

HEALTH INSURANCE INDUSTRY EXECUTIVE & MANAGEMENT TOTAL POTENTIAL REMUNERATION SURVEY

This Survey provides participants with a comprehensive picture of the total compensation package for executives and management in the Health Insurance Industry. This includes:

- Annual cash compensation (including base salary and annual incentives)
- Long-term incentives
- The potential value of other benefits such as deferred compensation, retirement benefits, and severance/change-of-control agreements

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Past Participants

Arkansas BC&BS
BC&BS of Alabama
BC&BS of Arizona
BC&BS of Arkansas
BC&BS of California
BC&BS of Florida
BC&BS of Kansas
BC&BS of Kansas City
BC&BS of Massachusetts
BC&BS of Michigan
BC&BS of Minnesota
BC&BS of Nebraska
BC&BS of North Carolina
BC&BS of Rhode Island
BCBS of Tennessee
BCBS of Western NY
BC of Idaho
BC of NE PA
Cambia Health Solutions
CareFirst BCBS
Capital Blue Cross
Catholic Health Initiatives
Excellus BCBS
Geisinger Health Plans
Hawaii Medical Svc
Highmark
Horizon
Independence
Molina Healthcare
Noridian

TOTAL POTENTIAL REMUNERATION SURVEY OVERVIEW

Comprehensive source of market intelligence that covers:

- Complete compensation/remuneration levels, including:
 - Base salary¹
 - Annual and long-term incentives at actual, minimum, target and maximum¹
 - Potential value of benefits and perquisites²
 - Potential value of employment, severance and change-of-control agreements²
- Compensation and benefit practices, including:
 - Executive perquisites and benefits (SERPs, deferred compensation, etc.)
 - Employment, severance and change of control agreements
 - Annual and long-term incentive plan design
- Calibration of pay by organizational size
- Custom Data Reporting:
 - Custom peer group cuts are available
- Hot Topics – stay abreast of key industry issues!

Key Dates

- Effective Date - March 1st 2018
- Questionnaires distributed – February 2018
- Fully Completed Questionnaires Due (Date Stamped):
 - Before April 1st - Early Return Discount (\$500 discount*)
 - On or Before April 15th - On Time Discount (\$250 discount*)
 - Due Date - April 15th Survey Fee - \$2,850
- Publication of Results (participants only) – September 2018

How to Participate in the 2018 Survey:

- Complete the registration form below and return to us as instructed.
- The Survey Questionnaire will be distributed in February.

*Payment of initial invoice must be received within 60 days of invoice date or any early submission discount will be forfeit

¹ Data collected for all positions

² Data collected for a select group of 10 positions



TOTAL POTENTIAL REMUNERATION SURVEY POSITIONS COVERED

Positions for which Executive Total Potential Remuneration is Tabulated:

- Chief Executive Officer
- Chief Operating Officer
- Top Legal Executive/General Counsel
- Top Financial Executive
- Top Human Resources Executive
- Top Information Systems Executive
- Top Sales and Marketing Executive
- Top Actuarial Executive
- Chief Medical Officer
- Chief Underwriting Executive

Positions for which Total Direct Compensation is Tabulated:

- Subsidiary Head/Strategic Business Unit Exec
- Regional Head/Geographic Business Unit Exec
- Top Managed Care Exec
- Head of Primary Care Medical Home (PCMH)
- Top Pharmacy Executive
- Chief Data Analytics Officer
- Top Sales Executive
- Top Marketing Executive
- Head of Retail Market Dev. and Consumerism
- Top Corporate, Govt and Public Affairs Exec
- Top Communications Exec
- Top Government Ops (Medicare, Medicaid)
- Top Medicare/Medicaid Executive
- Second Level Information Systems Exec
- Top Healthcare Informatics Executive
- Second Level Healthcare Informatics
- Top Network Management Executive
- Top Health Services Executive
- Top Service Operations Executive
- Top Claims Executive
- Top Customer Service Executive
- Top Membership and Billing Executive
- Second Level Actuarial Executive
- Second Level Financial Executive
- Top Audit Executive
- Controller
- Treasurer
- Top Corporate Compliance Executive
- Second Level Legal Position
- Top Strategic Planning Executive
- Head of Healthcare Economics
- Regional Medical Director
- Project Management Executive
- Top Real Estate Executive

SAMPLE OUTPUT

1 Compensation Levels *continued*

2013 Total Potential Remuneration Survey™
Position A.100.05: Chief Executive Officer
Elements of Compensation (\$000s)

Scope Breaks - Total Revenues	# and % of Companies/ Scope (\$M)	Board Chair?	Midpoint	Base Salary	Annual Incentive Policy (as a % of Salary)			Target Total Cash Compensation	Long-Term Incentive Policy (Annual \$ Value)			Target Total Direct Compensation		
					Actual	Target	Minimum		Maximum	Target	Minimum		Maximum	Actual
All Co.'s	n 19 % 100%	3	12	19	19	19	18	19	14	12	13	14	19	
Avg	\$ 4,180.6		\$922.83	\$ 875.6	\$ 725.2	79%	40%	123%	\$ 1,581.4	\$ 937.7	\$ 547.8	\$ 1,358.8	\$ 727.9	\$ 2,203.2
Percentiles:														
10th	1,598.5		516.6	480.0	176.0	45%	18%	99%	1,087.5	183.0	84.0	217.2	112.4	1,118.0
25th	1,543.3		757.8	771.0	376.0	50%	25%	79%	1,156.0	495.0	261.0	711.0	228.8	1,430.7
50th	2,263.4		820.9	820.0	490.0	70%	35%	100%	1,368.0	848.5	352.8	1,194.0	470.0	1,802.0
75th	7,429.0													
90th	9,389.5													

2 Total Potential Remuneration *continued*

2013 Total Potential Remuneration Survey™
Position A.100.05: Chief Executive Officer
Elements of Total Potential Remuneration (\$000s)

Scope Breaks - Total Revenues	# and % of Companies/ Scope (\$M)	Maximum TDC	Annualized Benefits Value	Annualized Pensions Value	Deferred Comp Eligible	Deferred Comp \$	Defined Benefit	Defined Contribution	Employment Agreements	Employment Agreements & Contracts		Severance Potential \$
										Charged-Control Agreements	Potential \$	
All Co.'s	n 19 % 100%	19										
Avg	\$ 1,672.2	\$ 4,180.6	\$ 3,077.7									
Percentiles:												
10th	1,111.5	ID	ID									
25th	1,439.8	ID	ID									
50th	1,927.9	ID	ID									
75th	2,132.7	ID	ID									
90th	2,263.1	ID	ID									

Annual & Long-Term Incentive Policies *continued*

Annual Executive/Management Incentive Plans *continued*

Minimum/Maximum levels of company performance as a percent of goal

Company Performance	Responses		Percentiles (percent of goal)					
	n	%	Avg	10th	25th	50th	75th	90th
Minimum levels	16	84%	48%	29%	48%	50%	50%	58%
Maximum levels	17	89%	140%	100%	125%	150%	150%	150%

➤ Manager was the title of the lowest level position eligible to participate in the management incentive plan

Lowest annual salaries participating in the Executive/Management incentive plan

Annual Salary	Responses		Percentiles (salary)					
	n	%	Avg	10th	25th	50th	75th	90th
Lowest potentially eligible	10	53%	\$ 1,111.5	\$ 1,111.5	\$ 1,111.5	\$ 1,111.5	\$ 1,111.5	\$ 1,111.5
Lowest actually awarded	10	53%	\$ 1,439.8	\$ 1,439.8	\$ 1,439.8	\$ 1,439.8	\$ 1,439.8	\$ 1,439.8

➤ 74% (14 Companies)
Lowest annual salaries participating in the Executive/Management incentive plan

2013 Total Potential Remuneration Survey™

Effective Date: April 1, 2013

HR+Survey Solutions, LLC

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At the end of this meeting
Value

Survey Position Title	Scope Breaks - Total Revenues	Number of Companies		Base Salary (\$000)					
		s	n	Avg	10th P	25th P	50th P	75th P	90th P
Chief Executive Officer	All Co.'s	19	19	\$875.6	\$680.0	\$771.0	\$826.0	\$900.0	\$1,161.0
Chief Executive Officer	> \$3 Billion	9	9	\$974.1	ID	\$828.5	\$882.0	\$1,080.5	ID
Chief Executive Officer	< \$3 Billion	10	10	\$786.9	\$666.5	\$710.0	\$779.5	\$821.3	\$1,042.5
Chief Operating Officer (Second in Command)	All Co.'s	12	12	\$489.7	\$363.7	\$404.3	\$490.5	\$537.5	\$664.9
Chief Operating Officer (Second in Command)	> \$3 Billion	4	4	\$570.0	ID	ID	ID	ID	ID
Chief Operating Officer (Second in Command)	< \$3 Billion	8	8	\$449.5	ID	\$393.3	\$453.5	\$505.3	ID
Top Legal Executive/ General Counsel	All Co.'s	18	18	\$340.7	\$223.5	\$299.0	\$326.5	\$407.0	\$448.2
Top Legal Executive/ General Counsel	> \$3 Billion	9	9	\$365.3	ID	\$325.0	\$395.0	\$446.5	ID
Top Legal Executive/ General Counsel	< \$3 Billion	9	9	\$296.1	ID	\$254.5	\$312.0	\$346.0	ID
Top Financial Executive	All Co.'s	18	18	\$431.7	\$222.8	\$379.0	\$417.5	\$509.8	\$578.0
Top Financial Executive	> \$3 Billion	8	8	\$517.3	ID	\$451.8	\$511.5	\$568.8	ID
Top Financial Executive	< \$3 Billion	10	10	\$363.3	\$205.2	\$326.3	\$392.0	\$416.3	\$447.0
Top Human Resources Executive	All Co.'s	18	18	\$290.4	\$194.0	\$228.8	\$297.0	\$344.5	\$385.1
Top Human Resources Executive	> \$3 Billion	9	9	\$344.7	ID	\$309.0	\$336.0	\$375.0	ID
Top Human Resources Executive	< \$3 Billion	9	9	\$236.2	ID	\$198.0	\$232.0	\$258.5	ID
Top Information Systems Executive	All Co.'s	19	19	\$314.7	\$200.0	\$247.0	\$325.0	\$355.0	\$435.0
Top Information Systems Executive	> \$3 Billion	9	9	\$334.1	ID	\$269.0	\$332.0	\$395.0	ID
Top Information Systems Executive	< \$3 Billion	10	10	\$297.2	\$197.3	\$233.8	\$303.5	\$351.8	\$413.7
Top Sales and Marketing Executive	All Co.'s	13	13	\$361.5	\$262.2	\$314.0	\$340.0	\$422.5	\$491.2
Top Sales and Marketing Executive	> \$3 Billion	6	6	\$417.0	ID	\$340.0	\$422.5	\$481.8	ID
Top Sales and Marketing Executive	< \$3 Billion	7	7	\$313.9	ID	\$270.0	\$334.0	\$343.0	ID
Top Actuarial Executive	All Co.'s	17	17	\$265.1	\$182.8	\$236.5	\$262.0	\$297.5	\$346.2
Top Actuarial Executive	> \$3 Billion	8	8	\$308.6	ID	\$278.0	\$297.5	\$336.3	ID
Top Actuarial Executive	< \$3 Billion	9	9	\$226.4	ID	\$216.5	\$237.0	\$248.5	ID

2018 Health Insurance TPR Survey Registration Form

PLEASE COMPLETE AND E-MAIL OR PRINT AND FAX TO 866-886-2908

Completing and returning this form indicates agreement to the Terms as described on the following page.

Yes! We will participate and purchase the results for the 2018 TPR Survey for \$2,850 (less any applicable early and on-time submission discounts).

Yes! We will participate in the 2018 TPR Survey but won't be purchasing the results.

Your Name: _____

Your Title: _____

Organization Name: _____

Email: _____

Street Address: _____

City/State: _____ / _____ Zip Code: _____

Phone: _____ Fax: _____

PLEASE ADVISE TO WHOM WE SHOULD SEND THE SURVEY QUESTIONNAIRE, IF DIFFERENT FROM ABOVE:

Name: _____ Title: _____

Email: _____ Phone: _____

Please let us know if there are positions that you would like added to the Survey.

Suggestion 1: _____

Suggestion 2: _____

Suggestion 3: _____

Please let us know if there are Hot Topic subjects you would like surveyed:

Suggestion 1: _____

Suggestion 2: _____

Suggestion 3: _____



2018 REGISTRATION FORM: AGREEMENT TO PARTICIPATE

By completing this agreement, your organization affirms their commitment to participate in HR+Survey Solution's 2018 Total Potential Remuneration Survey (TPR). You will be invoiced for 50% of the amount due when you receive the Survey Questionnaire. Upon publication, after receipt of initial payment and your fulfillment of your obligations to provide required data, you will receive The 2018 Total Potential Remuneration Survey Results Report, along with an invoice for the balance due. The cost of the Survey Report is \$2,850, less any discounts plus any wire transfer fees. Any applicable wire transfer fees will be added to the second invoice. You agree to pay all invoices within 45-60 days of the invoice date. *Payment of initial invoice must be received within 60 days of invoice date or any early submission discount will be forfeit. All balances aged over 60 days shall be assessed a monthly finance charge of 1.5% (18% per annum). Survey results will be released to the person(s) indicated in the questionnaire(s).

DATA REQUIRED

You will be required to provide us with current information about your organization, and current information regarding how you pay executives. To help you provide this data to us, we will supply you with detailed instructions and an Excel based questionnaire which is to be completed.

CONFIDENTIALITY

Any confidential information and materials that we acquire with respect to your business will be maintained in secrecy. We specifically will not make data individually identifying your company publicly available nor will we release data that individually identifies your company to any other sources. We maintain complete confidentiality of all compensation data we collect. This obligation to maintain confidentiality will survive termination of this agreement.

Any confidential information and materials that you acquire with respect to HR+Survey Solutions' business will be maintained in secrecy. This obligation to maintain confidentiality will survive termination of this agreement.

No obligation of confidentiality shall exist as to information and materials that are in the public domain by public use, publication, or after disclosure under this agreement become public knowledge through no fault of the party receiving said information and materials under this agreement.

MISCELLANEOUS

You agree that the laws of the Commonwealth of Pennsylvania shall govern this agreement and agree to the jurisdiction of the courts of the Commonwealth of Pennsylvania for the resolution of any disputes under this agreement. In the event it is necessary for us to retain the services of an attorney to collect any outstanding balance due on this contract, you agree that you are responsible for all reasonable legal fees and costs incurred by HR+Survey Solutions, LLC to collect the debt. This agreement constitutes the entire understanding of the parties with regard to the subject matter of this agreement. This agreement may only be modified in writing signed by the parties. No waiver of any term, provision or condition of this Agreement whether by conduct or otherwise in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition, or of any other term, provision or condition of this Agreement. Neither you nor HR+Survey Solutions, LLC shall be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is due to circumstances reasonably beyond either party's control, such as labor disturbances and disputes of any kind, accidents, failure of any government approval required for full performance, civil disorders or commotions, acts of God, acts of aggression, energy or other conservation measures, explosions, failure of utilities, mechanical breakdown, material shortages, disease, or other such occurrences. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Transmission between your organization and HR+Survey Solutions of this completed Agreement shall suffice to bind the party completing and transmitting same to this Agreement in the same manner as if the Agreement with an original signature had been delivered.

CONTACTS AND PAYMENTS

All non-electronic administrative communications and payments provided for in this Agreement shall be mailed postage prepaid and addressed to:

HR+Survey Solutions, LLC, P.O. Box 105, Limekiln, PA 19535

Telephone: (866) 252-6788 x902

Fax: (866) 886-2908

e-mail: jcanavan@hrssl.com

