

Fallon Community Health Plan (FCHP) Fallon Health & Life Assurance Company (FHLAC) Broker policies and procedures



I. Documents required in order to be qualified for FCHP/FHLAC Broker compensation:

- ✓ FCHP/FHLAC Brokerage Agreement signed by licensed agent and Assistant Vice President, New Business Sales and Broker Relations
- ✓ Copy of current Massachusetts resident broker's license/producer license, which must be current, in good standing and renewed within state guidelines
- ✓ Completed W-9 form
- ✓ Broker of Record letter from account, with effective date of Broker of Record designation, the Broker(s) name and percentage splits (if applicable), and signed by an officer of the account
- ✓ Copy of the declaration page of licensed agent's E&O policy showing coverage of at least \$1,000,000; coverage must be maintained yearly

II. New account checklist

The enrollment process for new employer groups is simple. Please provide FCHP with the following, at least five business days prior to the effective date.

- Check payable to Fallon Community Health Plan for one month's advance premium
- Completed and signed membership transaction forms
- Employer application

III. Changes in Broker of Record:

The writing broker will receive commissions for the account's first policy year. If the employer designates a new Broker of Record during the first policy year, the writing broker will continue to receive first-year commissions.

Any broker changes to the account must be on employer stationery, and signed by an officer of the company.

If the broker designation changes during the first policy year, the new Broker of Record will be recognized and paid commissions upon renewal. The previous Broker of Record will no longer be eligible for commission after the first policy year.

If a broker designation changes after the first policy year, the new broker will be recognized and paid commissions coincident with the first of the month following receipt of employer notification. The previous Broker of Record will no longer be eligible for commission.

If FCHP receives multiple Broker of Record letters, the most current letter will be honored.

If the Employer has a Broker of Record, the broker may be eligible to receive a commission and/or bonus based on the amount of premium paid; FCHP/FHLAC will make specific commission information available on request. Employer agrees that the Plan may disclose to its Broker of

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Record member information for the purpose of assisting the Employer with its enrollment and/or disenrollment activities.

IV. Payment on existing direct non-brokered business:

The broker must obtain a Broker of Record letter from the employer, signed by an officer of the account. The number of FCHP or FHLAC subscribers must increase by 25% from the date the new Broker of Record designation becomes effective.

V. Broker acquisitions/mergers:

A Broker shall notify FCHP in writing of any acquisition or merger of/with any other broker. For the purpose of measuring and paying any earned broker bonus, FCHP will deem such acquisition or merger as having occurred at the beginning of the year following the date of the acquisition or merger. FCHP requires a new W-9 form for all acquisitions or mergers and company name and address changes.

VI. Retroactive commissions payments:

- FCHP may pay broker commissions retroactively if a Broker of Record letter is not processed correctly by FCHP.
- FCHP will not pay broker commissions on a retroactive basis beyond a period of 12 months.

VII. Broker compensation schedule:

- The FCHP standard broker compensation applies to eligible FCHP/FHLAC fully insured business only.
- The compensation schedule is available to qualified brokers who are licensed by the Massachusetts Division of Insurance and in good standing with FCHP and FHLAC.
- FCHP and FHLAC reserve the right to review and change the compensation schedule.
- The standard compensation schedule does not apply to Fallon Senior Plan™.
- Nongroup products are not covered by the standard compensation schedule.
- Accounts written through intermediaries are not eligible for the compensation schedule.
- Commission shall be calculated on actual premium payment received by FCHP/FHLAC.
- As of December 31 of the previous year, each broker's beginning block of business determines their bonus program eligibility. Bonus payment will be determined by the following year's production.
- Bonus payments are calculated and paid on eligible commissioned accounts only.
- Broker shall notify FCHP/FHLAC in writing within 15 days of the termination, expiration, surrender, suspension, revocation, or disciplinary proceedings relating to Broker's license.
- It is the responsibility of any brokerage agency to ensure that all of its Brokers are licensed by the Commonwealth of Massachusetts.

If you have any further questions or would like additional materials, please call your sales executive or give us a call on the FCHP broker line at 1-888-746-4823.

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