

Sales Compensation Information Group Products

BCBSAZ sells health and dental coverage products primarily through independent licensed insurance brokers. BCBSAZ generally pays a commission to the broker designated as the group's broker of record, or an assignee, until the contract with the group is terminated or the group terminates its relationship with the broker. BCBSAZ employees may receive sales incentives as described below.

In addition to the information provided below, brokers are required under their agreements with BCBSAZ to provide written disclosure to their group customers of their commission or any other compensation received from BCBSAZ.

As shown below, different commission rates apply based on the size of the employer group.

Base Compensation

<u>Group Size</u>	<u>Commission Percentage*</u>
Groups of 2-50 enrolled employees	5.5% (3% for BlueSolutions)
Groups of 51-99 enrolled employees	5.0%
Groups of 100+ enrolled employees	Negotiable

*The commission is a percentage of annual premium. The specific percentage applicable is based on the number of employee contracts used for final rating purposes at the time of the original effective date and each annual renewal date. Commission payments are subject to change in accordance with terms and conditions stated in the Broker Agreement with BCBSAZ.

Additional Compensation

Certain brokers may receive up to 4.5% additional commission on group accounts previously sold based on their contracts with BCBSAZ. Such arrangements are no longer in effect for new sales.

BCBSAZ Employees

BCBSAZ employees who are also licensed as insurance agents receive a flat-rate, one-time payment for sales of BCBSAZ group products.

Note: Occasionally, BCBSAZ may pay an additional incentive of a set dollar amount (depending on group size) for sales of group contracts during a defined period of time. Additionally, brokers selling a certain number of contracts may periodically be given the opportunity to participate in a prize drawing or similar program.