



MEDICARE ADVANTAGE PRESCRIPTION DRUG COMPENSATION SCHEDULE AND RULES OF ENGAGEMENT

2019 Non-Exclusive Agent

Together, all the way.®



DEFINITIONS

Field Marketing Organization (FMO) – FMO is an insurance agency that may also contract with Independent Agent(s), General Agency (GA), Managing General Agency (MGA), and/or Supervising General Agency (SGA), as defined by Cigna-HealthSpring. FMO's must possess all requisite permits, licenses and other approvals issued by the regulatory insurance agency (ies) of the applicable state(s) in which FMO, GA, MGA, or SGA is appointed and in which Cigna-HealthSpring operates.

FMO must meet or exceed the Cigna-HealthSpring engagement criteria and eligibility requirements, and meet all applicable state and federal laws, rules and regulations.

Supervising General Agency (SGA) – SGA is an insurance agency that may also contract with Independent Agent(s), General Agency (GA), and/or Managing General Agency (MGA), as defined by Cigna-HealthSpring, that possesses all requisite permits, licenses and other approvals issued by the regulatory insurance agency (ies) of the applicable state(s) in which SGA, MGA or GA is appointed and in which Cigna-HealthSpring operates.

SGA must meet or exceed the Cigna-HealthSpring engagement criteria and eligibility requirements as well as meet all applicable state and federal laws, rules and regulations.

Managing General Agency (MGA) – MGA is an insurance agency that may also contract with Independent Agent(s) and/or General Agency (GA), as defined by Cigna-HealthSpring. MGA's must possess all requisite permits, licenses and other approvals issued by the regulatory insurance agency(ies) of the applicable state(s) in which MGA or GA is appointed and in which Cigna-HealthSpring operates.

MGA must meet or exceed the Cigna-HealthSpring engagement criteria and eligibility requirements as well as meet all applicable state and federal laws, rules and regulations.

General Agency (GA) – GA is an insurance agency that may also contract with Independent Agent(s) as defined by Cigna-HealthSpring, that possesses all requisite permits, licenses and other approvals issued by the regulatory insurance agency(ies) of the applicable state(s) in which GA/Agent is appointed and in which Cigna-HealthSpring operates.

GA must meet or exceed the Cigna-HealthSpring engagement criteria and eligibility requirements as well as meet all applicable state and federal laws, rules and regulations.

Exclusive Agent/Agency – Broker/Agency who is only licensed and appointed with Cigna-HealthSpring and represents only Cigna-HealthSpring's Medicare Advantage/Prescription Drug Plan products within a Cigna-HealthSpring geographic service area. Broker/Agency agrees not to represent or sell other entities' Medicare Advantage/Prescription Drug products including, but not limited to, HMO, PPO, Regional PPO and PFFS plans.

Non-exclusive Agent/Agency – Broker/Agency who is licensed and appointed with Cigna-HealthSpring, but represents other Medicare Advantage/Prescription Drug health plans in addition to Cigna-HealthSpring within a Cigna-HealthSpring geographic service area.

Independent Agent/Broker – Non-employee sales Agent/Broker who is either directly contracted with Cigna-HealthSpring or is contracted with a GA or FMO. Without Cigna-HealthSpring prior approval, Cigna-HealthSpring directly contracted Agents are prohibited from contracting with a GA or FMO.

Initial Compensation – Compensation that is paid only when the beneficiary is a new enrollee to Medicare or to a MA/MAPD plan, as validated by the Centers for Medicare & Medicaid Services (CMS) compensation reports.

Replacement/Renewal Compensation – Compensation that is paid when the beneficiary is not new to Medicare or to a MA/MAPD plan, as validated by the CMS compensation reports. It also refers to the annual renewal compensation based on 12 consecutive months of continuous Cigna-HealthSpring enrollments.

Assignment of Commissions (AOC) – An agreement which directs the payment of all current and future Agent level commissions to an upline entity. Commissions must be distributed in accordance with Cigna-HealthSpring policy and procedures and CMS guidelines, unless approved third-party agreements designate otherwise.

Agent Level Commissions – Compensation paid to an Independent Agent/Broker for each individual who Agency or Subordinate Agency, Brokers or Agents enroll in a Cigna-HealthSpring Medicare Advantage Prescription Drug Plan.

Agency Admin Fees – Payment made to a GA, MGA, SGA, or FMO for each individual who Agency or Subordinate Agency, Brokers or Agents enroll in a Cigna-HealthSpring Medicare Advantage Prescription Drug Plan.

Cigna-HealthSpring MA/MAPD COMPENSATION RULES

Per CMS guidelines, Cigna-HealthSpring defines a compensation year as January – December (a normal calendar year). Cigna-HealthSpring is required to pay Agents at compensation rates within ranges filed and attested annually with CMS. Agents on an Assignment of Commission (AOC) must similarly be paid by the Assignee unless a compliant compensation plan is submitted with documented approval from Cigna-HealthSpring. More specific compensation information can be found within this document in the section entitled “2019 Cigna-HealthSpring Compensation Rate Schedule.”

Enrollments must be a result of the direct contact between the Agent/Broker and the individual prospect. Cigna-HealthSpring will pay a commission for each individual whom Agency or Subordinate Agency, Brokers or Agents enroll in a Cigna-HealthSpring Medicare Advantage Prescription Drug Plan. Agent level commissions and Agency admin fees for new applications are paid per the current commission schedule set forth annually (see section entitled “2019 Cigna-HealthSpring Compensation Rate Schedule”). Payments will be made during the normal commission payment schedule as set forth by Cigna-HealthSpring policy unless otherwise agreed between the parties.

New Application Payments

In order to be eligible to receive Agent level commission payments/Agency admin fees from Cigna-HealthSpring, both the Agent and Agency should be properly contracted, licensed and appointed (based on each state's regulations) prior to making a sale. Writing Agents are also required to complete annual training/certification requirements prior to making a sale, per CMS. If the writing Agent is non-compliant, payment will not be administered to any party, including the hierarchy, for the applicable enrollment.

In the event an Agency is non-compliant (i.e. is not properly contracted, licensed, and appointed, and/or has not completed required attestation), the specific Agency will not receive a payment, but all other compliant entities in the hierarchy may receive payment. Cigna-HealthSpring payments on new applications are made per the schedule set forth in the 2019 Cigna-HealthSpring Compensation Rate Schedule and also located on Cigna-HealthSpring Producer's University.

The above requirements must be maintained for all subsequent renewal years for the Agent/Agency to continue receiving renewal payments.

Cigna-HealthSpring identifies three potential compensation scenarios for new enrollments to Cigna-HealthSpring.

- 1. Initial Year, No Prior Plan** – A customer identified by CMS via monthly CMS Compensation reporting to be in their Initial Compensation Year in a MA or MAPD Plan with no reported prior plan. These enrollments are eligible for a full, initial compensation rate payment.
- 2. Initial Year, Prior Plan** – A customer identified by CMS via monthly CMS Compensation reporting to be in their Initial Compensation Year in a MA or MAPD plan coming to Cigna-HealthSpring from a like plan type (another MA/MAPD carrier) or non-like plan (PDP, PACE, COST). These enrollments are eligible for payment at initial compensation rates. Agent-level commissions will be prorated based on how many months the customer is anticipated to be enrolled in a Cigna-HealthSpring plan during the compensation year. For example, an enrollment effective January 1 will receive the full, initial compensation rate as the customer is expected to be enrolled for the full compensation year; however an enrollment effective April 1 will receive 9/12 of the initial compensation rate as the customer is expected to be enrolled for 9 months of the compensation year.

3. Renewal Year Enrollment – A customer identified by CMS via monthly CMS Compensation reporting to be in a Renewal Compensation Year. These customers have been enrolled in a plan for at least one full compensation year and thus are only eligible for payment at renewal compensation rates. Agent-level commissions will be prorated based on how many months the customer is anticipated to be enrolled in a Cigna-HealthSpring plan during the compensation year. For example, an enrollment effective January 1 will receive the full, renewal compensation rate as the customer is expected to be enrolled for the full compensation year; however an enrollment effective February 1 will receive 11/12 of the renewal compensation rate as the customer is expected to be enrolled for 11 months of the compensation year.

Note: Starting with new enrollments effective 11/1/2018 and later, pro-ration will only apply to agent-level commission payments. Agency admin fees will not be prorated for new enrollments, regardless of the number of months the customer is expected to be enrolled in the current plan year (i.e. admin fees will be paid at either the full Initial or Renewal compensation rates). The pro-ration of admin fees will still apply to applicable chargeback scenarios (see section entitled “Compensation Recovery – Chargebacks”).

Initial Year Agent Commission Examples: Rates based on all markets except DC/PA and MD (Non-Exclusive).

Enrollment Type	Effective Date	Prior Plan	First Payment	CMS Recon Payment	Total Paid
Initial Year	1/1/2019	NONE	\$ 241.00	\$ 241.00	\$ 482.00
Initial Year	1/1/2019	PDP, PACE, COST	\$ 241.00	\$ 241.00	\$ 482.00
Initial Year	4/1/2019	NONE	\$ 180.75	\$ 301.25	\$ 482.00
Initial Year	4/1/2019	MA/MAPD, PDP, PACE, COST	\$ 180.75	\$ 180.75	\$ 361.50
Initial Year	7/1/2019	NONE	\$ 120.50	\$ 361.50	\$ 482.00
Initial Year	7/1/2019	MA/MAPD, PDP, PACE, COST	\$ 120.50	\$ 120.50	\$ 241.00

** Example for illustrative purposes only*

Due to the timing of the monthly CMS Compensation Reporting, all enrollments will be paid at the renewal compensation rate. The Agent-level renewal compensation rate will be prorated based on the number of months the customer is anticipated to be enrolled with Cigna-HealthSpring during the compensation year, as stated in the section above. Upon receipt of the monthly CMS Compensation Report, Cigna-HealthSpring will perform an audit and compensate Agents/Agencies for any additional payments owed on initial year customers. This payment is called the CMS Reconciliation payment and it is made on a monthly basis.

Compensation Recovery – Chargebacks

Upon the termination of a customer’s continuous enrollment with Cigna-HealthSpring, all payments (including Agent commissions and Agency admin fees) made for 2019 effective applications will be subject to either a full or prorated chargeback based on the following.

A full chargeback will be recovered if:

- › The customer terminates within three months of enrollment (rapid disenrollment period) and disenrolls from the plan voluntarily per CMS guidelines.
- › The customer enrolls for October 1, November 1 or December 1 and disenrolls from the plan (unrelated to AEP).
- › The customer terminates prior to enrollment for any reason (cancellation).

A prorated chargeback will be recovered if:

- › The customer terminates within three months of enrollment (rapid disenrollment period) and disenrolls from the plan involuntarily per CMS guidelines.

- › The customer enrolls in a new “like plan” with a new Agent (internal or external); the prior Agent will no longer continue to receive compensation and would incur a prorated chargeback for any unearned months.
- › The customer terminates after the rapid disenrollment period but prior to December 31 in the 2019 calendar year. This includes scenarios where a customer might move from one carrier to another, or when a customer moves from one plan to another within the same carrier.

Note: In the event an Agent is paid at the full, initial compensation rate for an enrollment with an effective date after January 1, Cigna-HealthSpring would be required to chargeback compensation previously paid for all months that customer is not on a Cigna-HealthSpring plan. For example, if a customer enrolls May 1 and disenrolls August 31, Cigna-HealthSpring will chargeback commissions/admin fees not only for September 1 – December 31, but also for January 1 – April 30, or the eight months that the customer was not enrolled in a Cigna-HealthSpring plan.

Retroactive Chargebacks

If Cigna-HealthSpring is notified of a retroactive customer disenrollment, full or prorated chargebacks will be issued accordingly depending on the disenrollment scenario as outlined in the section above. Retroactive chargebacks will also be issued in the event a customer’s disenrollment was not processed timely by the Commission Department. For example, a customer disenrolls 12/31/2018 but the Commission Department is not notified of the change in enrollment status until after the 2019 plan year has already begun, resulting in the payment of 2019 renewals. In this scenario, all compensation paid for the 2019 plan year would be charged back.

Agent Change Scenarios

In the event of an Agent change, prorated chargebacks will be issued to the original Agent and hierarchy for unearned months. The new Agent would be paid commissions going forward based on the effective date of the change.

Valid agent change scenarios include the following:

- › An existing Cigna-HealthSpring customer is enrolled in a new plan by another Agent. For example, a customer is enrolled in Plan 1 effective 1/1/2019 by Agent A and is then enrolled in Plan 2 effective 7/1/2019 by Agent B. In this scenario, Agent A would no longer be the agent of record effective 7/1/2019 and would incur chargebacks equal to six months of commissions (July – Dec). Agent B would be paid six months of commissions (July – Dec).

Note: If a customer calls Cigna-HealthSpring and a Customer Service Representative performs a plan change, the current Agent of Record will be retained and no chargebacks will be issued.

- › A customer terminates their enrollment with Cigna-HealthSpring and then re-enrolls with another Agent at a later time. For example, a customer disenrolls effective 12/31/2017 and then re-enrolls effective 1/1/2019 with a new Agent. In this scenario, there is a break in coverage during which time the customer was not enrolled with Cigna-HealthSpring.
- › A customer voluntarily disenrolls with Cigna-HealthSpring during AEP, enrolls with another carrier, and then decides to return to Cigna-HealthSpring without a break in coverage. For example, a Cigna-HealthSpring customer disenrolls effective 12/31/2018 and then chooses to re-enroll effective 1/1/2019 with a new agent.
- › A Cigna-HealthSpring customer converts from an MAPD plan to an MMP plan and then later re-enrolls in MAPD with a new agent. For example, a customer enrolls in an MAPD plan effective 1/1/2018 with Agent A, moves into an MMP plan effective 4/1/2018, and then re-enrolls in MAPD effective 1/1/2019 with Agent B.

Renewal Compensation

- › Agent-level Renewal Compensation for 2019 effective dates will be prorated based upon how many months the customer is anticipated to be enrolled in a Cigna-HealthSpring plan during the compensation year. For example, an enrollment effective January 1 will receive the full, renewal compensation rate as the customer is expected to be enrolled for the full compensation year; however, an enrollment effective February 1 will receive 11/12 of the renewal compensation rate, as the customer is expected to be enrolled for 11 months of the compensation year.

Note: Starting with new enrollments effective 11/1/2018 and later, pro-ration will only apply to agent-level commission payments. Agency admin fees will not be prorated for new enrollments, regardless of the number of months the customer is expected to be enrolled in the current plan year (i.e. admin fees will be paid at either the full Initial or Renewal compensation rates). The pro-ration of admin fees will still apply to applicable chargeback scenarios (see section entitled “Compensation Recovery – Chargebacks”).

- Renewal Compensation will be paid in January of the calendar year following the initial enrollment effective date. For example, renewals for customers that have a March 1 effective date will be paid in January of the following calendar year.
- All customer enrollments from prior effective years (if applicable) will begin the next renewal cycle in January 2019. All Agent-level Renewal Compensation will be paid at 2019 Fair Market Value (FMV). The FMV for 2019 renewals can be found in the Compensation Rate Schedule section of this document. Agency admin fees will be paid based on historical renewal rates in place at the time the customer was originally enrolled.

Note: Agency admin fees for customers originally enrolled under a Cigna Legacy AZ contract will be paid based on 2019 renewal compensation rates.

- All Renewal Compensation will be paid on an up-front, lump-sum basis for continuously enrolled customers. Cigna-HealthSpring will process renewal disenrollment chargebacks for the months remaining in 2019 following a customer’s termination date.
- Upon termination of a customer’s continuous enrollment, all renewal payments made in 2019 will be subject to a full or prorated chargeback. A prorated chargeback will be recovered if the customer terminates January 31 through November 30 in the 2019 calendar year.
 - For example, a prior effective year customer with a June 30, 2019 termination date will result in a chargeback of 6/12 of the January renewal payment, keeping the Agent whole for the six months (January through June) in which the customer was enrolled in the plan.
- When a beneficiary enrolls in a new “like plan” with a new Agent (internal or external), it will result in a change of the servicing Agent, therefore considered a commissionable event. A commissionable event is not initiated if a beneficiary calls Cigna-HealthSpring Customer Service to make a plan change. In this situation, the original Agent will remain the servicing Agent and therefore retain commissions as long as the customer remains enrolled (providing all required Agent validations are met).
- When an Agent retires or becomes disabled, he or she will become inactive and will no longer qualify to receive commission payments of any type. In order to continue to receive future commission payments, the Agent must recertify annually, maintain applicable state licensure, and remain actively contracted and appointed with Cigna-HealthSpring. In the case of an Agent’s death, Cigna-HealthSpring will determine if the Agent’s future renewal commissions may be assigned to the Agent’s spouse or business partner (please see section detailing requirements for a Deceased Agent Active Commissionable Book of Business Transfer). If such assignment is permissible, the spouse/business partner must be licensed and appointed in all relevant states, complete annual certification requirements, and become otherwise contracted with Cigna-HealthSpring.

Cigna-HealthSpring does not compensate an agent for the following reasons:

- When an application is rejected, denied, cancelled or voided.
- When an application is incomplete or in RFI status and the request for additional information is not met within the required time frame.
- When an Agent is in terminated or suspended status.
- When an Agent is deemed unqualified due to lack of contract, license, appointment, or certification.

Compensation Schedule

Below is the 2019 Cigna-HealthSpring Compensation Rate Schedule. All Compensation for 2019 effective applications will be paid at the 2019 compensation rates indicated in the table below. Agent-level Compensation for all eligible renewing customers will also be paid based on the 2019 compensation rates, regardless of original

effective year. Agency admin fees for renewing customers will be paid based on historical renewal compensation rates in place at the time the customer was originally enrolled, provided, however, that if the historical renewal compensation rates exceed the amounts allowable in the current year as published by CMS, the renewal compensation will be automatically adjusted to comply with applicable law.

Note: Agency admin fees for customers originally enrolled under a Cigna Legacy AZ contract will be paid based on 2019 renewal compensation rates.

While Cigna-HealthSpring intends to pay all Agents the highest commission rate within each range, Cigna-HealthSpring reserves the right to change an Agent's specific commission rate to an amount within each range for any reason and at any time, at Cigna-HealthSpring's sole discretion. Cigna-HealthSpring will make best efforts to advise an Agent of any change to their commission rate in advance of the effective date of such a change.

Per CMS, Initial Compensation is paid only when the beneficiary is a new enrollee to Medicare or MA/MAPD, as validated by the CMS Compensation Reports. All compensation will be paid as Renewal Compensation unless CMS Compensation Reports indicate the compensation should be Initial Compensation. In addition, compensation will not be received until CMS approves the customer's enrollment, which may take up to three weeks from the date the application is submitted.

All Agents will be compensated by Cigna-HealthSpring at the rates indicated herein unless an alternative Medicare Improvements for Patients and Providers Act (MIPPA)-compliant compensation plan is submitted with the documented approval from Cigna-HealthSpring. For enrollments with effective dates in the 2019 calendar year, the following compensation schedule will be in effect.

2019 Cigna-HealthSpring COMPENSATION RATE SCHEDULE – NON-EXCLUSIVE AGENT

Cigna-HealthSpring Markets: AL, AZ, AR, DE, FL, GA, IL, KS, MO, MS, NC, SC, TX, TN (beginning with 1/1/2019 effective dates)

Sales Entity	Initial Compensation	Replacement/Renewal Compensation
National Independent Agents	\$482	\$ 241
National Agent Total	\$482	\$ 241

* Maryland is not a Cigna-HealthSpring growth market for 2019. Compensation will not be paid for new Maryland customers enrolled with 2019 effective dates. Cigna-HealthSpring will continue to pay renewal compensation for existing Maryland customers with effective dates prior to January 1, 2019. **The 2019 Agent-level renewal compensation rate for existing Maryland customers is \$241.**

Cigna-HealthSpring Markets: DC/PA (beginning with 1/1/2019 effective dates)

Sales Entity	Initial Compensation	Replacement/Renewal Compensation
DC/PA Independent Agents	\$542	\$ 271
DC/PA Agent Total	\$542	\$ 271

* Cigna-HealthSpring is required to pay Agents at compensation rates within ranges filed and attested annually with CMS. Rates for 2019 were filed on a range from \$0.00 to the highest allowable rate for each level.

Payments for Independent Agents (Non-Exclusive)

Per CMS Compensation Guidance, Cigna-HealthSpring is required to compensate independent Agents for all valid 2019 commissionable transactions, including those for 2019 effective enrollments and all renewing customers, within the 2019 Plan Year (January 1, 2019 – December 31, 2019). Cigna-HealthSpring cannot compensate an independent Agent prior to January 1, 2019 for any 2019 enrollment and must complete compensation for all 2019 eligible enrollments by December 31, 2019.

Payments for Captive Agents (Exclusive)

Agents that are captive to Cigna-HealthSpring will continue to be compensated on a weekly basis for approved 2019 effective applications submitted during AEP. Captive Agents will also continue to receive CMS Reconciliation payments on a monthly basis during this time frame for all customers confirmed by CMS to be in their initial compensation year on the monthly CMS Compensation Reports. Cigna-HealthSpring will complete compensation for all 2019 eligible enrollments by December 31, 2019.

Payments for All Agents

After January 1, 2019, Cigna-HealthSpring will begin to compensate all agents on a weekly basis for all 2019 effective date applications submitted that become a Cigna-HealthSpring customer.

After January 1, 2019, Cigna-HealthSpring will begin to compensate all agents on a monthly basis for CMS Reconciliation payments on enrollments eligible to receive full or prorated initial compensation.

Regardless of original effective date, all customer enrollments from prior effective years (if applicable) will begin the next renewal cycle in January 2019. All Agent-level Renewal Compensation will be paid at current compensation plan year Fair Market Value (FMV). FMV for 2019 renewals can be found in the Compensation Rate Schedule above.

Compensation Statements

During pay periods in which an Agent or Agency has transactions (new application, chargeback, CMS reconciliation or renewal records), a commission statement will be generated. Cigna-HealthSpring statements are emailed to all producers via secure email from the Commission Department. Arizona Agents/Agencies can access commission statements for business written under a Cigna Legacy AZ contract within the Evolve broker portal. These statements are not emailed unless requested from Cigna-HealthSpring Producer Commissions: **Commissions@HealthSpring.com**.

Currently, Cigna-HealthSpring uses Proofpoint as the secure email site. Registration to this site (login and password) is required to access Cigna-HealthSpring statements. Agents or Agencies who have trouble opening their statements through the secured Proofpoint system should call the Cigna-HealthSpring Agent Assistance Line (HAAL) at **866-442-7516** or send an email to **HAAL@HealthSpring.com**. HAAL's hours of operation are:

- › October 1 – December 7 (AEP): Monday – Saturday 7:00 am – 9:00 pm CST & Sunday 9:30 am – 6:00 pm CST
- › December 8 – September 30 (Lock-In): Monday – Friday 7:00 am – 6:00 pm CST

All commission statements outline the activity which has occurred within the given pay period for each producer.

Outstanding Receivables

In the event Cigna-HealthSpring makes an overpayment of Compensation to an Agent/Agency for any reason, chargebacks will be issued. All chargebacks will be identified on relevant commission statements and will be offset by new earnings. In the event an Agent/Agency does not have enough new earnings on a particular pay cycle to satisfy all chargebacks issued, no payment will be made and the commission statement will indicate a negative ending balance (also known as an outstanding receivable). Any new earnings on subsequent pay cycles will go towards satisfying the outstanding receivable. Cigna-HealthSpring also reserves the right to recover outstanding receivables from earnings across all Cigna and/or Cigna-HealthSpring business.

Upon request, an Agent/Agency with an outstanding receivable shall remit payment back to Cigna-HealthSpring in full or establish an approved payment plan. If payment is not remitted timely, Cigna-HealthSpring may

engage a collection agency. The Agent/Agency will be responsible for reimbursing all expenses incurred by Cigna-HealthSpring including, but not limited to, collection agency and/or legal fees. Agencies must also utilize best efforts to assist Cigna-HealthSpring in recovering overpayments from any of its Subordinate Agents.

Assignment of Commissions (AOC)

The AOC document defines how an Agent commission is paid at the time a customer is enrolled, and for all future payments on that enrollee, should the customer remain on the books with Cigna-HealthSpring. The AOC directs current and renewal Agent commissions related to the specific customer to the direct upline Agency (Assignee).

The AOC only pertains to business written as of the day the agreement is signed forward. If there is an AOC in place at the time of sale and the agent is later released to be paid directly and/or to move under a new hierarchy, all payments for existing customers will continue to be made under the AOC agreement in place at the time of enrollment.

Agreement to Service the Member (ASM)*

Definition: An executed document between the Assignee Agency and Cigna-HealthSpring whereby the Assignee agrees to properly service the Cigna-HealthSpring customer in the event of a Subordinate Agent becoming inactive and/or terminated from the hierarchy or from Cigna-HealthSpring. Termination may be due to a variety of reasons including failure to certify, cancelled/expired licensure, death, retirement, etc.

When an agent becomes inactive or is terminated from Cigna-HealthSpring, he or she no longer qualifies for renewal compensation as CMS only allows Cigna-HealthSpring to release Agent-level commission payments if an Agent is actively licensed, appointed and certified. In the case of an AOC, the ASM demonstrates that there is a new Agent within the Assignee Agency's organization dedicated to the service of that customer (Agent of Record or AOR). An AOC must be in place for the ASM to be valid.

** The ASM document does not apply to PDP or Cigna Legacy AZ business.*

ASM Policy

General requirements for the ASM are as follows:

- › The ASM only applies to customers being paid under an AOC.
- › The ASM does not apply to customers for which the original agent was being paid directly, nor does it apply to customers the agent previously submitted under a different hierarchy.
- › The ASM is effective the day it is received, unless otherwise noted by Cigna-HealthSpring.
- › The ASM only applies to Agents that are inactivated/terminated after the document has been received and approved by Cigna-HealthSpring.
- › The designated Agent identified on the ASM document must have an AOC to the Assignee Agency on file and must pass all validations in order for the Assignee Agency to continue receiving the Agent level renewal commissions. If the designated Agent fails validations, Agent level commissions will be lost. Agent validations include having an active Cigna-HealthSpring contract, relevant state licensure and appointment, and the completion of annual certification requirements. Hierarchy payments would not be impacted providing Agency validation requirements are met (i.e. active Cigna-HealthSpring contract, license, and appointment, and completed attestation).
- › If the original writing Agent fails validations, Agent level commissions will be lost for the affected book of business; submitting an ASM at a later date will not restore Agent level commissions. Hierarchy payments would not be impacted providing Agency validation requirements are met (i.e. active Cigna-HealthSpring contract, license, and appointment, and completed attestation).
- › Going forward, if the original Agent was contracted for Field sales, the Assignee Agency will be required to notify all affected active customers of the change in representation. The Assignee Agency will retain customer notification documents and will provide to Cigna-HealthSpring upon request in the event of an audit.

Changes to the Designated Agent on the ASM Document

In the event the designated Agent of Record on the ASM document is terminating, or becoming inactive with the hierarchy and/or Cigna-HealthSpring, a new ASM document must be submitted prior to the Agent's termination date (i.e. within 30 days of the date on term letter received) or agent level commissions will be lost. Termination may be due to a variety of reasons including failure to certify, cancelled/expired licensure, death, retirement, etc.

In the event of the designated Agent's death, Cigna-HealthSpring requires notification, as well as a new ASM document, within 30 days. A signed letter from the principal of the Assignee Agency is an acceptable form of notification in lieu of a death certificate.

Commission Department Services

The Commission Department exists to process new application, chargeback, CMS reconciliation and renewal commission payments, as well as to provide service to the Agent and Agency partners surrounding these payments.

Any inquiries to the Commission Department should be sent from the Broker partner through secure messaging via Cigna-HealthSpring's secure web portal or another secure portal utilized by the Broker partner. Inquiries are very important to the Commission Department and all inquiries will receive a response within two business days of receipt, except during high-volume periods such as following the January renewal payment and the January 1 new sales cycles. All commission inquiries should be made to **Commissions@HealthSpring.com**.

Selling an Active Commissionable Book of Business

Subject to CMS rules and regulations, as amended from time to time, and when approved by Cigna-HealthSpring Producer Commissions management, Agents and Agencies may be permitted to transfer their active commissionable book of business (BOB) to another Agent or Agency in good standing with Cigna-HealthSpring if the transfer is the result of an acquisition, merger, sale, consolidation, or other legal transaction. In order to qualify for review, the transferring Agent/Agency must provide the following in writing to Cigna-HealthSpring Producer Commissions at least 90 days prior to the effective date of the transfer:

- › Current Owner name and writing number
- › New Owner name and writing number
- › Notarized documentation that demonstrates the legal transfer of the commissionable BOB
- › Proposed effective date of transfer
- › An attestation from the New Owner that the New Owner shall continue servicing the transferred BOB
- › Proof of New Owner licensure in all states that the BOB transfer covers

In addition to the above requirements, if the writing Agent is changing as a result of the transfer, written demonstration that all customers impacted by the BOB transfer have been notified of the change in representation will also be required. Customer notification documents must be retained and provided to Cigna-HealthSpring upon request in the event of an audit. Furthermore, if the New Owner's hierarchy differs from the current payment hierarchy associated with the customers included in the BOB transfer, or if the current hierarchy will be financially impacted by the transfer, Cigna-HealthSpring will require the following:

- › Written approval of the transfer from the current payment hierarchy (as all commission payments and Agency admin fees will be transferred to the New Owner and their associated hierarchy).
 - If written approval is not obtained, the impacted enrollments will not be considered part of the BOB transfer.
- › Written approval of the transfer from the New Owner's entire assigned hierarchy (as the new hierarchy will assume leadership responsibility for the customers now being serviced by the new owner).

Additionally, all active downline Agents/Agencies associated with the Current Owner must be re-contracted with the New Owner. If a particular downline does not wish to be re-contracted under the New Owner, and there is no AOC on file, those applicable enrollments will not be considered part of the BOB transfer. If an AOC is on file and the current writing Agent will not be re-contracted under the New Owner, a new writing Agent (under the New Owner)

must be assigned. Cigna-HealthSpring must be notified concerning what actions will be taken for each downline at the time of the request.

Upon receipt of the request, Cigna-HealthSpring Producer Commissions management will review the information provided, confirm that both the transferring Agent/Agency and the accepting Agent/Agency are in agreement, and determine if the request will be approved. Cigna-HealthSpring will review all requests on a case-by-case basis and reserves the right to deny any request that does not meet current standards for approval. Cigna-HealthSpring also reserves the right to request any additional documentation not listed above and may designate additional requirements be met as a result of the review process.

If the request is approved, the effective date of the transfer can be no earlier than the date of initial notification indicated above. Completion time varies depending upon the BOB size. Cigna-HealthSpring shall not be responsible for any payments made to the wrong Agent/Agency if Cigna-HealthSpring does not receive at least 90 days prior advance notice of the proposed transfer's effective date.

In order for the new Agent or Agency to receive ongoing renewal compensation, all regular commissionable criteria must be met, including, but not limited to, an active Medicare agreement, appropriate state licensure and appointment, and successful completion of plan-year certification and/or attestation.

Deceased Agent Active Commissionable Book of Business Transfer

Cigna-HealthSpring may permit the transfer of a deceased Agent's active commissionable BOB to their surviving spouse or business partner, providing he/she is actively contracted with Cigna-HealthSpring, holds active state licenses and appointments in all relevant states, and has completed certification for the current plan year.

In order to qualify for review, the following must be provided to Cigna-HealthSpring Producer Commissions in writing within 60 days of the deceased agents passing:

- › Deceased Agent's name and writing number
- › New Agent's name and writing number (surviving spouse/business partner)
- › An attestation from the New Agent that he/she will continue servicing the transferred BOB
- › Proof of New Agent's licensure in all states that the BOB transfer covers

In addition to the above requirements, Cigna-Healthspring may also require the following in accordance with the standard BOB transfer requirements (outlined in the previous section above):

- › Written demonstration that all customers impacted by the BOB transfer have been notified of the change in representation.
- › Written approval of the transfer from both the Deceased Agent's payment hierarchy and the New Agent's hierarchy (in the event the New Agent's contracting differs from the current payment hierarchy associated with the customers included in the BOB transfer).

Upon receipt of the request, Cigna-HealthSpring Producer Commissions management will review the information provided and determine if the request will be approved. All requests will be reviewed on a case-by-case basis, and Cigna-HealthSpring reserves the right to deny any request that does not meet current standards for approval. Cigna-HealthSpring also reserves the right to request any additional documentation not listed above and may designate additional requirements be met as a result of the review process. If the request is approved, the effective date of the transfer can be no earlier than the date of initial notification.

In order for the new Agent to receive on-going renewal compensation, all regular commissionable criteria must be met, including, but not limited to, an active Medicare agreement, appropriate state licensure and appointment, and successful completion of plan year certification.



All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Cigna HealthCare of South Carolina, Inc., Cigna HealthCare of North Carolina, Inc., Cigna HealthCare of Georgia, Inc., Cigna HealthCare of Arizona, Inc., Cigna HealthCare of St. Louis, Inc., HealthSpring Life & Health Insurance Company, Inc., HealthSpring of Florida, Inc., Bravo Health Mid-Atlantic, Inc., and Bravo Health Pennsylvania, Inc. The Cigna name, logos, and other Cigna marks are owned by Cigna Intellectual Property, Inc. Cigna-HealthSpring is contracted with Medicare for PDP plans, HMO and PPO plans in select states, and with select State Medicaid programs. Enrollment in Cigna-HealthSpring depends on contract renewal. All pictures are used for illustrative purposes only.