

HEALTH NET Healthcare Solutions

BROKER BONUS PROGRAMS – 2008



FOR EMPLOYER GROUPS 50 AND UNDER

EFFECTIVE JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Health Net of the Northeast, Inc. is proud to announce our **2008 Broker Bonus Programs** for our talented and professional network of appointed brokers working to sell our small group products. We are pleased to offer these bonus programs in recognition of your continued support of Health Net. These programs are designed to increase commission payments for new business production and existing business retention.



NEW BONUS PLAN - Here's how it works!

Brokers may earn a bonus of up to 3.5% of annualized premiums based on the schedule and terms below. Broker must have a **minimum of 5 new groups and 25 new enrolled employees** (subscribers) to be eligible for the new business bonus plan.

New Employee (Subscribers)	% of Premium Bonus
25 - 99	1.00%
100 - 174	2.50%
175+	3.50%

EXAMPLE:

- If Broker A has 5 new groups, 25 new employees (subscribers) and annualized premiums of \$180,000, then total bonus = \$1,800 or \$72 per subscriber!
- If Broker B has 10 new groups, 100 new employees (subscribers) and annualized premiums of \$720,000, then total bonus = \$18,000 or \$180 per subscriber

RETENTION BUSINESS BONUS - Here's how it works!

Brokers may earn a bonus of up to 1.25% of annualized premiums based on the schedule and terms listed. Broker must have a **minimum of 5 groups and 150 enrolled employees** (subscribers) to be eligible for the retention bonus. Retention Bonus is measured by the number of employees (subscribers) in groups that are in force on December 31, 2007 compared to the number of employees (subscribers) in those same groups on December 31, 2008.

Retention Level	% of Premium Bonus
87% - 94.9%	.70%
95% - 100%	1.25%

EXAMPLE:

- If Broker A has a \$1,000,000 renewal premium block with 87% retention, then total bonus = \$7,000!
- If Broker B has a \$2,000,000 renewal premium block with 95% retention, then total bonus = \$25,000!



IMPORTANT INFORMATION AND TERMS:

- Bonus payments for these programs are in addition to standard commission schedule and will be made in the second quarter of 2009 according to qualification.
- Maximum payment to any one brokerage house is \$400,000.
- Only groups on which commissions are paid are eligible under the program.
- Only groups with 2-50 eligible employees (subscribers) on proprietary groups count toward bonus qualification.
- New York Article 44 HMO business does not qualify for this bonus program.
- New employees (subscribers) counted toward qualification for the new business bonus are determined as of the effective date of the group.
- A group that terminates and comes back in less than a year does not qualify for new business bonus during this period.
- A group must be in force on 12/31/08 (retroactive terminations are not eligible) to count towards meeting the eligibility requirements.
- A new broker of record letter on in-force Health Net business does not count toward bonus.
- New business production excludes block transfers.
- Broker is responsible to disclose to clients eligibility for this bonus program and amounts paid under bonus program as appropriate to meet legal and regulatory requirements.
- Tax reporting will be issued for the bonus compensation received.
- This bonus program is contingent upon regulatory filing and approval.
- Health Net reserves the right and sole discretion to change this bonus program at any time and without prior notice.
- Health Net shall have sole discretion to determine any disputes regarding application of the Bonus Program.

IF YOU HAVE ANY QUESTIONS REGARDING THE 2008 BROKER BONUS PROGRAM, PLEASE CONTACT YOUR HEALTH NET ACCOUNT EXECUTIVE.



Health Net®

A Better Decision

Health Net of the Northeast, Inc.
One Far Mill Crossing, Shelton, CT 06484
www.healthnet.com

NE46588 (01/08) 6015951
Coverage is provided by subsidiaries of Health Net of the Northeast, Inc. and Health Net Life Insurance Co. Coverage may be provided by Health Net of New York, Inc. or Health Net Insurance of New York, Inc. in New York; Health Net of New Jersey, Inc. or Health Net Life Insurance Co. in New Jersey; and Health Net of Connecticut, Inc. or Health Net Life Insurance Co. in Connecticut. Health Net® is a registered service mark of Health Net, Inc. All rights reserved.