

2022

DELTA DENTAL  
**PRODUCER REWARDS**  
A BROKER BONUS PROGRAM

FOR PRODUCER USE ONLY



# Direct Sales By An Agent/Agency

1. Sell new groups (a minimum of 100 new subscribers in total for the year) and receive a bonus on your year-end book<sup>2</sup> or your actual revenue<sup>3</sup> with no existing book.
2. Retain existing business and receive an additional bonus on your year-end book.<sup>2</sup>

LEVELS	BRONZE	SILVER	GOLD	PLATINUM	TITANIUM
You Qualify with	\$50k < \$500k EXISTING BOOK <sup>4</sup>	\$500k < \$1M EXISTING BOOK <sup>4</sup>	\$1M < \$3M EXISTING BOOK <sup>4</sup>	\$3M < \$5M EXISTING BOOK <sup>4</sup>	\$5M or more EXISTING BOOK <sup>4</sup>
BONUS RATES					
<b>New Group Sales<sup>3,5</sup></b> BONUS % X YEAR-END BOOK <sup>2</sup>	<b>Growth / Bonus %</b> 20% - 25% = 0.125% 25% - 30% = 0.25% >30% = 0.5%	<b>Growth / Bonus %</b> 15% - 20% = 0.125% 20% - 25% = 0.25% >25% = 0.5%	<b>Growth / Bonus %</b> 10% - 15% = 0.125% 15% - 20% = 0.25% >20% = 0.5%	<b>Growth / Bonus %</b> 5% - 10% = 0.125% 10% - 15% = 0.25% >15% = 0.5%	<b>Growth / Bonus %</b> 5% - 10% = 0.25% 10% - 25% = 0.50% >25% = 1%
<b>Retention<sup>6</sup></b> BONUS % X YEAR-END BOOK <sup>2</sup>	<b>Retention / Bonus %</b> 95% - 98% = 0.5% >98% = 0.75%	<b>Retention / Bonus %</b> 95% - 98% = 0.5% >98% = 0.75%	<b>Retention / Bonus %</b> 95% - 98% = 0.25% >98% = 0.5%	<b>Retention / Bonus %</b> 95% - 98% = 0.25% >98% = 0.5%	<b>Retention / Bonus %</b> 95% - 98% = 0.5% >98% = 0.75%

# Sales Through A General Agent/Agency

1. Sell new groups (a minimum of 100 new subscribers in total for the year) and receive a bonus on your year-end book<sup>2</sup> or your estimated annual revenue<sup>3</sup> with no existing book.
2. Retain existing business and receive an additional bonus on your year-end book.<sup>2</sup>

LEVELS	COPPER	PEWTER
You Qualify with	\$10k < \$100k EXISTING BOOK <sup>4</sup>	\$100k < \$500k EXISTING BOOK <sup>4</sup>
BONUS RATES		
<b>New Group Sales<sup>3,5</sup></b> BONUS % X YEAR-END BOOK <sup>2</sup>	<b>Growth / Bonus %</b> 25% - 35% = 0.125% 35% - 50% = 0.25% >50% = 0.5%	<b>Growth / Bonus %</b> 20% - 25% = 0.125% 25% - 30% = 0.25% >30% = 0.5%
<b>Retention<sup>6</sup></b> BONUS % X YEAR-END BOOK <sup>2</sup>	<b>Retention / Bonus %</b> 95% - 98% = 0.5% >98% = 0.75%	<b>Retention / Bonus %</b> 95% - 98% = 0.5% >98% = 0.75%



## VISION BONUS PROGRAM<sup>7</sup>

# DeltaVision<sup>®</sup> Cross-Sell Bonus

New DeltaVision product sold with a new or existing dental product will be eligible for a cross-sale bonus.

1. Sell a DeltaVision product between 2/1/22 and 1/31/23 to a new or existing Delta Dental of Arizona client; and
2. Sale of the new DeltaVision product must result in a total enrollment of 100 new subscribers, when including all clients sold.

NEW DELTAVISION SUBS	BONUS AMOUNT
100 - 499	\$250
500 - 999	\$500
1,000+	\$1,000

## SAMPLE CALCULATION

# Calculating the Bonus

The sample calculation below assumes direct dental sales by an agent.

### New Group Sales

- Existing book<sup>4</sup> at 1/31/22: 10 groups with 1,988 subscribers and revenue qualifying you for Silver level.
- New group sales: 3 new groups with 715 new subscribers.
- New group sales growth =  $715/1,988$  or 35.9%, earning a sales bonus of 0.5%.
- Sales \$ bonus for 35.9% growth at the Silver level = 0.5% multiplied by year-end book<sup>2</sup> at 1/31/23.

### Retention

- Existing book<sup>4</sup> at 1/31/22: 10 groups with 1,988 subscribers and revenue qualifying you for Silver level.
- Existing book<sup>4</sup> at 1/31/23: 9 groups with 1,953 subscribers.
- Retention =  $1,953/1,988$  or 98.2%, earning a retention bonus of 0.75%.
- Retention \$ bonus for 98.2% retention at the Silver level = 0.75% bonus multiplied by year-end book<sup>2</sup> at 1/31/23.

# Delta Dental Producer Rewards Program Specifics

## The program rules and guidelines are set forth below:

The Delta Dental Producer Rewards program is effective from 2/1/22 through and including 1/31/23 unless terminated or otherwise modified by Delta Dental of Arizona (DDAZ).

Groups and subscribers are “new” in 2022 with group effective dates between 2/1/22 and 1/31/23.

Groups and subscribers are “existing” business in 2022 with group effective dates before 2/1/22.

“Book” is premium and ASO revenue received, excluding ASO claims paid, for DDAZ groups. When a group is net of commission, the group must grant permission to DDAZ to include the premium or ASO fee in the computation of bonus revenue as well as permission to pay a bonus attributable to the revenue received from the group. Such permission from the group’s decision maker must be in writing and specify the period of time for which the permission is extended, including confirmation that the group understands that bonuses paid based on the group’s revenue will be included as commission in group reports.

Qualification for participation is determined by the existing book<sup>4</sup> at 1/31/22.

To qualify for participation, the producing agency must also have an “agent of record” document on file.

Bonus \$ amounts are based upon your sales and/or retention bonus

percent earned multiplied by your year-end book<sup>2</sup> at 1/31/23.

Minimum qualifications for new group sales bonus eligibility are 100 new group subscribers.

The sales bonus percent is based on new group sales growth, calculated as 2022 subscribers from new groups divided by existing subscribers at 1/31/22. The sales bonus \$ amount = the sales bonus percent earned multiplied by the year-end book<sup>2</sup> at 1/31/23.

The sales bonus option, without an existing book: Producing firms selling new risk or ASO business, without an existing book, may request in writing that a sales bonus be calculated on estimated annual premium and ASO fee revenue (next 12 months), excluding ASO claims paid. The sales \$ bonus amount = sales bonus percent earned multiplied by the estimated premium or annual ASO revenue (excluding ASO claims paid).

The retention bonus percent is based on the subscriber retention percentage, calculated as subscribers in year-end book<sup>2</sup> on 1/31/23 divided by subscribers in existing book<sup>4</sup> on 1/31/22. The retention bonus \$ amount = the retention bonus percent multiplied by the year-end book<sup>2</sup> at 1/31/23.

A producing agency may earn a retention bonus without earning a sales bonus.

The Delta Dental Producer Rewards program is offered at the sole discretion of DDAZ and can be

terminated or modified by DDAZ at any time without notice. Any subsequent bonus program is at the discretion of DDAZ.

The bonus payout is annual by 4/15/23.

The maximum number of subscribers counted for each new group is 5,000.

The maximum total payout per agency location is \$100,000.

Each agency, or agency location, participates independently. Producers who work for a producing agency will be included at the agency level for qualification and paid at the agency level.

If groups make an agent of record change during the reward period, each agency will receive credit for the period of time the agent of record was valid for each agency.

No disputes regarding any bonus payment under the Program will be considered unless communicated in writing to your DDAZ Sales or Account representative within 90 days of payment receipt. Revisions will not be considered after 90 days post-payment receipt.

DDAZ will exclude any client where the producing agent or client has requested in writing that the client be excluded from consideration for purposes of calculation or payment of bonus.

<sup>1</sup> The 2022 Delta Dental Producer Rewards dental bonus program applies to dental policies issued or administered by, and placed with, Delta Dental of Arizona and is subject to Program Rules on page 4. DHMO policies are ineligible for the program.

<sup>2</sup> “Year-end book” is premium and ASO revenue received, excluding ASO claims paid, for DDAZ groups at 1/31/23.

<sup>3</sup> With no existing book, sales bonus is based upon actual premium and ASO fee revenue (during Program effective period), excluding ASO claims.

<sup>4</sup> “Existing book” is premium and ASO revenue received, excluding ASO claims paid, for DDAZ groups at 1/31/22.

<sup>5</sup> With an existing book, sales bonus is based on new groups and their subscribers, with a minimum of 100 new group subscribers to qualify at each level.

<sup>6</sup> Retention is based upon subscribers retained in all groups that were active on 1/31/22.

<sup>7</sup> The 2022 Delta Dental Producer Rewards vision bonus program applies to vision policies placed with Delta Dental of Arizona and is subject to Program Rules on page 4.