

Covered California

EXHIBIT F
Agency Agreement
SCHEDULE OF COMMISSIONS

SCHEDULE OF COMMISSIONS**A. Individual Market:**

QHP Issuers are solely responsible for compensating Agencies and Agents for plans sold in the Individual Exchange. Compensation rates are determined by QHP Issuers and may vary depending on the terms and conditions established in the agreement between Issuer and Agent or Agency.

B. Employer Groups with 1 to 50 Enrolled Employees:

The following is the Schedule of Commissions for CCSB employer groups with 1 to 50 Enrolled Employees:

Effective date 1/1/2014 – 12/1/2017

1 st Year	6.5%
2 nd Year	6.2%
3 rd Year	5.9%
4 th Year	5.6%
5 th Year	5.3%
6+ Years	5.0%

Effective date 1/1/2018 – Later

1 st Year and after	5.0%
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Should an employer group exceed 50 Enrolled Employees, the above Schedule of Commissions shall not change to the schedule identified in Section C of Exhibit F below. The above Schedule of Commissions shall apply as long as the Employer Group fulfills the CCSB eligibility requirements identified in 10 CCR § 6522. The sole factor in determining the applicable Schedule of Commissions is the number of Enrolled Employees in the employer group at the time the employer group initially offers coverage through CCSB.

C. Employer Groups with 51 to 100 Enrolled Employees:

For employer groups with 51 to 100 Enrolled Employees, the Schedule of Commissions shall be 5.0%. If an employer group falls below 51 Enrolled Employees, the commission rate shall remain at 5.0% and will not revert to the Schedule of Commissions identified in Section B of Exhibit F above. This Schedule of Commission shall apply as long as the Employer Group meets the CCSB

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eligibility requirements identified in 10 CCR § 6522. The sole factor in determining the applicable Schedule of Commissions is the number of Enrolled Employees in the employer group at the time the employer group initially offers coverage through CCSB.

D. Modification to Schedule of Commissions:

Unless all parties agree to an earlier effective date, Covered California may modify or replace its commission schedule upon providing forty-five (45) calendar days prior notice to Agency. The modified or replacement schedule shall apply to all QHPs sold by Agent on or after the effective date of such modification or replacement. Covered California will provide Agency with an updated “Schedule of Commissions” whenever changes occur by posting such changes to:

<https://www.coveredca.com/agents/>. No formal amendment is required for changes or modifications to the “Schedule of Commissions”. By executing this Agreement, the Contractor acknowledges and accepts that Covered California may modify or replace its commissions schedule upon forty-five (45) calendar days prior notice to the Agency and that any modified commissions schedule will be posted to: <https://www.coveredca.com/agents/>.

E. Incentive Program:

1. Pursuant to Section A of Exhibit B, Covered California incorporates a performance incentive or “bonus” program into this Schedule of Commissions to provide additional compensation. The Incentive Program applies to new Covered California for Small Business (CCSB) groups with initial effective dates of 7/1/26, 8/1/26, 9/1/26, 10/1/26, 11/1/26, 12/1/26, and 1/1/27. Agencies and Agents must strictly comply with the Incentive Program rules to qualify for incentive payments. Covered California retains sole discretion to determine compliance with the program rules.

As outlined below, Covered California will pay incentive payments to Agency in addition to standard commission payments, as outlined in Section A of Exhibit B of this Agreement. Covered California shall report the incentive payments on Forms 1099 and 5500, as well as any other reporting required by law.

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The Incentive Program outlined in this section is subject to cancellation or modification at any time by the Exchange without prior notice to Agency. Covered California will make a good faith effort to notify Agency of any modifications to the Incentive Program. Covered California shall not be liable for payment of any incentive payments following the Incentive Program's cancellation.

Agency Incentive Structure Table

Group Size	Incentive Per Group \$50,000 Maximum Cap	
	3 Groups	6+ Groups
51-100	\$6,000	\$9,000
26-50	\$4,000	\$6,000
11-25	\$2,000	\$3,000
8-10	\$1,000	\$1,500
5-7	\$500	\$750

2. The terms and conditions of the Incentive Program are as follows:

Initial Payout Incentive:

- a. Applies to new Covered California for Small Business (CCSB) groups with initial effective dates of 7/1/26, 8/1/26, 9/1/26, 10/1/26, 11/1/26, 12/1/26, and 1/1/27.
- b. Agency must submit minimum of three groups to qualify for the Incentive Program.

After qualifying with third group submission, submissions for groups 1-5 will be paid based on applicable subscriber size based on the appropriate column (*see Agency Incentive Structure Table*).

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- Agencies that submit six or more groups during the incentive period shall receive incentive payments applicable to the group subscriber size listed in the “6+ Groups” column on the Agency Incentive Structure Table. If Agency has previously received an incentive payment for groups under the “3 Groups” column, it will receive an additional incentive payment to cover for the difference between the amounts in the “3 Groups” and “6+ Groups” columns. Agencies will not be paid more than the amounts listed in the “6+ Groups” column for any group enrolled during the incentive period.
- c. To be eligible, the Employer Group must remain in force and pay premiums in full for ninety (90) days from the effective date of coverage.
- d. Incentive Program payments are capped at a maximum of \$50,000 per Agency for new groups enrolled with initial effective dates of 7/1/26, 8/1/26, 9/1/26, 10/1/26, 11/1/26, 12/1/26, and 1/1/27.
- e. Subscriber count (i.e., enrolled employee count) is determined at time of initial enrollment, as recorded in CCSB systems, and is based solely on medical subscribers. Retroactive additions are not eligible for incentive payments. Dependents of enrolled employees are not included in the count.
- f. Groups must meet standard CCSB binder payment requirements for enrolled employees to be counted towards Incentive Program payments.
- g. No prorating of target values will take place.
- h. Business written through partnering General Agencies qualifies.
- i. Covered California intends to issue incentive payments forty-five (45) days after the ninety (90) day requirement outlined in Section E(2)(c) of Exhibit F. Covered California reserves the right to modify its payment schedule at any time.
- j. Agency may participate in this Incentive Program as long as it maintains active certification required by Section C(2) of Exhibit A and complies with all provisions in this Agreement.
- k. Incentive Program payments are in addition to regular sales commissions. Incentive Program payments will be reported on Forms 1099 and 5500, as well as any other reporting required by law, including reporting mandated by California AB 2589 (January 2009).

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- I. If applicable, Agency shall disclose commissions and other payments as required by law.

- m. Covered California may cancel or modify this Incentive Program at any time without prior notice to Agencies and Agents participating in the program. Covered California shall not be liable for any incentive payments after the program's cancellation or termination.

F. Direct Deposit for Employer Group Commissions:

1. Agency may elect to enroll in direct deposit to receive standard commission payments, as outlined in Section A of Exhibit B of this Agreement for CCSB employer groups via electronic funds transfer (EFT). Agencies enrolled in direct deposit will have their standard commission payments deposited into their designated account.
2. Agency must be certified by Covered California to enroll in direct deposit. The Agency Manager Level 2 or Authorized Signer is authorized to initiate, change, or cancel direct deposit.
3. Agency shall be solely responsible for providing, maintaining, and updating its banking information for direct deposit. Agency must promptly report any changes to Covered California to prevent payment delays or errors. Covered California shall not be liable for payment errors or delays resulting from incorrect or outdated banking information provided by Agency. If Agency takes an action that causes a direct deposit to be rejected by the designated financial institution, Covered California will not be responsible for issuing a supplemental payment until the nonaccepted deposit amount is returned to the State by the financial institution.
4. If at any time, the amount of the commission payment exceeds the amount due and payable to Agency, Covered California will withhold an amount equal to the overpayment from future commission payments.
5. If Covered California terminates Agency without cause pursuant to Section H of Exhibit C of this Agreement, for cause pursuant to Section G of Exhibit C of this Agreement, or if Agency fails to maintain certification with Covered California pursuant to Section C(2) of Exhibit A of this Agreement, Covered California will terminate the Agency's enrollment in direct deposit. Covered California reserves the right to terminate an Agency's direct deposit at its discretion, which will result in the Agency receiving a paper warrant.