



**BlueCross BlueShield
of Illinois**

Compensation Schedule

Medicare Supplement Product Lines, Effective April 1, 2023

This Blue Cross and Blue Shield of Illinois (BCBSIL) Compensation Schedule is effective April 1, 2023, and replaces any existing Medicare Supplement Compensation Schedule in effect prior to the effective date of this schedule and shall apply to all new and existing policies effective on or after the effective date of this Compensation Schedule.

MEDICARE SUPPLEMENT PRODUCT				
PRODUCT TYPE	COMPENSATION RATE FIRST YEAR	COMPENSATION RATE YEARS 2-6	COMPENSATION RATE YEARS 7-10	COMPENSATION RATE YEARS 11+
Persons Aged 65-79	10% / 12.5% ^{1, 2}	10%	5%	2.5%
Persons Aged 80 and Older and Under 65 Medicare	5% / 6.25% ^{1, 2}	5%	2.5%	1.25%

MEDICARE SUPPLEMENT SECURE PRODUCT				
PRODUCT TYPE	COMPENSATION RATE FIRST YEAR	COMPENSATION RATE YEARS 2-6	COMPENSATION RATE YEARS 7-10	COMPENSATION RATE YEARS 11+ S
Persons Aged 65-79	18% / 20.5% ^{1, 2, 3, 4}	18%	5%	2.5%
Persons Aged 80 and Older and Under 65 Medicare	9%	9%	2.5%	1.25%

¹ First year compensation is based upon the level of production of new paid sales in each product line during the previous calendar year. Producers that have sold 25 or more paid policies in the previous calendar year will receive compensation at the higher level in the first year on new paid sales, in that respective product category.

² No product lines other than Medicare Supplements will be considered in the paid policy count.

³ External replacements moving to the Secure product, will be considered the first-year compensation rate.

⁴ New Secure paid sales as well as external replacements moving to the Secure product that have sold 25 or more paid policies the higher compensation rate will be applied during annual production review.

Over 65 Replacements/Renewals

When an existing Medicare Supplement and Medicare Select (PPO) is replaced with another policy, the term of the policy will be paid according to the policy effective date of the original case. If policy lapse from original case is greater than 30 days, then the new policy will be paid as first year and considered new. No compensation is paid on Medicare Supplement business that replaces an existing in force Medicare Supplement policy unless:

- The replacement is from the producer's own book of business; or
- The replacement is from a Medicare Supplement Product to a Medicare Supplement Secure Product, in which case, for that initial move, a one-time producer of record change will be allowed and will be paid according to the policy effective date of the new Medicare Supplement Secure case. Compensation to the new producer of record will be based on new policy effective date, initial premium and year 1 compensation for the new Secure case.

Renewal compensation will be paid on all other carrier Medicare Supplement replacement policies. Medicare Supplement and Medicare Select (PPO) Plans are not connected with or endorsed by the U.S. Government or the Federal Medicare program.

All compensation for Medicare Supplement product lines is based on the initial premium on the policy. Initial premium is defined as the initial preferred premium. If a policy change results in a coverage premium that is lesser than the initial premium, then compensation is paid on the lesser value.

It is the Producer's responsibility to ensure the accuracy of each monthly compensation statement. BCBSIL limits compensation adjustments for all Medicare Supplement business to twelve (12) months for non-payment or under-payment of compensation.