



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

AB 01 001330 79214 H 6 B



SOUTH VALLEY CHARTER SCHOOL DBA CHARTER SCHOOL OF January 8, 2024
 BOARD OF DIRECTORS
 9530 MONTEREY RD
 MORGAN HILL, CA 95037-9356

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Re: California Broker Compensation Disclosure Report for SOUTH VALLEY CHARTER SCHOOL DBA CHARTER SCHOOL OF MOR

Reporting Period: 12/2022 - 11/2023

California law requires health plans and insurers to annually disclose broker compensation information to the governing boards of public agency employer groups. Enclosed is your 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). Along with the report, you'll find a Q&A to help answer questions about the law.

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) during your plan's contract year

In addition, the report also provides the following information:

- Total premiums applied by Kaiser Permanente during your plan's contract year
- Member and subscriber counts (as of the last period day of your plan's contract year)

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 us at 5500-Central-Team@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
5500-Central-Team@kp.org



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: SOUTH VALLEY CHARTER SCHOOL DBA CHARTER SCHOOL OF MOR

Information Concerning Insurance Contract Coverage

Insurance Carrier: Kaiser Foundation Health Plan, Inc.
Group Contract or Identification Number: 702399
Approximate number of persons covered at end of policy contract year: 44
Contract Year from 12/2022 - 11/2023
Premium applied by Kaiser Foundation Health Plan, Inc. during your group's contract year: \$238,876.97

Information Concerning Insurance Contract Fees and Commissions

Total Amount of Commissions Paid: \$16,524.21
Total Amount of Fees Paid: \$5.17

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

Expertquote, Inc.
3362 RAINHILL LOOP
ROSEVILLE, CA 95747-9063

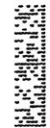
Amount of sales and base commissions paid to Expertquote, Inc.: \$16,524.21
Fees and other compensation paid to Expertquote, Inc.: \$5.17
Bonus Amount: \$0.00
Bonus Purpose:
Value of Non-Monetary Compensation: \$5.17
Type/Purpose of Non-Monetary Compensation:

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

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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

5) 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

6) 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

7) 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: January 8, 2024

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 are 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 holds a health insurance contract with Kaiser Permanente. If you are the designated contract signer for a public agency, you will also receive a copy of the report. California Broker Compensation Disclosure Reports will be sent to the governing boards and contract signers 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?

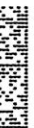
A: In addition to monetary fees or commissions related to the public agency's group contract, Kaiser Permanente must report the value of any other gifts or prizes awarded to the agent, broker, or individual if those items were based on placement or retention of business related to that group.

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 Broker Compensation Disclosure 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.

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Q: When will I receive this report?

A: You can expect to receive the report annually, approximately 60 days after the last day of the contract year. For example, if your contract year is on a January–December schedule, you can expect the Broker Compensation Disclosure Report in early March for the preceding year. If your contract year is July–June, you can expect to receive the report in early September of that 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 Broker Compensation Disclosure Report. However, unlike the 5500 Schedule A Disclosure Report, the Broker Compensation Disclosure Report is informational only, and public agencies aren't required to submit the information to the U.S. 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 Schedule A Disclosure Report from Kaiser Permanente. The information contained in that report is identical to what is included on the Broker Compensation Disclosure Report. If you received a 5500 Schedule A Disclosure Report in the past, and you're a California public agency, you'll now receive the Broker Compensation Disclosure 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 don't the numbers on the report match my records?

A: The reported compensation and premiums are based on what was actually paid to and applied 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 5500 Central Team at 5500-Central-Team@kp.org