

We are pleased to provide the following enhanced commission schedule for Insured Premium Accounts with 5+ subscribers.

Commission Schedules for 2007

New and Renewal Business for Insured (Premium) Accounts with 5+ Subscribers

Managed Care and PPO Business¹

Portion of Account Annual Premium	% Paid on Earned Premium Paid in 2007	% Paid on Earned Premium in 2007 for Target Business*
First \$400,000	3.00%	4.00%
Next \$200,000	2.50%	2.50%
Next \$200,000	2.00%	2.00%
Remainder	1.00%	1.00%

¹ Applies to HMO Blue®, Blue Choice®, Blue Care® Elect, and Access Blue products only.

*Additional 1.00% for target business paid on the first year only (ask your Sales Executive for details)

High-Deductible HMO or PPO

Portion of Account Annual Premium	% Paid on Earned Premium Paid in 2007	% Paid on Earned Premium in 2007 for Target Business*
First \$400,000	4.00%	5.00%
Next \$200,000	2.50%	2.50%
Next \$200,000	2.00%	2.00%
Remainder	1.00%	1.00%

*Additional 1.00% for target business paid on the first year only (ask your Sales Executive for details).

Dental Business²

Portion of Account Annual Premium	% Paid on Earned Premium Paid in 2007
First \$5,000	10.50%
Next \$50,000	5.25%
Next \$20,000	4.00%
Remainder	2.00%

² Applies to Dental Blue® products only.

Indemnity Business³

Portion of Account Annual Premium	% Paid on Earned Premium Paid in 2007
First \$5,000	15.00%
Next \$10,000	8.00%
Next \$10,000	4.00%
Next \$225,000	3.40%
Next \$1,000,000	1.00%
Remainder	0.10%

³ Applies to Vital Insurance Protection™ (VIP), Comprehensive Major Medical (CMM), and group Medex® products only.

In order for any commissions to be paid, accounts must have a minimum of five subscribers enrolled. Commissions are paid on a monthly basis and will be paid in accordance with the commission schedule in effect as of the date the business is written, enrolled, or renewed.

Entitlement to commissions and bonuses is subject to terms and conditions contained in the Broker Agreement. Blue Cross and Blue Shield of Massachusetts, Inc., reserves the right to make final determination of eligibility for account credit, premium credit, and bonus payments.

Senior products (Managed Blue for Seniors, Medicare PPO™ Blue and Medicare HMO® Blue, and Blue MedicareRx) are non-commissionable.



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Broker
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Bonus Programs—2007

We're pleased to offer these bonus programs to our broker partners:

- New Business Bonus that rewards you for new accounts that you place with us in 2007
- Retention Bonus that rewards you for the number of accounts that you renew with us in 2007. In addition, Blue Cross and Blue Shield of Massachusetts, Inc., offers a Persistence Bonus that rewards you for the percentage of accounts that you renew with us in 2007

New Business Bonus[†]

# of New Accounts*	Annualized Combined Premium Requirement**	% Paid on Earned Premium Paid in 2007
4	\$500,000	0.75%
5-7	\$1,000,000	1.00%
8+	\$1,500,000	1.25%

* To be considered for the "New Business Bonus," a new account must be enrolled, effective, and commissionable in 2007.

† The addition of a new product/plan/group to an existing Blue Cross Blue Shield of Massachusetts account will not be considered a new account.

** Annualized premium determines eligibility for bonus. Bonus payment is calculated based upon actual premiums earned and paid by the group in 2007.

New Business and Retention and Persistence Eligibility Requirements:

1. Accounts with both medical and dental coverage will be counted as one account only.
2. Accounts with dental coverage only will be included in annualized premium and case count.
3. Brokers are eligible for only one level of bonus.
4. Accounts must have a minimum of 5 subscribers enrolled.
5. Bonus eligibility is based on fully insured medical accounts.

† Bonuses are paid on a one-time annual basis; both number of accounts and annualized premium requirements must be met in order for a particular level of bonus to be awarded.

Retention and Persistence Bonuses[†]

# of Cases Renewed in 2007*	Annualized Premium	Retention Bonus	Persistence Bonus**	Total Bonus
10	\$642,000	\$2,750	\$400	\$3,150
15	\$963,000	\$5,500	\$825	\$6,325
20	\$1,284,000	\$9,000	\$2,250	\$11,250
25	\$1,605,000	\$12,000	\$3,000	\$15,000
30	\$1,926,000	\$15,000	\$3,750	\$18,750
35	\$2,247,000	\$18,000	\$4,500	\$22,500
40	\$2,568,000	\$21,000	\$5,250	\$26,250
45	\$2,889,000	\$24,000	\$6,000	\$30,000
50	\$3,210,000	\$27,000	\$6,750	\$33,750
55	\$3,531,000	\$32,500	\$11,375	\$43,875
60	\$3,852,000	\$35,750	\$12,500	\$48,250
65	\$4,173,000	\$39,000	\$13,750	\$52,750
70	\$4,494,000	\$42,000	\$14,750	\$56,750
75	\$4,815,000	\$45,500	\$15,925	\$61,425
80	\$5,136,000	\$49,000	\$17,150	\$66,150
85	\$5,457,000	\$52,000	\$18,200	\$70,200
90	\$5,778,000	\$55,000	\$19,250	\$74,250
95	\$6,099,000	\$58,250	\$20,375	\$78,625
100	\$6,420,000	\$61,500	\$21,525	\$83,025

* Excludes cases in which you became Broker of Record on an existing Blue Cross and Blue Shield of Massachusetts, Inc., case.

** If your number of accounts, as defined in the left-most column, represents 95% or more of the original accounts you had in effect on 12/31/06, you qualify to receive the additional persistence bonus.

Retention and Persistence Bonuses are anticipated to be awarded to qualifying brokers no later than May 2008. Brokers are eligible for only one level of bonus.

Bonuses pursuant to this program are discretionary and are contingent upon the meeting of eligibility requirements, the Broker's compliance with the Broker Agreement between the Broker and Blue Cross and Blue Shield of Massachusetts, Inc., and the profitability, and general satisfaction of Blue Cross and Blue Shield of Massachusetts, Inc., with broker performance. Blue Cross and Blue Shield of Massachusetts, Inc., reserves the right to diverge from or modify the terms of this program as it deems necessary or appropriate without any advance notice. Blue Cross and Blue Shield of Massachusetts, Inc., will not, however, pay a bonus in excess of the schedules set forth herein.