



2023 Specialty Growth Bonus



At Humana, we know your success is our success. To show our appreciation, we're excited to offer a new and easier way for you to earn more when you sell or renew Humana specialty plans.

NEW FOR 2023:

- When you renew Humana specialty lines of coverage with clients that currently have a medical line of coverage, we'll give you **New Business points** for each specialty line renewed* and still count those renewed lines in your premium persistency calculation in your Specialty Growth Bonus payment.
- **New Business points increased from .5 to 1 point** per line of coverage for <10 enrolled employees.
- **Bonus Percentage increased from 4% to 5%** for plans with <25 insured lives for producers that achieve "Peak" persistency and are at the "Elite" compensation level.

Bonus program highlights

- Tiered structure allows you to earn more as you climb to the next level
- Opportunities for selling new and retaining existing business – and for case sizes big and small
- Rewarded for multi-line sales year-over-year so you don't have to start fresh each year
- Earn up to 7% book of business revenue

If you have any questions, please contact your Humana sales executive. We continue to be committed to working with you to offer benefit solutions that address the unique needs of your clients – and provide easier ways to earn more for your business!

Specialty Growth Bonus details

The Specialty Growth Bonus is intended for Specialty Lines of Coverage of all sizes. The Specialty Growth Bonus is paid once annually, within 60 days after the January 31, 2024 program end date.

Humana rewards Producers who grow and maintain a significant block of specialty business. The Specialty Growth Bonus payment is a function of the following items:

- Total New Business and Inforce Point levels achieved at the Agent of Record Level
- Premium Persistency measured over the term of the Program for Cases in effect as of January 31, 2023, at the Agent of Record Level.
- Line of Coverage Case Size and Compensable Premium

* The new business points replace the inforce points for specialty lines renewed on cases with a medical line of coverage in force as of the date prior to the plan anniversary, pushing you even closer to your next Compensation Level – Enhanced, Premier or Elite.

Eligible products:

- Group Term Life (including AD&D)
- Group Term Voluntary/Supplemental Life (including AD&D)
- Group Vision (including Voluntary Vision)
- Group Dental (including Voluntary Dental)
- Group Long-Term Disability (including Voluntary Long-Term Disability)
- Group Short-Term Disability (including Voluntary Short-Term Disability)

How do I qualify for a Specialty Growth Bonus and how much can I earn?

Producers may qualify for bonus compensation based on attaining minimum qualification criteria detailed below.

New business and inforce points calculation

New business and in-force points are determined based on the number of enrolled employees within each line of coverage.

NEW BUSINESS		INFORCE BUSINESS	
Enrolled employees	Points per line of coverage	Enrolled employees	Points per line of coverage
< 10	1.00	< 10	0.25
10 – 24	1.50	10 – 24	0.25
25 – 49	2.50	25 – 49	0.75
50 – 99	3.00	50 – 99	1.00
100 – 249	5.00	100 – 249	2.00
250 – 999	7.00	250 – 999	4.00
1,000 +	10.00	1,000 +	5.00

- New business points are derived from the first bill on which a coverage appears
- Inforce points are derived from the coverage's enrolled employee count as of January 31, 2023

Compensation level determination

- Your compensation level is based on your total new business points and your total points
- You must meet the minimum, in both categories, to qualify for a given Compensation level

Compensation level	Total New Business Points Only	Total New Business and In Force Points Combined
Enhanced	30	40
Premier	40	80
Elite	65	145

Premium persistency calculation

The Premium Persistency¹ is calculated by dividing the producer’s January 31, 2024, Inforce Capped Premium by the producer’s January 31, 2023, Inforce Capped Premium for the same coverages

Capped persistency level:	87% or higher	At least 75% but less than 87%	Less than 75%
	Peak	Summit	Base

Illustration of premium persistency calculation:

	Customer A	Customer B	Customer C	Customer D	Customer E	Total
Coverages	Dental & vision	Life & Voluntary Life	Life & Voluntary Life	Dental & Vision	Life & Voluntary Life	
Beginning premium	\$1,000,000	\$350,000	\$150,000	\$245,000	\$95,000	\$1,840,000
Capped beginning premium*	\$250,000	\$100,000	\$100,000	\$245,000	\$95,000	\$790,000
Capped ending premium*	\$250,000	\$100,000	—	\$245,000	\$95,000	\$690,000
Capped premium persistency	100%	100%	0%	100%	100%	87.34%

* A per case premium cap of \$100,000 for Life / Voluntary Life coverages combined, and \$250,000 for dental and vision combined, will be applied in the premium persistency calculation to minimize the impact of large cases on a producer’s persistency.

Bonus calculation

- Based on your Compensation Level and your Premium Persistency, you can determine your bonus percentage applicable to the premium category of each case using the chart below
- If your persistency is 87% or higher you are rewarded with the greater bonus percentages illustrated below

			Plans with <25 insured lives	Plans with 25+ insured lives				
Capped premium persistency level	Points level	Premium category	All premium per case ²	First \$50,000	Next \$50,000	Next \$150,000	Next \$150,000	Balance
Peak	Elite	New & inforce business	5.0%	7.00%	5.50%	3.00%	1.50%	0.75%
	Premier		3.0%	5.00%	4.00%	2.00%	1.00%	0.50%
	Enhanced		2.0%	2.00%	2.00%	0.75%	0.50%	0.25%
Summit	Elite	New & inforce business	3.5%	6.00%	4.75%	2.50%	1.25%	0.50%
	Premier		2.5%	4.00%	3.25%	1.50%	0.75%	0.25%
	Enhanced		1.5%	1.50%	1.50%	0.75%	0.50%	0.25%
Base	Elite	New business only	3.5%	6.00%	4.75%	2.50%	1.25%	0.50%
	Premier		2.5%	4.00%	3.25%	1.50%	0.75%	0.25%
	Enhanced		1.5%	1.50%	1.50%	0.75%	0.50%	0.25%

- Persistency measurement, for benefits/plans effective on or prior to 1/31/2023, is from 2/1/2023 through 1/31/2024.
- Bonuses are calculated on premiums paid and posted to the customer's account within the program period of 2/1/2023 through 1/31/2024. Specialty Growth Bonus (SGB) bonus payments are limited to \$200,000 on any one plan. SGB is payable only on plans inforce as of 1/31/2023. This flyer provides a general overview of Humana's standard SGB program. It is not a complete statement of the rights, benefits, limitations, or exclusions of the program. The standard program parameters described herein may be amended by supplemental programs. Final determination of qualification and payment rests solely with Humana. This SGB Program is subject to regulatory approval.

Provisions below apply to all bonuses described in this flyer:

Bonus offerings are subject to current product availability by state.

All lines of coverage are subject to availability by case size and underwriting approval.

Only Group plans for which base commissions are being charged to the customer and the Agent of Record is receiving base commissions are considered Eligible Cases.

Individual agents or agencies may be obligated to disclose compensation to clients. Because state laws vary, agents should be aware of and comply with applicable state compensation disclosure requirements. Humana is not responsible for providing legal advice to agents. If an agent has a question or concern regarding his/her state's compensation disclosure law, he/she should consult a legal advisor.

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