



Attention: 5500 Central Team
3840 Murphy Canyon Road
San Diego, CA 92123

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HOUSING AUTHORITY OF THE CONTRA COSTA CO
COUNTY BOARD OF SUPERVISORS
PO BOX 2759
MARTINEZ, CA 94553-7759

07/31/2015

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Re: California Broker Compensation Disclosure Report for HOUSING AUTHORITY OF THE CONTRA COSTA CO

Reporting Period: 05/2014 - 04/2015

California law now requires health plans and insurers to annually disclose broker compensation information to the governing boards of public agency employer groups. Enclosed is your first Broker Compensation Disclosure Report. Information reported includes broker compensation related to your public agency's Kaiser Permanente health plan contract and its group policies, if any, with Kaiser Permanente Insurance Company (KPIC). A copy of the report will be mailed to the corresponding brokers of record as well.

This report is considered informational, and you are not required to take any action. You may choose to keep this report as part of your files, but you are not required by the legislation to do so.

California law AB 2589 was enacted in 2008 and went into effect January 1, 2009. The law requires that health plans and insurers annually disclose to the governing boards of public agencies any fees or commissions paid to agents, brokers, or other individuals as part of the group's contract. The report must include the following information:

- The agent, broker, or individual's name and address
- Any amount paid to the agent, broker, or individual (including non-monetary compensation)

In addition, the report also provides the following information:

- Total premium received by Kaiser Permanente within your plan contract year
- Member and subscriber counts (as of the last month of the contract period)

Reporting is required annually, so you can expect to receive the Broker Compensation Disclosure Report for your group each year within approximately 60 days of the end of the contract year. If you have questions about the information, please contact our Broker Compensation Disclosure Reporting Department at (877) 639-0433 or broker-comp-reporting@kp.org

We value our business relationship with you. Our practices for broker compensation disclosure reporting under AB 2589 reflect our shared commitment to full compliance with the law. Thank you for your continued support.

Sincerely,
Kaiser Permanente

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CALIFORNIA BROKER COMPENSATION DISCLOSURE REPORT FOR PUBLIC AGENCIES

Health Plans and Insurance companies are required to provide the following information pursuant to California Insurance Code Section 10604.5 which requires that broker compensation be disclosed to the governing board of any public agency which is covered under a group health insurance policy.

This report is considered informational and you do not need to take any action.

Information Concerning Insurance Coverage, Fees, and Commissions

Region: CA

Name of Insurance Carrier: Kaiser Foundation Health Plan Inc

Plan Sponsor's Name: HOUSING AUTHORITY OF THE CONTRA COSTA CO

Information Concerning Insurance Contract Coverage

Insurance Carrier: Kaiser Foundation Health Plan Inc

Group Contract or Identification Number: 8388

Approximate number of persons covered at end of policy contract year: 0

Contract Year from 05/2014 - 04/2015

Premium Received by Kaiser Foundation Health Plan Inc during your group's contract year:
\$682,342.41

Information Concerning Insurance Contract Fees and Commissions

Total Amount of Commissions Paid: \$0.00

Total Amount of Fees Paid: \$0.00

1) Name and address of the agent, broker, or other person to whom commissions or fees were paid:

None

Amount of sales and base commissions paid to: None: \$0.00

Fees and other compensation paid to: None: \$0.00

Bonus Amount: \$0.00

Bonus Purpose: None

Value of Non-Monetary Compensation:\$0.00

Type/Purpose of Non-Monetary Compensation: None

2) Name and address of the agent, broker, or other person to whom commissions or fees were paid:

None

Amount of sales and base commissions paid to: None: \$0.00

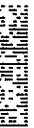
Fees and other compensation paid to: None: \$0.00

Bonus Amount: \$0.00

Bonus Purpose: None

Value of Non-Monetary Compensation:\$0.00

Type/Purpose of Non-Monetary Compensation: None



3) Name and address of the agent, broker, or other person to whom commissions or fees were paid:

None

Amount of sales and base commissions paid to: None: \$0.00

Fees and other compensation paid to: None: \$0.00

Bonus Amount: \$0.00

Bonus Purpose: None

Value of Non-Monetary Compensation: \$0.00

Type/Purpose of Non-Monetary Compensation: None

4) Name and address of the agent, broker, or other person to whom commissions or fees were paid:

None

Amount of sales and base commissions paid to: None: \$0.00

Fees and other compensation paid to: None: \$0.00

Bonus Amount: \$0.00

Bonus Purpose: None

Value of Non-Monetary Compensation: \$0.00

Type/Purpose of Non-Monetary Compensation: None

Date Report Produced: 07/31/2015

Q & A

AB2589

California broker compensation disclosure reporting for public agencies

California AB2589 requires health plans and insurers to disclose broker compensation information to public agency employer groups. This Q&A will answer some of your questions about the law.

Q: What is AB2589?

A: AB2589 is California legislation that requires health plans and insurers to annually disclose broker compensation information to the governing boards of public agency employer groups. The law specifically requires that the health plan and insurer disclose to the governing board of the public agency that has a group contract with Kaiser Permanente the name and address of, and amount paid to, any agent, broker, or individual to whom the plan paid fees or commissions related to the public agency's group contract.

Q: Why am I receiving this report?

A: You're receiving the report because you were identified as the governing board representative for a public agency (or the representative of a public agency without a governing board) that we have a contract with (or you're the broker of record for such an agency).

California Broker Compensation Disclosure Reports will be sent to the governing boards of Kaiser Permanente's California public agency employer groups, regardless of the size of the group.

Q: What types of employers are considered public agencies?

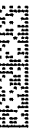
A: Public agencies are defined in the California Government Code (§6500) as follows:

"Public Agency" includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, or any joint powers authority formed pursuant to this article by any of these agencies.

Q: What types of compensation are included in this report?

A: In addition to monetary fees or commissions related to the public agency's group contract, Kaiser Permanente must report the value of any other gifts or prizes awarded to the agent, broker, or individual if those items were based on placement or

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retention of business related to that group. Examples of non-monetary compensation include sporting event or concert tickets, trips, gift cards, and any other non-cash items of tangible value.

Q: Why is this report sent directly to my public agency's governing board?

A: The law requires that the reports be distributed annually to the governing board of any public agency contracted for coverage with Kaiser Permanente. Since the law specifically states the AB2589 report should be addressed to the governing board, we are unable to address the primary copy of the report to another resource. However, we do provide the contract signer a copy of the report as a courtesy.

Q: When will I receive this report?

A: You can expect to receive the report annually, within approximately 60 days of the end of the contract year. For example, if our contract with your public agency is on a January–December schedule, you can expect the Broker Compensation Disclosure Report in late February for the preceding year. If your contract year is July–June, you can expect the report in late August each year.

Q: Is this the same as an ERISA 5500 Schedule A Disclosure Report?

A: Federal law requires certain employer groups to receive an annual report known as an ERISA 5500 Schedule A Disclosure Report, which contains the same type of information that's required for the California Broker Compensation Disclosure Report. However, unlike the 5500 Disclosure Report, the California Broker Compensation Disclosure Report is informational only, and public agencies aren't required to submit the information to the Department of Labor or to any other state or federal agency.

Although public agencies have been exempt from the federal reporting requirements under ERISA 5500 guidelines, some public agencies have requested to receive the 5500 Disclosure Report from Kaiser Permanente. The information contained in that report is identical to what will be included in the new California Broker Compensation Disclosure Report. So, if you received a federal 5500 Disclosure Report in the past, and you're a California public agency, you'll now receive the California report instead.

Q: We don't have a broker. Why are we getting this report?

A: The law requires all health plans or health insurers to disclose all monetary and non-monetary

compensation that's paid to any agent, broker, or individual if it's related to your public agency's contract with us. That includes consultants and other individuals who may not be referred to as a broker, but who have a compensation arrangement based on placement or retention of business with us.

Q: Will I get a copy if there's no compensation to report?

A: Yes. To ensure compliance, a report will be sent to any California public agency with whom we're contracted, even if the amounts being reported are zero.

Q: Why does our broker get a copy of the report?

A: As a courtesy, we provide a copy to the broker(s) who are listed on the report for reference and reconciliation against their own records.

Q: Why don't the numbers on the report match my records?

A: The reported compensation and commissions are based on what was actually paid to and received by us during the contract year, regardless of what was due. For example, if your December premium is paid in January, it will show up on the following year's report (if you're on a January–December contract). Membership numbers on the report may also be different from your records. They're based on the number of members enrolled at the end of the last calendar month of the contract.

Q: What should I do with this report?

A: This report is considered informational, and you are not required to take any action. You may choose to keep this report as part of your files, but you are not required by the legislation to do so.

Q: If we don't keep our copy of the report, can we get a copy from you if we need it?

A: We'll electronically store copies of all Broker Compensation Disclosure Reports for a minimum of six years. However, we can't guarantee we'll be able to provide you with a hard copy if you request it after six years, so you should keep a copy in your files.

Q: Who should I contact for more information?

A: You can contact the Kaiser Permanente Broker Compensation Reporting Team at (877) 639-0433 or 5500-Central-Team@kp.org.