



# Producer Compensation Plan Small and Large Groups

## Fully Insured Commercial Business with Attachment B

Providence Health Plan's producer compensation program builds long-term relationships with successful producers who choose group health insurance as their primary business. It rewards those producers who support both new business and retention with Providence.

### Effective Jan. 1, 2020

Our producer compensation plan includes:

- + Per-member, per-month commissions for small groups (\$20 PMPM for Connect plans)
- + Commission is 3 percent of premium received for large groups
- + Commission available for dental
- + New group bonus for medical and dental

*This program applies to fully insured commercial business only.*

## Earning a new appointment

Before Providence Health Plan will issue quotes for new group business, you must be an appointed producer.

- + Complete and return our appointment application. Please provide all information requested, including references. The application will be reviewed with consideration for professional association affiliation, group health insurance focus and congruence with Providence values. This application includes:
  1. A completed Agency and Commission Agreement
  2. A copy of current Errors and Omissions Policy, stating the policyholder name, policy limits (\$1 million minimum aggregate coverage) and policy effective dates
  3. A copy of your current producer/agency license(s)
  4. A completed W-9 form for accounting purposes

## Maintaining existing appointment

Insurance producers who are currently appointed with Providence Health Plan are required to meet the following appointment standards:

- + Maintain current license in Oregon at all times
- + Maintain and provide proof of \$1 million in errors and omissions coverage at all times
- + Comply with all provisions of the Providence Health Plan producer contract

Visit [ProvidenceHealthPlan.com](https://www.providencehealthplan.com) or call **503-574-6300** (Portland Metro Area) or **877-245-4077** (all other areas) for more information.



## Small Group

Medical	
All plans except Connect	\$13.50
Connect plans	\$20.00

  

Dental	
All	\$2.50

Commissions will be paid based on the initial member enrollment number for the effective date of a new group (or each year when the group renews), and will stay at that rate for the contract year.

## Large Group

Medical	Dental
3% standard commission	3% standard commission

Non-standard commissions may apply.  
Medical and dental must be at the same commission rate.

## Small Group and Large Group Bonus

New members for 2020	Medical	Dental
1 - 9	\$100	\$50
10 - 25	\$300	\$100
26 - 200	\$1,500	\$500
201 - 500	\$3,000	\$750
501+	\$10,000	\$2,500

A new group bonus is paid only for groups that are new to Providence Health Plan. New Group bonus paid one time and one month after new enrollment.

Dental bonus rules:

- + Available when dental is newly selected at time of sale or renewal
- + Dental bonus is paid in addition to the medical bonus on new group
- + Renewal bonus only available when group newly purchases dental
- + Bonuses are a one-time payment

### From our Agency and Commission Agreement

- + All premiums paid under a single, master group service agreement designated as such by Company shall be aggregated and considered a single premium. Commissions shall be issued to producer no later than the fourth Wednesday of the month for the previous month's paid premium following Company's receipt and acceptance of the relevant premium. If a policy is canceled, producer shall refund to Company a portion of commission for said policy, pro rata with the amount of the premium refunded.
- + Annual premium starts on the date the group service agreement is effective and continues for the duration of the contract period. Commissions are negotiable on contracts that are longer or shorter than 12 months.
- + Company may modify the above commission schedule with written notice. Producer shall be deemed to have accepted the modified commission schedule unless producer provides 90 days prior written notice of termination of the Agreement to Providence Health Plan. In such event, the Agreement shall be canceled and terminated 90 days after Providence Health Plan receives such notice.