



**BlueCross BlueShield
of Illinois**

**CONSUMER MARKETS PRODUCER AGREEMENT
COMPENSATION SCHEDULE**

Effective Date - December 31, 2010

THIS AMENDMENT to the Standard [Consumer and Group Markets] Producer [Commission] Agreement is effective the 31st day of December 2010 and replaces any existing Consumer Markets Producer Agreement Compensation Schedule in effect prior to the effective date of this Amendment.

NOW THEREFORE, in consideration of the mutual covenants and premises contained herein and therein, the Standard [Consumer and Group Markets] Producer [Commission] Agreement is hereby amended by deleting the Producer Agreement Compensation Schedule dated August 1st 2009 in its entirety and substituting the following language as and for the Producer Agreement Compensation Schedule.

This Compensation Schedule is made a part of the Standard [Consumer and Group Markets] Producer [Commission] Agreement previously entered into between Health Care Service Corporation and the Producer and shall be applicable to any policy issued and effective on or after the date above and shall continue to be applicable until a subsequent Compensation Schedule is issued.

BCBSIL Under 65 Major Medical Individual Health Products Includes Select Blue[®], BlueValue[®], BlueValue Advantage[®], SelectBlue Advantage[®], BlueChoice[®] Select, BlueChoice[®] Value, BlueEdge[®] Individual HSA and BlueEdge[®] Individual HSA 5000			
	POLICY YEAR	COMMISSION	SERVICE FEES
First Year	1	10% / 15% **	0%
Renewals	2-9	4%	1%
Renewals	10+	0%	5%

BCBSIL Under 65 Individual Temporary Product SelecTemp[®]			
	POLICY YEAR	COMMISSION	SERVICE FEES
First Year	1	10% / 15%*	0%
Renewals	N/A	N/A	N/A

Under 65 Compensation

All Under 65 Major Medical Individual Health Products commission and service fees are based on the initial premium on the policy. If a policy change results in a coverage premium that is lesser than the initial premium, then compensation is paid on the lesser value.

Note: Effective December 31st 2010, all producer compensation for new business paid policies and renewals on existing active policies will be paid based on the initial premium of the policy. Initial premium is defined as the original base premium and will not include premium adjustments. Initial premium for existing policies will be paid based on the last billed premium for coverage in effect as of December 31, 2010.

**** First-Year Commission**

First year commission for these products is based upon the level of production of new paid sales in this product line during the previous calendar year. Producers that have sold 25 or more paid policies in the previous calendar year within this product category will receive commission at the 15% level in the first year on new paid sales in this product category. Producers with fewer than 25 paid sales in this product category in the previous calendar year will receive commission at the 10% level for the first year on new paid sales in this product category.

Under 65 Replacements/Renewals

When any existing Under 65 Individual Health Policy is replaced with another or a deductible change is made within the same policy form as a means to either increase or decrease benefits, compensation (with respect to policy year) on the new case will be paid according to the policy effective date of the original case. If the Under 65 Major Medical Individual policy has been lapsed for six months or more, compensation on the new case will be paid according to the policy effective date of the new case.

When any existing Under 65 Individual Health Policy is replaced with another, Producer compensation will be paid according to the commission percentages specified in this Compensation Schedule dated December 31st 2010. Downgrades that occur within a like product family will be commission neutral.

* SelecTemp Compensation

If the SelecTemp policy converts, compensation will be paid according to the policy effective date of the new case.

Note: Sales of SelecTemp will not count towards the number of paid policies needed to achieve the 15% first year commission level. SelecTemp is not renewable; but subject to eligibility, subsequent new policies may be purchased by an individual; first year commissions will be paid on these subsequent policies and renewal commissions are not applicable. Service fees for this product are 0%.

BCBSIL Medicare Supplement and Medicare Select (PPO) Products Includes Medicare Supplement Plans A, B, C, F, G, K, L, N and High Deductible Plan F			
	POLICY YEAR	COMMISSION	SERVICE FEES
First Year (Persons Aged 65-79)	1	10% / 12.5%***	0%
Renewals (Persons Aged 65-79)	2-6	5%	5%
	7-10	N/A	5%
	11+	N/A	2.5%
First Year (Persons Aged 80 and older, Under 65 and Medicare eligible)	1	5% / 6.25%***	N/A
Renewals (Persons Aged 80 and older, Under 65 and Medicare eligible)	2-6	2.5%	2.5%
	7-10	0%	2.5%
	11+	N/A	1.25%

*** Medicare Supplement and Medicare Select (PPO) Plan Compensation

All Medicare Supplement and Medicare Select (PPO) Products commission and service fees are based on the initial premium on the policy. If a policy change results in a coverage premium that is lesser than the initial premium, then compensation is paid on the lesser value.

*** Medicare Supplement and Medicare Select (PPO) Plans First Year Commissions

First year commission for these Medicare Supplement and Medicare Select (PPO) products is based upon the level of production of new paid sales in this product line during the previous calendar year. Producers that have sold 25 or more paid policies in the previous calendar year within this product category will receive commission at the 12.5% level in the first year on new paid sales in this product category and paid in the following year. Producers with fewer than 25 paid sales in this product category in the previous calendar year will receive commission at the 10% level for the first year on new paid sales in this product category. As with all other Medicare Supplement and Medicare Select (PPO) commissions, the rates are exactly half for all policies issued for persons aged 80 and older and persons Under 65 and Medicare eligible.

*** Over 65 Medicare Supplement and Medicare Select (PPO) Plans Replacements/Renewals

When an existing Medicare Supplement and Medicare Select (PPO) plan is replaced with another policy, the term of the policy (if lapsed on the new case within less than one month of the preceding policy) will be paid according to the policy effective date of the original case. No compensation is paid on Medicare Supplement business that replaces an existing in force Medicare Supplement policy unless the replacement is from the producer's own book of business.

*** Renewal commission and service fees will be paid on all other carrier Medicare Supplement replacement policies.

*** Medicare Supplement and Medicare Select (PPO) Plans are not connected with or endorsed by the U.S. Government or the Federal Medicare program.