

The chart below applies to groups of 1-999 contracts as of the beginning of program period. Group Medicare Advantage contracts are excluded from the bonus programs.

Only Platinum Tier and Preferred Tier agents and agencies qualify for the Michigan Business Program retention component.

Rewards component	Platinum	Preferred	Standard	Requirements
Medical retention	$7 per contract	$3.50 per contract	N/A	We'll pay a bonus on all medical contracts retained from Dec. 31, 2026, to Dec. 31, 2027.
Pharmacy retention	$5 per contract	$2.50 per contract	N/A	We'll pay a bonus on all pharmacy contracts retained from Dec. 31, 2026, to Dec. 31, 2027.
Medical growth	$25 per contract	$25 per contract	$25 per contract	We'll pay a bonus on medical contracts for new-to-Blue group customers.
Pharmacy growth	$20 per contract	$20 per contract	$20 per contract	We'll pay a bonus on pharmacy contracts for new-to-Blue group customers or if you add new pharmacy to an existing customer.

Auto National Program (groups of 1,000+ contracts)

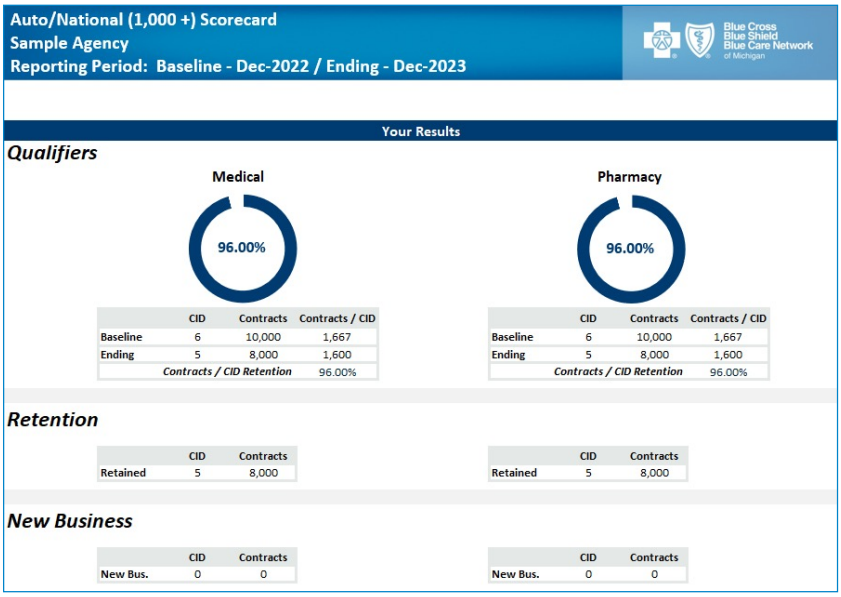
The bonus payout will be based on retention and growth of medical and pharmacy group business.

The chart below applies to groups of 1,000 or more contracts as of the beginning of program period. Group Medicare Advantage contracts are excluded from the bonus programs.

Retention is based on a comparison of contracts per customer (CID) aggregating your entire book of business at year end compared with the baseline period; it is not evaluating each CID individually. For example if you start the year with 10,000 contracts across six customers your beginning period contracts / CID is 1,667. If at the ending period you have 8,000 contracts across five customers your ending period contracts / CID is 1,600 and you've effectively retained 96% of your contracts / CID.

Rewards component		Requirements
Medical retention – 95%	$7 per contract	Maintain at least 95% of contracts per customer from Dec. 31, 2026, to Dec. 31, 2027, to earn a bonus.
Pharmacy retention – 95%	$20 per contract	Maintain at least 95% of group pharmacy contracts per customer from Dec. 31, 2026, to Dec. 31, 2027, to earn a bonus.
Medical growth	$5 per contract	We'll pay a bonus on medical contracts for new-to-Blue group customers.
Pharmacy growth	$20 per contract	We'll pay a bonus on pharmacy contracts for new-to-Blue group customers or if you add new pharmacy to an existing customer.

No medical retention will be paid for a customer if the drug segment is canceled during the bonus year.



Auto/National (1,000 +) Scorecard
Sample Agency
Reporting Period: Baseline - Dec-2022 / Ending - Dec-2023

Blue Cross Blue Shield Blue Care Network of Michigan

Your Results

Qualifiers

Medical

96.00%

	CID	Contracts	Contracts / CID
Baseline	6	10,000	1,667
Ending	5	8,000	1,600
Contracts / CID Retention			96.00%

Pharmacy

96.00%

	CID	Contracts	Contracts / CID
Baseline	6	10,000	1,667
Ending	5	8,000	1,600
Contracts / CID Retention			96.00%

Retention

	CID	Contracts
Retained	5	8,000

	CID	Contracts
Retained	5	8,000

New Business

	CID	Contracts
New Bus.	0	0

	CID	Contracts
New Bus.	0	0

BLUE CROSS BONUS PROGRAM

Specialty Benefits: 3 ways to earn

1) NEW BUSINESS

Sell new lines of group products and earn an incentive.

Line	Incentive payout
Dental[1]	$14 per contract
Vision[1]	$10 per contract

[1]Pediatric contracts are not counted toward bonus qualifications.

2) RETENTION

Retain Specialty products on your existing groups and earn an incentive.

Specialty line of business retention rate	Retention	
	Per contract	
	Dental[1,2]	Vision[1,2]
95 - 100%	$7.50	$4.50
90 - 94.9%	$4.50	$2.25
85 - 89.9%	$2	$0.75

[1]Retention for dental and vision is measured based on the total number of customers, by line, that were retained during the period.
[2]Pediatric contracts are not counted toward bonus qualifications.

3) SPECIALTY BENEFITS MEDICAL BONUS MULTIPLIER

Dental and vision product retention and new business sales will earn points to qualify for the medical bonus multiplier, up to 15% of an agent's earned medical bonus.

Retention points			New business points	
Product line	95% +	90% - 94.9%	100-999 Total Contracts	1000+ Total Contracts
Dental	6	4	3	10
Vision	4	2	2	10

Medical bonus multiplier	Total points	Bonus
	13 points or more	15% of the medical incentive
	10 to 12 points	10% of the medical incentive

BLUE CROSS BONUS PROGRAM

Blue Dental, Blue Vision and Essential Vision

In 2027, you'll be eligible to receive incentives for selling Blue Dental, Blue Vision and Essential Vision to non-Blue Cross and non-BCN customers and to existing Blue Cross and BCN customers who don't have dental or vision coverage with us. These customers must have 50 or more enrolled contracts.

New to Blue and existing Blue Cross or BCN medical group			
Enrolled contracts	**If you sell dental**	**If you sell vision**	**If you sell both**
50-99	$600	$300	$1,200
100-299	$1,000	$500	$2,000
300-599	$1,400	$700	$2,600
600-999	$1,800	$900	$3,200
1,000+	$2,600	$1,200	$4,100

Guidelines and information

- Applies to groups with an effective date of Jan. 1, 2027, through Dec. 31, 2027.
- All contracted agents are eligible to participate in the program.
- Blue Cross and BCN commissionable groups are eligible. Non-commissionable groups are excluded.
- Applies to all groups with 50 or more enrolled contracts.
- Number of enrolled contracts will be determined at the end of the enrollment month.
- One-time payout amounts will be calculated quarterly. Groups must be active at the end of the quarter to qualify.
- A group is considered new to Blue for this program if it hasn't had Blue Cross or BCN coverage for at least six months.
- Incentive program is in addition to the standard commission schedule and the Blue Cross Bonus Program.

Senior Health Services > Group Medicare

This bonus program will apply to both Blue Cross and BCN group Medicare Advantage business, from Jan. 1, 2027, to Dec. 31, 2027.

The bonus payout will be based on the number of enrolled contracts in the group using the tier levels defined below. This chart shows contract tier levels, the commission amount, the bonus amount and the total compensation an agent may earn on eligible groups.

Tier level	Current commission payout	Bonus payout	Total compensation per member
1-1,000	$110	$110	$220
1,001-1,500	$60	$110	$170
1,501-2,000	$50	$70	$120
2,001-5,000	$35	$60	$95
5,001+	$20	$50	$70

Guidelines and information

No changes will be made to the commissions or commission structure. The bonus program will provide additional compensation only for eligible groups as defined below.

- Group must be sold by an agent who is certified for group Medicare Advantage on or before the group start date. If not, the agent will not be eligible for bonus payments.
- Bonus payments will apply only to groups that meet the following criteria:
  - New-to-Blue groups (includes unbundled MA PD, MAPD, MA and PDP)
  - Existing groups that convert from MA only to unbundled MA PD or MAPD
  - Existing groups that convert from PDP only to unbundled MA PD or MAPD
  - Groups with an existing PPO plan that add an HMO option — the bonus will be paid on only the HMO segment
  - Groups with an existing HMO plan that add a PPO option — the bonus will be paid on only the PPO segment

Consistent with other corporate group bonus programs:

- The bonus will be a one-time payment that will be made at the end of the quarter of enrollment.
- The group must be active at the end of the quarter to qualify for the bonus payment. For example, a group with coverage starting Jan. 1, 2027, must be enrolled as of March 31, 2027, in order to qualify.
- Member counts will be based on the group contract count as of the end of the quarter.
- No take-back of the bonus will occur if members cancel after the end of the quarter. As long as the group was in effect as of quarter-end, the bonus will be paid.

APPENDIX

General agencies

An agency may be contracted with Blue Cross to perform as a general agency. They then perform administrative functions that support the agents. This can include training, assistance with processing enrollments, receipt and payment of commissions, and other functions as defined in the Blue Cross/general agency contract.

A general agency is assigned a two-character code which must be noted on each individual business contract. The GA will have access to any business that has their two-character code.

The general agency has no ownership in the agent's business. They will receive the commission payments and will then pay the commissions to the agent or the agent's defined agency, unless the GA has agreed to allow Blue Cross to pay the agency, unless the GA has agreed to allow Blue Cross to pay the agents directly.

Commission designation policy

When an agent contracts with Blue Cross and BCN, the agent completes a *Commission Payment Designation Form*. To change the designation, the following policy applies:

Designation change	Policy
Agent to Agency	When an agent changes commission designation from an individual payable agent to an agency, current commissions and agent's book of business transfer to that agency at the requested effective date.
Agency to Agent	When an agent changes commission designation from an agency to an individual agent, commissions and agent's book of business will remain with the agency unless the agency notifies us to release commissions to the agent. If the agency doesn't release commissions, the agent must obtain Agent of Record letters. At that time, commissions will be effective based on Agent of Record policy.
Agency to Agency	When changing commission designation from an agency to another agency, the Agency to Agent policy applies.

Requests must be made in writing, signed by an agent and include:

- The new designation name
- Tax identification number or Social Security number
- Effective date of change
- List of any groups that should be included or excluded
- A copy of the agency license (if assigned commissions are payable to an agency). This license must be with the state of Michigan and include accident and health qualifications.

If you have individuals and corporations who wish to operate under an assumed name, they must register such names with the appropriate jurisdictional authorities (generally the county clerk) in their county. This is required because an assumed name is not the official name of the licensee as maintained in the Department of Insurance and Financial Services licensee records.

In addition, Michigan licensees operating under an assumed name must complete a DBA Registration form (FIS-0201) which is available in the *Forms* section of the DIFS website.

APPENDIX

Information on Group Compensation Disclosure for covered service providers

Compensation Disclosure Requirement under the Consolidated Appropriations Act of 2021

Covered service providers, or CSPs, that perform brokerage or consulting services for an ERISA-covered group health plan and expect to receive $1,000 or more in compensation (direct and indirect) must give a written disclosure to the plan about the compensation the CSP receives for such services for new contracts or renewals issued on or after Dec. 27, 2021.*

To ensure proper compliance, agents should consult their respective legal counsels to determine their status as a CSP, and disclosure requirements, if applicable, in advance of the effective date.

Definitions

The term 'compensation' means anything of monetary value but does not include non-monetary compensation valued at $250 (or such amount as the Secretary may establish in regulations to account for inflation since the date of enactment of the Consolidated Appropriations Act, 2021, as appropriate) or less, in the aggregate, during the term of the contract or arrangement.

The term 'direct compensation' means compensation received directly from a covered plan. The term 'indirect compensation' means compensation received from any source other than the covered plan, the plan sponsor, the covered service provider, or an affiliate. Compensation received from a subcontractor is indirect compensation, unless it is received in connection with services performed under a contract or arrangement with a subcontractor.

For additional definitions, consult the CAA legislative language starting on Page 1,713.

Methodology for Disclosure of Compensation

According to the statute, compensation may be disclosed to the covered plan by providing an amount or formula or if the compensation cannot be expressed in these terms, by any other reasonable method.

A good faith estimate is permitted, if you cannot otherwise readily describe the compensation, and you explain the methodology and assumptions used to prepare the estimate.

**The CAA also requires issuers to disclose agent compensation to individual business members starting on or after 12/27/2021. Blue Cross Blue Shield of Michigan is developing a process to share this information with these members.*

APPENDIX

For 2027 percentage compensation ranges delineated by business segment, contracts and agent tier, reference the relevant commission charts for group business:

- Medical
  - Fewer than 100 contracts: refer to commission chart on Page 4
  - 100+ contracts: recommended negotiated rates refer to chart on Page 4
  - Self-funded stop-loss medical: refer to commission chart on Page 6
- Blue Dental, Blue Vision and Essential Vision:
  - All fully insured groups: refer to the commission charts on Page 7
  - All self-funded groups: refer to the commission charts on Page 8
- Life, disability, accident and critical illness insurance products
  - Group specialty benefits: refer to the commission charts on Page 9
- Blue Cross Bonus Program
  - Michigan Business (fewer than 1,000 contracts): refer to the commission chart on Page 23
  - Auto National (groups of 1,000+ contracts): refer to the commission chart on Page 24
  - Specialty Benefits: refer to the commission charts on Page 25



Blue Cross
Blue Shield
Blue Care Network
of Michigan

Nonprofit corporations and independent licensees
of the Blue Cross and Blue Shield Association

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