Kaiser Permanente agrees to pay the following:

<table>
<thead>
<tr>
<th>Compensation and Enrollment Type</th>
<th>Compensation and Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Centennial, Key, and Vital</td>
</tr>
<tr>
<td><strong>Initial Compensation:</strong></td>
<td></td>
</tr>
<tr>
<td>New subscribers enrolling during Medicare Advantage Initial Coverage Election Period (ICEP) or Medicare Advantage Part D Initial Enrollment Period (IEP)</td>
<td>$482 Per Member Per Year (PMPY)</td>
</tr>
<tr>
<td>Paid in Full regardless of effective date within 60 days following the end of month initial premium payment is reconciled.*</td>
<td>Paid in Full regardless of effective date within 60 days following the end of month initial premium payment is reconciled.*</td>
</tr>
<tr>
<td>New subscribers enrolling from Original Medicare with or without a stand-alone Prescription Drug Plan (PDP)</td>
<td></td>
</tr>
<tr>
<td>New subscribers moving from an employer group plan to a non-employer group plan</td>
<td></td>
</tr>
<tr>
<td><strong>Renewal Compensation:</strong></td>
<td></td>
</tr>
<tr>
<td>Current inforce subscribers whose plan renews Jan. 1, 2019</td>
<td>$241 Per Member Per Year (PMPY) for Jan. 1 renewals</td>
</tr>
<tr>
<td>Renewal PMPY commissions will be prorated for effective dates that occur Feb. through Dec.*</td>
<td>Renewal PMPY commissions will be prorated for effective dates that occur Feb. through Dec.*</td>
</tr>
</tbody>
</table>

*Producers receive commissions based on one enrollment type, regardless of how many types are assigned to new subscribers. Compensation depends on CMS confirmation of enrollment type and may be paid retroactively.

(continues on next page)
CMS = Centers for Medicare & Medicaid Services

Duration of compensation: From initial enrollment until plan renews (in January of each year). Disenrollment within 90 days of initial enrollment or renewal: Commissions will be retrospectively adjusted until all previous payments have been recovered.

Commissions shall be paid to the Producer for as long as the Producer is recognized by the subscriber as the Producer of Record to receive said commissions.

All payments shall be subject to the terms and conditions of the Agreement.

Kaiser Permanente Medicare Advantage plans’ producer commissions eligibility rules are listed on the following page.

Joseph E. Smith
Vice President
Marketing, Sales and Business Development of Kaiser Permanente Washington
2019 Kaiser Permanente Plans Broker and Agent Commissions Eligibility Rules

Be Medicare certified
Every year, appointed brokers and agents must be tested and trained on Medicare rules and regulations and on details specific to the plan products that they sell. Courses must include information about Agent and Broker Requirements, Medicare Basics, Fraud, Waste and Abuse, General Compliance Training, Plan Enrollment and disenrollment (Medicare Part C and Part D), Beneficiary Protections, and Medicare Marketing Regulations, including requirements for Medicare Sales and Marketing or Educational Events. To be certified, brokers and agents must take a final exam and achieve a threshold score of 90% or greater for all core-training course tests. These test scores must then be submitted to the Centers for Medicare & Medicaid Services (CMS) by Medicare Advantage plan sponsors when requested.

Know our products
CMS also requires annual plan-specific training for producers representing the Kaiser Foundation Health Plan of Washington Medicare Advantage (HMO) plans. This portion of the training includes:

- 2019 Kaiser Permanente Medicare Advantage plan benefits
- Optional dental benefits
- Enrollment requirements
- Kaiser Permanente Part D benefits and rules
- Kaiser Permanente plan rules and oversight
- Achievement of a threshold score of 90% or greater on the plan-specific exam

Please see the secure site of the Kaiser Permanente producer website or contact us toll free at 1-800-581-8252 to find out more about this requirement.

Additional rules
Length of contract
Subscriber must be enrolled for at least one month in order to be counted toward commissions.

Payment
Commissions will be paid to a producer 60 days following the end of each month (based on reconciled premiums). The level of commissions paid will depend on CMS-confirmed enrollment type. Subscriber contracts may not be split or shared among 2 or more brokerages.

Licensing requirements
The producer must be licensed in the state of Washington, and appointed by Kaiser Permanente or affiliated with an appointed producer.

CMS compensation guidelines:
- Compensation is based on the number of months a member is enrolled.
- Must prorate Initial Compensation when a beneficiary changes plans during their initial enrollment year or makes an “unlike plan change.”
- Compensation must be recovered when a beneficiary disenrolls from a plan within the first three (3) months of enrollment (Rapid Disenrollment) with some CMS exceptions.

(continues on next page)
• Rapid disenrollment compensation recovery does not apply when a beneficiary enrolls effective October 1, November 1, or December 1 and subsequently uses the Annual Election Period to change plans for an effective date of January 1.

• Compensation must be recovered when a producer has been paid for months the beneficiary is not enrolled in a plan.

• CMS expects Plans/Part D Sponsors to retroactively pay or recoup funds based on retroactive beneficiary changes for the current and previous calendar years.

• Must recover a prorated amount of compensation (initial and renewal) from an agent/broker when an enrollee disenrolls from a plan, equal to the number of months not enrolled.

• If a full initial compensation is paid, regardless of effective date, and the enrollee disenrolls midyear, the total number of months not enrolled must be deducted from compensation and recovered from the agent/broker.

Eligible subscriber
Commissions will be paid for those Kaiser Permanente Medicare Advantage subscribers effective January 1, 2019, and forward who meet one of the following criteria:

• A new Kaiser Permanente Medicare Advantage subscriber who has authorized producer representation via an election form or Producer of Record notification

• An existing Kaiser Permanente Medicare Advantage subscriber who has a producer via a previously submitted election form or Producer of Record notification

• An existing Kaiser Permanente Medicare Advantage subscriber who has been moved to a new producer via a new election form or Producer of Record notification

Program interpretation and termination
Final interpretation of the above rules, any rules or provisions contained within the commission supplement, and all determinations of eligibility or qualification for commissions shall be made by Kaiser Permanente. Kaiser Permanente reserves the right to change, alter, or terminate the program at any time.