

Important Change to Appointment and Renewal Fees

In recent years ConnectiCare has been the only insurance carrier in our market to pay the appointment and renewal fees for its producers. We have done everything possible to maintain this practice because of the value we place on the producer community and its contribution to our success.

Our commitment to the producer distribution channel remains as strong as ever. However, due to competitive and regulatory factors, we have decided that **effective January 1, 2011**, ConnectiCare will no longer pay the appointment and renewal fees on behalf of our producers. This change will bring us in line with other carriers, which is increasingly important in today's competitive marketplace.

The impact of health care reform is also a significant factor in this decision. As we begin to implement the many mandated reforms, such as the provisions for Medical Loss Ratio, we need to re-examine all aspects of our business.

Listed below are the fees for initial appointment and appointment renewal, which producers will need to pay beginning in 2011:

In Connecticut

Initial appointment

Agencies and producers will need to submit a check payable to ConnectiCare, Inc., in the amount of **\$305 for each broker**, along with required appointment paperwork. The check amount represents appointment **in both ConnectiCare entities**: \$152.50 for ConnectiCare, Inc. (CCI) and \$152.50 for ConnectiCare Insurance Company, Inc. (CICI).

Appointment renewal

Renewal fees are due every two years, with the next payment due in 2012. Agencies and producers will need to submit a check payable to ConnectiCare in the amount of \$200 for each broker. If the broker does not have any commissionable business, the fees will be due at the time of the appointment renewal. Otherwise the fees will be deducted from the broker's future commissions. The fee amount represents \$100 for each entity, CCI and CICI. We will provide notification in advance of the amount due.

In Massachusetts

Initial appointment

Individual producers will need to submit a check payable to ConnectiCare in the amount of \$75. Agencies will need to submit a check for \$75 for each Business Member Entity*, and an additional \$75 for any other producer the agency wants to add.

Appointment renewal

Renewal fees are due annually. The next payment of \$75 for each Business Entity Member and all other agents is due in 2011. Agencies and producers will need to submit a check payable to ConnectiCare in the amount of \$75 for each Business Member Entity.* If the Business Member Entity does not have any commissionable business, the fees will be due at the time of the appointment renewal. Otherwise the fees will be deducted from future commissions. We will provide notification in advance of the amount due.

** The Massachusetts Division of Insurance defines a Business Member Entity as a licensed agent who is affiliated with a particular insurance agency, and is listed on the insurance agency's license and appointments. A member sells, solicits or negotiates on behalf of the agency, and may be an officer, director, owner, key employee, or an employee of the agency. Note: An agent can be a member of more than one agency.*

Please note that going forward it will be important to keep your license current by paying the renewal fee. If your license lapses, you will need to pay an initial appointment fee to be re-appointed with ConnectiCare.

Additional information about appointment and renewal fees will be communicated in upcoming issues of SalesCall. If you have any questions, please contact your ConnectiCare sales representative.

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