



March 5, 2010

Mr. David M. Banet
David M. Banet & Associates
45 Dowlin Forge Road
Exton, PA 19341

Dear Dave,

I am writing to follow up on my letter of January 19, 2010 explaining that Independence Blue Cross is changing our broker commission program and moving to a per contract per month payment for small group business beginning May 1, 2010. Today I would like to confirm the per contract per month (PCPM) commission we will offer for groups that we show have fewer than 100 enrolled.

The PCPM payments by product will be:

<u>Plan</u>	<u>Total PCPM</u>	<u>Level II/III</u>	<u>Producer</u>
Keystone (HMO, POS, DPOS)	\$42	\$6	\$36
Personal Choice Flex Deductible and HSA	\$42	\$6	\$36
Personal Choice	\$52	\$8	\$44

The PCPM commission also applies to ancillary vision and drug, whether freestanding or riders. The PCPM commission does not apply to UCCI dental plans which will continue to be paid as a percent of premium.

Please note that you are required to distribute the PCPM amounts between the Level II/III and Producers exactly as shown above. From time to time, we will perform audits to determine whether the PCPM amounts are being paid accordingly.

These PCPM commissions will be reflected in the payment distributed in June 2010 for premium billed and paid in May 2010. Before May 1, we will send an addendum to your Primary Agent Agreement that will cover this change in our commission program. Attached you will find a draft of a letter for you to use to announce these changes to your producers.

If you have any questions, please do not hesitate to get in touch with me. As always, thank you for your ongoing partnership with us.

Very truly yours,

Brett A. Mayfield
Vice President, Sales

BAM/ms
Attachment
cc: Larry Turnbull