

Incentive Examples

There are a number of ways to earn dollars under the Pinnacle 2000 Program. Following are two examples:

| Producer | HMO | | PPO ASO w/o SL | | FlexCare ASO w/o SL | | PPO Fully Insured | |
|--------------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Actual Members Sold | Capped Eligible Members | Actual Members Sold | Capped Eligible Members | Actual Members Sold | Capped Eligible Members | Actual Members Sold | Capped Eligible Members |
| A | 60 | 60 | | | | | | |
| B | 25 | 25 | 80 | 80 | 620 | 620 | | |
| C | | | | | | | 55 | 55 |
| Total Qualified Members | 85 | | 80 | | 620 | | 55 | |
| Product Rates | \$15 | | \$5 | | \$7.50 | | \$10 | |
| Comp by Product | \$1,275 | | \$400 | | \$4,650 | | \$550 | |
| Total Compensation | | | | | \$6,875 | | | |

NOTE: Product rates can be found in Section 3 of the guidelines.

| Producer | HMO | | PPO ASO w/o SL | | FlexCare ASO w/o SL | | ASO Dental PPO | |
|--------------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Actual Members Sold | Capped Eligible Members | Actual Members Sold | Capped Eligible Members | Actual Members Sold | Capped Eligible Members | Actual Members Sold | Capped Eligible Members |
| A | 500 | 500 | 150 | 0 | 2,500 | 2,000* | 2,950 | 2,500* |
| B | | | 300 | 300 | | | 300 | 300 |
| C | 250 | 250 | | | | | | |
| Total Qualified Members | 750 | | 300 | | 2,000 | | 2,800 | |
| Product Rates | \$15 | | \$5 | | \$10 | | \$.50 | |
| Comp by Product | \$11,250 | | \$1,500 | | \$20,000 | | \$0 | |
| Total Compensation | | | | | \$32,750 | | | |

NOTE:

* Producer A exceeded case maximum of 2,500, therefore lives were used first based on those with the highest rate/member until the 2,500 limit was reached. HMO lives were used first, then 2,000 of the 2,300 FlexCare ASO lives. No PPO lives were used from Producer A because all 2,500 lives were used from HMO and FlexCare ASO products. This allocation provides the maximum bonus dollars for the products sold. Medical and dental members are capped independently (i.e., 2,500 each). Producer B's Dental PPO business does not qualify because the criteria must be met individually for medical and dental products (minimum of 3 new cases).



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Pinnacle 2000



Pinnacle 2000

Start the climb to the top today...

Enroll in the program
that offers more rewards.

Partnership Advantage

CIGNA HealthCare is dedicated to working with you to help you achieve and maintain continuous growth in your business. Our diverse range of products and services offers your clients a wide variety of choices at affordable rates. CIGNA's sales representatives can assist you in selecting the most appropriate plan designs for your clients and they can provide you with numerous sales tools to enhance your presentations.

Our partnership is primed for success in the year 2000 and beyond. As we move forward together, we will continue to strengthen our working partnership. The Pinnacle 2000 Program is designed to acknowledge you as a leader in your field and to express CIGNA HealthCare's appreciation for your efforts.

Reward Program for Top Producers

February 1, 2000 – January 31, 2001

Features:

- ▶ New Business Incentives
- ▶ Medical and Dental Enrollment
- ▶ Compensation up to \$250,000



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Plus Rewards for Top Producers

CIGNA HealthCare has developed an incentive program for top producers to recognize and reward those who have reached the pinnacle of success in our business. Our Pinnacle 2000 Program is offered in addition to our HMO Bonus Program as a way to acknowledge your CIGNAificant contribution to growing membership. As our partner in this business of caring, we want you to share the rewards of being at the top.

Highlights

Producers can earn up to \$250,000 in incentives during the duration of the program: February 1, 2000 – January 31, 2001. Highlights of this year's program include:

- ▶ Addition of dental products in calculating membership incentives HMO—\$4/member; PPO—\$1/member; ASO Dental PPO—\$.50/ member
- ▶ Producers who meet the requirements of both the HMO New Business Bonus Program and the Pinnacle 2000 Program receive \$25/member incentives (\$10/member for HMO Bonus and \$15/member for Pinnacle 2000).
- ▶ Medical sales to a dental only account will be considered new business under the program.
- ▶ Minimum criteria is met individually for medical and dental product payments—3 of each combined or as stand-alones.
- ▶ Payment will be made within 90 days of the close of the program; early payments can be accommodated with a 10% finance charge.

To Enroll

Selected producers are eligible to enroll in the program until April 30, 2000. Enrolling is as easy as:

- 1** Review the guidelines and contact your CIGNA representative with any questions;
- 2** Complete the producer profile; and
- 3** Sign the addendum to our agreement.

Producer Incentive Program 2000

Pinnacle 2000 Guidelines

1. Eligible Participants:

Producers who are selected for and enrolled in the Pinnacle 2000 Program by a CIGNA HealthCare representative prior to April 30, 2000. Enrollment includes completion of the Producer Profile Form.

2. Term of Agreement:

From February 1, 2000 to January 31, 2001.

3. Compensation:

Subject to the terms and conditions of the Program set forth below, eligible producers will be paid according to the following schedule:

| QUALIFYING PRODUCT | PER MEMBER RATE | QUALIFYING PRODUCT | PER MEMBER RATE |
|---|-----------------|---|-----------------|
| Commercial HMO ^{1,4} | \$15.00 | ASO FlexCare with Stop Loss | \$10.00 |
| Fully Insured ² FlexCare | \$15.00 | ASO FlexCare w/o Stop Loss | \$ 7.50 |
| Fully Insured ² PPO/PPA ³ | \$10.00 | ASO PPO/PPA ³ with Stop Loss | \$ 7.50 |
| Dental HMO | \$ 4.00 | ASO PPO/PPA ³ w/o Stop Loss | \$ 5.00 |
| Fully Insured Dental PPO | \$ 1.00 | ASO Dental PPO | \$ 0.50 |

¹ Commercial HMO Rate is in addition to rates payable under the HMO Bonus Program.

² Includes Minimum Premium Funding.

³ Includes Indemnity Product.

⁴ Rate will be adjusted to comply with New York's 4% limit on commission for HMO and in-network CHA.

4. Qualifying Sales:

Qualifying Sales* must meet the following requirements:

- (a) A sale of one of the CIGNA HealthCare products described in Section 3 above.
- (b) Sale must result in the enrollment of 50 or more individuals (members). Enrollment will be determined by the number of members enrolled on the date that producer compensation under Pinnacle 2000 is calculated.
- (c) The effective date of the policy or group service agreement must be during the period of the program (February 1, 2000 – January 31, 2001).
- (d) The new sale must not be a sale to an existing customer or a division of an existing customer with similar product coverage (i.e., medical or dental). New medical sales to a dental-only customer, or dental sales to a medical-only customer, do qualify.

* Connecticut General may defer to its Field Sales Compensation Manual for additional guidance regarding whether a sale is a Qualifying Sale.

5. Limits, Minimums and Maximums

- (a) The maximum compensation paid to a producer under the Program will be **\$250,000**.
- (b) A producer must make a minimum of **three** Qualifying Sales for each product category, (i.e., 3 medical cases for medical bonus and/or 3 dental cases for dental bonus as either stand-alones or combined sales) during the Term, to be paid compensation under the Program.

(c) A producer must have a minimum of **200** members enrolled in the aggregate for each product category (i.e., medical, dental) as a result of producer's Qualifying Sales during the Term, to be paid compensation under the Program.

(d) There is a **2,500** member limit in determining compensation for each Qualifying Sale.

6. Other Rules and Exclusions:

- (a) No compensation will be paid under the Pinnacle 2000 Program if a producer is compensated under any other bonus program with CIGNA HealthCare (other than CIGNA's HMO Bonus Program).
- (b) Sales initiated through general agents will not be considered Qualifying Sales.
- (c) Pinnacle 2000 will comply with all applicable state laws regarding limits on producer compensation. The rates stated in Section 3 will be reduced, to zero if necessary, to comply with such laws.

7. Payment:

Payment will be made approximately 90 days following January 31, 2001. Reasonable requests for early payments may be accommodated on an exception basis and are subject to a finance charge of 10% APR (rounded to nearest month).

8. Schedule A Disclosure (Form 5500):

Compensation under the Program is subject to disclosure as a separate line item on Form 5500 and will state:

"The Producer was provided these monies for sales on an aggregate basis and this amount was not charged to this account."

9. Renewal:

Pinnacle 2000, as it applies to any single producer, may be renewed at the option of CIGNA. A minimum member persistency of 90% is expected to qualify for renewal.

10. Other:

- (a) Compensation under Pinnacle 2000 is separate and distinct from any compensation payable under CIGNA's HMO Bonus Program.
- (b) When multiple rates are applicable, per Section 3, the per member rate will be applied in descending order (highest to lowest) until the member limit in Section 5(d) is reached for a given Qualifying Sale.



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