

Small group bonuses for assisting employer transitions from Health Net

CALIFORNIA | PRODUCER REWARDS

Effective 10/1/2026-3/1/2027

Support your small group employer clients impacted by Health Net's market exit by helping them consider Kaiser Permanente as a quality health care solution for their employees and earn additional compensation for eligible new small group sales and Total Replacement small group renewals.

NEW SALES BONUS

Earn a **\$75** per New Small Group Member bonus for New Small Groups moving their medical coverage from Health Net to Kaiser Permanente. Plus earn lump-sum bonuses as you achieve each tier based on the number of eligible New Small Groups transitioned. Lump-sum bonuses cumulatively total **\$7,000** if you transition **20** New Small Groups. Once you transition a block of **20** New Small Groups, earn **\$500** for each additional New Small Group.

On Eligible New Small Groups	New Small Groups	Plus a Block Group Bonus Payment
\$75 per New Small Group Member	Sell 3	\$500
	Sell 6	\$1,000
	Sell 10	\$1,500
	Sell 20	\$4,000
	Sell 21+	\$500 per group

BONUS EXAMPLE

New Sales bonus:

Move **6** New Small Groups from Health Net to Kaiser Permanente during the program effective dates with a total of **40** New Small Group Members

40 members x \$75PM

+ \$500 for the first 3 groups

+ \$1,000 for the 4th through 6th groups

New Sales bonus payment: \$4,500

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TOTAL REPLACEMENT BONUS

Earn **\$100** per Net New Member and **\$1,000** per Existing Small Group for eligible Existing Small Groups moving their medical coverage from a dual coverage offering with Health Net and Kaiser Permanente to Kaiser Permanente as the sole carrier.

On Eligible Existing Small Groups	Per Existing Group
\$100 per Net New Small Group Member	\$1,000 per group

BONUS EXAMPLE

Total Replacement bonus:

Move **3** Existing Small Groups from Health Net to Kaiser Permanente as the sole carrier with a total of **45** Net New Members

45 Net New Members x \$100

+ 3 groups x \$1,000

Total Replacement bonus payment: \$7,500

PAYMENT

The aggregate maximum eligible payout for these bonus programs is \$100,000 per agency. The firm will receive a one-time bonus payment by June 30, 2027. Payment is subject to receipt of required documentation to confirm the group's incumbent carrier is Health Net. Producer must be the producer of record for all eligible groups at the time of sale or renewal. Groups must be active at the time of payout to be eligible for these bonus programs. Enrollees for any one group cannot be split or shared between broker or producer firms.

ELIGIBILITY CRITERIA

- **"New Small Group"** means a commercial employer group that (1) had coverage with Health Net and members enrolled with Health Net who are located within the Kaiser Permanente California service area immediately prior to the group's contract effective date with Kaiser Permanente; (2) moves directly from Health Net into a fully insured contract with Kaiser Permanente with a contract effective date between October 1, 2026, and March 1, 2027; (3) meets the definition of a "small group" pursuant to the requirements applicable to the employer group; (4) has a physical location in California; and (5) has not had a contract with Kaiser Permanente in the 12 months prior to the group's contract effective date. Groups sold through CaliforniaChoice® or Covered California for Small Business or that leave or break away from exchanges, associations, trust funds, unions, or professional employer organizations are not a New Small Group.
- **"New Small Group Members"** means members located within Kaiser Permanente's California service area that have the same effective date as the New Small Group's contract effective date.

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- **“Existing Small Group”** means a commercial employer group that (1) had coverage with both Health Net and Kaiser Permanente, with members enrolled in Kaiser Permanente’s California service area, immediately prior to the group’s renewal contract effective date with Kaiser Permanente; (2) selects Kaiser Permanente as the group’s sole carrier at the renewal contract effective date under a fully insured renewal contract with an effective date between October 1, 2026, and March 1, 2027; (3) meets the definition of a “small group” pursuant to the requirements applicable to the employer group; and (4) has a physical location in California. Groups that leave or break away from exchanges, associations, trust funds, unions, or professional employer organizations do not qualify as an Existing Small Group.
- **“Net New Member”** means a member located in the Kaiser Permanente California service area that is included in the overall increase in Kaiser Permanente membership within the Existing Small Group determined by comparing the Existing Small Group’s membership enrolled as of the end of the month, the month before their renewal month, compared to the Existing Small Group’s membership enrolled as of the month of the Existing Small Group’s renewal contract effective date.
- Any groups for which a producer becomes the producer of record during the bonus period as a result of a merger or acquisition shall not be included for purposes of calculating these bonuses.
- This bonus program is in addition to other bonus programs offered by Kaiser Permanente for which producer qualifies.

STANDARD RULES AND CONDITIONS

- Producers must be in good standing and appointed by Kaiser Foundation Health Plan, Inc. (Kaiser Permanente) and, if applicable, Kaiser Permanente Insurance Company (KPIC). Producer must be the producer of record at the time of sale or renewal and hold the appropriate license and appointment in the jurisdiction in which the group or members are located at the time of payout. Payment is contingent upon receipt of all required producer documentation including an executed producer/broker agreement, proof of Errors and Omissions coverage (if applicable), appropriate marketplace certification(s), and a W-9 form.
- All compensation, including commissions, bonuses, and rewards, will be reported and disclosed in accordance with Kaiser Permanente and KPIC policy and applicable law, including Forms 1099 and 5500, and as required by California AB 2589.
- Kaiser Permanente and/or its designated representatives retain sole discretion over the interpretation of the terms and conditions of, and any or all provisions in, this bonus program, and over resolution of any disputes arising from this bonus program.
- Producers and consultants are responsible for complying with all legal requirements regarding disclosure of compensation from Kaiser Permanente and KPIC in the form of commissions, bonuses, and other rewards.
- Kaiser Permanente reserves the right to modify, amend, or terminate this bonus program in accordance with the terms and conditions of the Kaiser Permanente producer/broker agreement and applicable law.
- Producers who fail to meet the provisions of the Kaiser Permanente broker/producer agreement are not eligible for payment.

Contact your Kaiser Permanente representative to learn
more about this bonus program.
