

Your partnership *is important to us.*

Introducing Regence Blue Transitions.

Regence values your business and support and would like to recognize your efforts and the value you bring to our members. That's why the Blue Transitions program provides payouts for new group and association business and retention. It's our way of showing how much we appreciate the relationship we've built together.

New group and association business development

We'll recognize your contributions for helping groups transition from another carrier to one of our Regence medical plans. To be eligible for the program, simply meet the minimum threshold of 25 new medical subscribers during the program period (for groups with effective dates between Jan. 1 – Dec. 31, 2010). Achieve or exceed the threshold and you'll receive (retroactive to the first subscriber):

\$35.00 per new subscriber
\$5.00 per new subscriber for e-Enroll
\$2.50 per new subscriber for cross-sold business on a dental plan
\$5.00 max per new subscriber for cross-sold business on one or more Regence Life and Health (RLH) products sold 1/1/10-6/30/10 and \$2.50 per new subscriber sold 7/1/10-12/31/10.

Subscriber count is determined based on the number of enrolling employees on the group's effective date.

Payouts will be issued one month after initial qualification is met and monthly thereafter for additional qualifying groups. Payout is capped at \$20,000 per group.

Retention of inforce group and association business

Recognizing you for your continued efforts to communicate the value that Regence medical plans bring to members is also important to us. To qualify, have 100 inforce group and/or association subscribers on Dec. 31, 2009, and then keep at least 80% of them on one of our medical plans through 2010.

Here's a breakdown of how the payouts will work:

\$5.00 per subscriber for retaining 80% of inforce business
\$5.50 per subscriber for retaining 85% of inforce business
\$6.00 per subscriber for retaining 90% of inforce business

We'll track your sales and update you on your progress throughout the year. Snapshots of your business will be taken starting with a baseline look at your book of inforce business on Dec. 31, 2009, and then again on Dec. 31, 2010. Payouts are capped at \$20,000 per group and will be issued in March 2011.

Other program rules

- Regence reserves the right to terminate or modify this program at any time and without further notice. In order to qualify for any payment described in this Blue Transitions 2010 flyer, you must be an appointed producer with Regence and comply with all of the terms, conditions and limitations contained in (i) the Producer Agreement for Individual & Group Products applicable to your appointment, and (ii) the "Regence 2010 Blue Transitions Program Terms and Conditions", available upon written request or at the web address presented below. Regence reserves the right to interpret the terms and conditions of the Blue Transitions program.
- This program applies to group and association business only.
- Payout will be reported on Schedule A (Form 5500) to all applicable groups.
- A producer may opt out of the program at any time by providing written notice to Regence.
- The Regence Blue Transitions program does not apply to other arrangements that have custom components. Please consult with your Regence sales or account representative for more details.

Rules are subject to change.
For complete rules, please visit
<http://www.wa.regence.com/agent/commission/> and click on
Blue Transitions.

**Questions? Please contact your
Regence Sales Representative.**