

## Producer Compensation Disclosure

We are writing to inform you about a new disclosure policy regarding producer compensation. The New Jersey Department of Banking and Insurance (DOBI) has new regulations effective January 5, 2009. Licensed insurance brokers will be required to disclose to their clients any compensation that they receive from the sale of a health care policy or contract for all **New Jersey** products. The regulations also require reporting of any General Agent overrides.

We have prepared details of our new and renewal base commission programs for you to review with your clients who have up to 50 eligible employees in New Jersey, as well as for those with 51 or more employees. This information can be found in the attached link, provided for your reference and for use, as appropriate, with your clients.

For new cases with up to 50 eligible employees in New Jersey, the Oxford Health Plans and UnitedHealthcare base commission rate is 5.5% of paid premium for the first policy year. (If there is more than one agent on the case, this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of the client's policy.

For groups with 50 or more employees, **we will be providing you with customer specific letters detailing the specific commission structure applicable for the group.**

### Sample Broker letters to groups

We look forward to continuing to work together with you to meet the health care needs of your clients. If you have any questions or concerns, please contact your UnitedHealthcare representative.

**NO GENERAL AGENT OVERRIDE**

**Prospective or New Groups with 2 to 50 eligible employees**

Information on the agent compensation paid on your health insurance policy: The Oxford Health plans and UnitedHealthcare base commission rate for new cases with up to 50 eligible employees in New Jersey is 5.5% of paid premium for the first policy year (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

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**Renewal letter - Groups with 2 to 50 eligible employees**

Information on the agent compensation paid on your health insurance policy: The base commission rate for renewing cases with up to 50 eligible employees in New Jersey is 4.5% of paid premium (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

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**WITH A GENERAL AGENT OVERRIDE**

**Prospective or New Groups with 2 to 50 eligible employees**

Information on the agent compensation paid on your health insurance policy: The Oxford Health plans and UnitedHealthcare base commission rate for new cases with up to 50 eligible employees in New Jersey is 5.5% of paid premium for the first policy year (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

An override of 2% of premium will also be paid to a General Agency for assisting in the first year sale of your policy.

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**Renewal letter - Groups with 2 to 50 eligible employees**

Information on the agent compensation paid on your health insurance policy: The base commission rate for renewing cases with up to 50 eligible employees in New Jersey is 4.5% of paid premium (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

An override of 1.75% of premium will also be paid to a General Agency for assisting in the renewal of your policy.

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**NO GENERAL AGENT OVERRIDE**

**All Prospective, New or Renewal Groups with 51 or more eligible employees**  
Information on the agent compensation paid on your health insurance policy: The base commission rate that will be paid on your Oxford Health Plan [or UnitedHealthcare] policy is \_\_\_% of paid premium (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

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**WITH A GENERAL AGENT OVERRIDE**

**Prospective or New Groups with 51 or more eligible employees**  
Information on the agent compensation paid on your health insurance policy: The base commission rate being paid on your policy is \_\_\_% of paid premium (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

An override of 2% of premium will also be paid to a General Agency for assisting in the sale of your policy.

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**Renewal Groups with 51 or more eligible employees**  
Information on the agent compensation paid on your health insurance policy: The base commission rate being paid on your policy is \_\_\_% of paid premium (if there is more than one agent on your case this percentage is split among them). In addition to base commissions, agents may be eligible for bonus compensation related to the sale or renewal of your policy.

An override of 1.75% of premium will also be paid to a General Agency for assisting in the renewal of your policy.