

Effective January 1, 2026, Blue Shield of California is transitioning all Medicare Supplement broker commissions to a flat per member per month (PMPM) model. This change applies to all new and existing contracts.

New Commission Structure

- For contracts effective on or after January 1, 2026, initial commissions will be paid according to the new PMPM schedule set forth in the 2026 Commission Schedule.
- Renewal commissions for contracts in force on or before December 31, 2025, will be paid at a fixed PMPM rate based on the December 2025 premium period.

This transition to a fixed PMPM rate reflects Blue Shield's ongoing commitment to aligning compensation practices with industry standards and supporting our producers in a competitive market. By streamlining the payment process, we aim to reduce administrative burdens and provide greater predictability in earnings.

We appreciate your collaboration and commitment to our organization.

It is important to note that the attached Medicare Supplement 2026 Amendment to the Producer Agreement is an amendment to your executed Producer Agreement (Amendment). This Amendment reflects the updates to commission structure described above. This Amendment is time sensitive. Kindly note that if the Amendment is not signed by or before January 1, 2026, the fixed PMPM rate for new 2026 sales will be reduced by 50%. We have exercised our discretion to **retroactively align** commission payments with the applicable January 1, 2026 PMPM rate upon timely execution of the agreement if the Amendment is executed on or before March 31, 2026. Any delays beyond March 31, 2026, will result in the continued application of a 50% reduction to the PMPM new sales rate. Please contact Broker Services at **(800) 559-5905** for questions and reference Broker Connection for 2026 Commission Schedule.

Thank you once again for your continued collaboration.

We remain committed to supporting you as we move forward together.

Blue Shield of California