



## Brokerage Firm Agreement Information Sheet

Effective May 1, 2003

We have developed one Brokerage Firm Agreement that will be used for firms with multiple brokers as well as single brokers. It will be effective May 1, 2003. All brokers working within a brokerage firm will be subject to the provisions of this new agreement. Various production, education and compensation provisions of this agreement will be covered in addenda that are attached to the Brokerage Firm Agreement. The group addenda include:

- ◆ **Preferred Compensation Schedule** – For brokerage firms that meet specific production and education requirements. This schedule uses our Standard Group Service Fee Schedule and offers additional compensation for combined medical and dental sales. Brokerage firms that have already met production requirements (outlined below) will receive this schedule.
- ◆ **Standard Compensation Schedule** – For brokerage firms that meet education requirements but have not met production minimums to receive a Preferred Compensation Schedule. This schedule uses our Standard Group Service Fee Schedule. At this time, all brokerage firms that have not met the production requirements will receive this schedule. Brokers will have one year to meet the education requirements.
- ◆ **Limited Compensation Schedule** – For brokerage firms that have not met production or education requirements. A lower level of compensation will be paid under this schedule

Each of these schedules contains non-group (individual and senior) production privileges. A separate non-group agreement will be issued to non-group only producers.

Some of the most important changes reflected in the new Brokerage Firm Agreement include:

- ◆ **Production Requirements** – Under the new agreement, we will measure group production based on *members*, not contracts (non-group production will still be based on contracts). Brokerage firms must meet the applicable group production requirement to receive a Preferred Compensation Schedule:
- ◆ **Metro Brokerage Firms** (firms based in the seven county metropolitan area), through their brokers, must have at least:
  - 100 total medical and/or dental members combined for firms with one broker
  - 200 total medical and/or dental members combined for firms with two brokers
  - 300 total medical and/or dental members combined for firms with three or more brokers
- ◆ **Non Metro Brokerage Firms**, through their brokers, must have at least:
  - 50 total medical and/or dental members combined for firms with one broker
  - 100 total medical and/or dental members combined for firms with two brokers
  - 150 total medical and/or dental members combined for firms with three or more brokers
- ◆ **Education Requirements** – Brokers at brokerage firms with Preferred or Standard Broker Agreements will be expected to earn 12 education credits annually by attending HealthPartners educational programs such as broker conferences, broker workshops, employer conferences and broker education series programs. All of a firm's brokers appointed by HealthPartners must meet this requirement. Credits awarded are itemized in the Preferred and Standard Compensation Schedules.
- ◆ **Broker of Record Privileges** – Brokers at brokerage firms with Standard or Preferred Compensation Schedules have broker of record privileges. Brokers at brokerage firms with Limited or Non-Group Compensation Schedules will not have broker of record privileges.
- ◆ **Business Associate Agreement** – Your firm is now required by HIPAA to enter into a Business Associate Agreement with HealthPartners. We have included our Business Associate Agreement as Addendum 2 of this Brokerage Firm Agreement.

Please read the Brokerage Firm Agreement carefully to understand all of its provisions.