

For Distribution to Brokers Only

October 31, 2007

CareFirst Increases Broker Compensation for 2008

Market: All

CareFirst BlueCross BlueShield (CareFirst) is pleased to announce the 2008 Broker/Agent compensation. **The 2008 compensation schedule is included in the new Broker Administrative Manual.**

General Highlights of the new Broker/Agent Agreement:

- Increased the PCPM commission rate by 3% for all products in all market segments
- Updated 2008 Account Installation calendar (available in the 2008 Broker/Agent Administrative Manual)
- Introduced new Medicare Advantage product; commission will be paid at 51+ rates
- Once the new broker commission system, Callidus TrueComp, is operational payments will be made by either direct deposit (no minimum required) or by check after a \$200 minimum is accumulated.

You may obtain the new Broker/Agent agreement and updated Broker Administrative Manual by visiting the *Brokers and Agents* section of www.carefirst.com. Look in the *Solution Center for Agreements*. The new Broker/Agent Agreement will become effective on January 1, 2008.

This notification shall act as an Amendment to the existing CareFirst, Inc. Broker/Agent Services Agreement. **You do not need to take any action in order to accept the terms of the Amendment and keep your contract in-force for the year 2008.** If you do not agree to the terms of the 2008 Agreement, CareFirst will be unable to recognize your representation for any new business effective January 1, 2008.

We thank you for your efforts and contributions in 2007. If you have any questions, please contact your Broker Sales Representative.



Shekar Subramaniam
Associate Vice President, Broker Sales