

Blue Cross
of California



21555 Oxnard St
Woodland Hills, CA 91367
(818) 703-2345

May 17, 1993

Federal Election Commission
Office of the General Counsel
999 E Street NW
Washington DC 20463

Re: **Advisory Opinion Request--Solicitation of Sales Force**

Blue Cross of California (BCC) requests an advisory opinion be issued on the subject of sales force solicitation by its federal PAC.

BCC sales force personnel fall into four (4) job categories:

- a) FEP Account Representative
- b) Telemarketing Representative
- c) Lead Telemarketing Representative
- d) Regional Sales Manager

These personnel meet the solicitation requirements of the Restricted Class, as outlined in the Federal Election Commission's Campaign Guide for Corporations and Labor Organizations (March 1992). In addition, all are eligible for sales commission and/or override ("override" represents a percentage of commission earned by the sales force dependent upon the sales manager's service area). BCC Exempt Job Descriptions for these positions are enclosed.

Please contact me should you require further information. Thank you for your assistance.

Sincerely,

Nora Schwartz
Community Development
818/712-6462

Encl.

0608870

MAY 20 1993

93 MAY 26 PM 4: 03

RECEIVED
FEDERAL ELECTION COMMISSION

EXEMPT JOB DESCRIPTION

POSTING SUMMARY

Job Title	FEP ACCOUNT REPRESENTATIVE	Job Code	7052	Effective Date	May 1987
Center Name	FEDERAL EMPLOYEE PROGRAM	CC No.		Function Name	GOVERNMENT SERVICES

Specifications:

Bachelor's degree and two (2) years' experience in insurance sales/service or any combination of education/experience providing an equivalent background.

Excellent verbal and written communication skills are a primary requirement. Requires ability to function independently, set and achieve goals and manage time and territory schedules effectively.

Must possess or be able to obtain appropriate insurance license (state disability license). Must use private auto for extensive travel.

Summary: Responsible for field servicing, retention of enrolled subscribers and acquisition of new members for assigned Federal Employee locations. Maintains a favorable rapport with key administrative officers who control access to Federal Employees.

DESCRIPTION

Reporting Lines: Reports to the Manager FEP Marketing who reports to the Director, FEP

Authority, Accountability and Regular Duties:

Performs field servicing activities including but not limited to:

- Conferring with government officials and Federal Employee Subscribers to explain Blue Cross/Blue Shield FEP benefits.
- Assists Federal Employee Subscribers in resolving enrollment, claim and other related problems.
- Maintains contacts with the National Association of Retired Federal Employees (NARFE) Chapters located in assigned territory.
- Holds group meetings and provides other program related educational, informational and health care management seminars and materials.
- Leads, coordinates and initiates "Open Season" activity at major locations toward the goal of retention and acquisition of Blue Cross/Blue Shield Federal Employee membership.

- Maintains extensive knowledge of the Federal Employee Health Benefit Plan, benefits, history, practices and procedures to represent the program in a favorable position and to assist government administrators and eligibles.
- Must maintain extensive knowledge of competitors' programs and selling skills to present Federal Employee Program to best advantage. Must maintain broad knowledge of health care economic practices and trends.

(Use Additional sheet if necessary)

Dimensions (If applicable):

Classifications Supervised:

Personnel Count: _____ Exempts _____ Non-Exempts

Budget: \$ _____ Personal Services \$ _____ Other Cost \$ _____ Total Operating Budget

Analyst:

Approved: James Newlands, V.P.

② Regulation Anderson, Director, FEP

③ Brianne J. Jettell, Manager, FEP Marketing

Human Resources

R. L. Kelly

Date:

6-7-87

6/5/87

5/21/87

6-12-87



EXEMPT JOB DESCRIPTION

POSTING SUMMARY

Job Title: **TELEMARKETING REPRESENTATIVE**

Job Code: Effective Date
OCTOBER, 1989

Cost Center Name: **INDIVIDUAL SALES**

CCNA: **INDIVIDUAL** / **SMALL GROUP SERVICES**

Specifications:

Specifications: Two years recent telephone sales experience of intangibles or two to three years closely related sales/service or customer relations experience involving telephone or public contact, or any combination of education and experience which provides an equivalency; demonstrated ability to close sales; pleasing telephone voice; disability-only license or ability to obtain one; ability to communicate technical information using everyday English; thorough command of spoken English including vocabulary, grammar and diction; working knowledge of the selling process which includes techniques to: Identify the customer's needs, integrate the customer's needs with the product's feature, overcome objection, and gain customer commitment to close the sale.

PREFERRED: Two years college-level coursework in Business or Marketing; working knowledge of the Blue Cross processing systems, benefit structures and terminology. Insurance sales experience also a plus.

Summary:

Primarily through telephone and written communication, presents and sells Individual Plan insurance coverage. Must meet performance standards with normal orientation.

DESCRIPTION

Reporting Lines: The Telemarketing Representative reports to the Manager, Telemarketing, who reports to the Vice President.

Authority, Accountability and Regular Duties:

Examples of job duties include, but are not limited to:

Utilizing the telephone, solicits and sells Blue Cross Individual Plans by providing information about Blue Cross Health Insurance plan coverage and cost as well as competitor's coverage and cost information.

Follows up initial discussion with prospective client to provide additional information and close sale.

Ensures that enrollment forms are filled out accurately and submitted for processing within established time frame.

Prepares daily and weekly reports of sales contracts and accomplishments.

Occasionally may prepare and present sales presentations to groups and/or organizations.

Telemarketing Rep (continued page 2)

Assists in the research, analysis, and preparation of special studies related to the development or selling of Individual insurance plans.

Small Group Sales

Creates direct sales channels to the company for Small Group Sales that is more cost effective than existing sales channels.

Keeps abreast of Legislative changes for possible changes in Small Group Markets.

Performs other related duties.

Medicare Sales

Presents and sells Medicare Supplemental insurance coverage to clients over 65 years of age.

Provides alternatives in health care coverage for the Senior citizen.

Keeps abreast of changes in Medicare regulations and/or limitations.

Performs other related duties as assigned.

07190

(Use Additional sheet if necessary)

Dimensions (if applicable):

Classifications

Supervised:

Personnel Count: _____	Exempts _____	Non-Exempts _____	
Budget: \$ _____	Personal Services \$ _____	Other Cost \$ _____	Total Operating Budget _____

Analyst: _____

Approved: _____

Human Resources _____

Date: _____



EXEMPT JOB DESCRIPTION

POSTING SUMMARY

Job Title	LEAD TELEMARKETING REPRESENTATIVE	Job Code	Effective Date
Cost Center Name	INDIVIDUAL SALES	CC No.	TELEMARKETING

OCTOBER, 1989

Specifications:

Required: Three years recent telephone sales experience of intangibles or three to four years closely related sales/service or customer relations experience within the health insurance field involving telephone or public contact experience, or any combination of education and experience which provides an equivalency; demonstrated ability to close sales; pleasing telephone voice; disability-only license or the ability to obtain; ability to communicate technical information using everyday English; thorough command of spoken English including vocabulary, grammar and diction; working knowledge of the selling process which includes techniques to: Identify the customer's needs, integrate the customer's needs with the product's features. Ability to lead others.

Preferred: Two years college-level coursework in Business or Marketing. Insurance sales experience.

Summary:

In a lead role, primarily through telephone and written communication, presents and sell Individual Plan insurance coverage. May oversee and develop lower level Telemarketing reps.

DESCRIPTION

Reporting Lines:

This position reports to the Manager, Telemarketing.

Authority, Accountability and Regular Duties:

Examples of job duties include, but are not limited to:

Utilizing the telephone, solicits and sell Blue Cross Individual Plans by providing information about Blue Cross health insurance plan coverage and cost as well as competitor's coverage and cost information.

Follows up initial discussion with prospective client to provide additional information and close sales.

Ensures that enrollment forms are filled out accurately and submitted for processing within established time frame.

Prepares daily and weekly reports of sales contracts and accomplishments.

Prepares and presents sales presentations to groups and/or organizations.

07190A

LEAD TELEMARKETING REPRESENTATIVE (continued page 2)

Provides research, analysis, and preparation of special studies related to the development or selling of Individual insurance plans.

Oversees the direct sales of Small Group Sales activity.

Ensures changes that affect Small Group are desiminated to lower level Telemarketing Reps.

Oversees the sale of Medicare Supplemental insurance coverage to clients over 65 years of age.

May assist with performance reviews.

Provides technical training and guidance to Telemarketing staff.

May assume supervisory duties in the absence of the manager.

Performs other related duties as assigned.

07190A

(Use Additional sheet if necessary)

Dimensions (if applicable):

Classifications Supervised:

Personnel Count: _____	Exempts _____	Non-Exempts _____		
Budget: \$ _____	Personal Services \$ _____	Other Cost \$ _____	Total Operating Budget	

Analyst: _____
Approved: _____

Date: _____

Human Resources _____

Job Code: 07864
Salary Grade: 528
FLSA: EXEMPT

REGIONAL SALES MANAGER - ISG

Job Summary

Responsible for the management of sales/agent operations in an assigned region in order to maximize the production and profitability in the selling of Blue Cross individual and small group plans.

Description of Work to be Performed

Develops and recommends sales goal for all individual lines of business for an assigned region; develops and implements plans and strategies to meet sales goals; collects competitive information and makes recommendations concerning sales strategies; manages regional sales activities in order to maximize enrollment in individual and small group plans, provides information on products, procedures, policies, and rates; develops strategies to increase Blue Cross individual and small group products penetration into the Agent community; maintains rapport and communication with key Agents/Brokers; monitors corporate performance of key areas, i.e. Underwriting and Customer Service; monitors and controls constraints; handles referred problems and answers technical and administrative questions pertaining to the regional area; maintains and oversees the maintenance of accurate records, prepares reports and handles special projects as scheduled or assigned; communicates Blue Cross products, policies and procedures to the Agent community on an ongoing basis; responsible for the quality of sales by Agents; works to build, maintain, and monitor a quality group of appointed Agents and implements standards required of appointed Agents. Performs related work as required.

Employment Standards

Education and Experience - BA/BS degree in Business Administration or related field and a minimum of four or more years experience in sales and service, including experience interacting with the Agent community, or any combination of education and experience which provides an equivalent background.

Knowledge and Abilities - Knowledge of health care coverage, principles, problems, trends and programs is essential; must have the ability to compile data, develop meaningful reporting systems and maintain accurate records; must qualify and maintain a State Life and Disability License; demonstrated ability to communicate effectively verbally and in writing; ability to deal with others exercising judgment and tact; ability to plan, organize, delegate projects in order to accomplish objectives; knowledge of Blue Cross products and the products and strategies of the competition; knowledge of the Blue Cross corporate structure and awareness of each departments' impact on the marketing function.

VP, ISG/Sales


Lynn Salberg
Human Resources Division



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 7, 1993

Nora Schwartz, Community Development
Blue Cross of California
2155 Oxnard St.
Woodland Hills, CA 91367

Dear Ms. Schwartz:

This refers to your letter dated May 17, 1993, concerning the application of the Federal Election Campaign Act of 1971 ("the Act"), as amended, to your proposal to solicit political contributions from certain classes of employees of Blue Cross of California ("BCC").

You state that the BCC sales force is divided into four categories:

- a) FEP Account Representative
- b) Telemarketing Representative
- c) Lead Telemarketing Representative
- d) Regional Sales Manager

You further state your belief that these personnel meet the PAC solicitation requirements of the restricted class, as outlined in the materials published by the Federal Election Commission ("the Commission").

The Act authorizes the Commission to issue an advisory opinion in response to a "complete written request" from any person with respect to a specific transaction or activity by the requesting person. 2 U.S.C. §437f(a). Commission regulations explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c). Finally, this office is authorized to determine if a request is incomplete or otherwise not qualified as an advisory opinion request. 11 CFR 112.1(d).

After a preliminary review of your inquiry, this Office has determined that additional information is necessary.

Nora Schwartz
Page 2

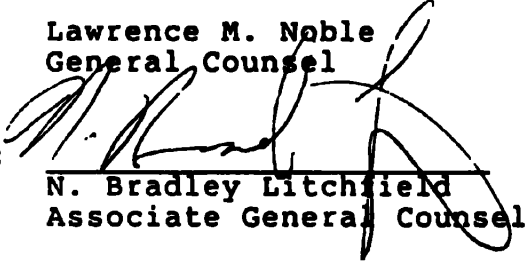
1. Please state whether any of the members of BCC's sales force identified in your request are members of, or represented, by labor organizations.
2. Explain how the compensation of these individuals is apportioned between salary and commission. Please state the weekly salary that these individuals receive and whether both compensation components are subject to FICA payroll withholding taxes. If they are not, state which component is subject to FICA.
3. Please identify to what extent the members of the four employment categories described in your request are exempt from the Fair Labor and Standards Act, found at 29 U.S.C §201, et seq.
4. The job description provided for 'Telemarketing Representative' states that this individual "assists in the research, analysis, and preparation of special studies related to the development of selling of individual insurance plans." Please describe in greater detail the type of assistance typically provided by this individual. State whether the individual insurance plans to be developed relate only to the needs of particular customers or apply to a large segment of BCC's market. Further, please state the extent to which such research and analysis has application or is utilized to formulate BCC policy.

Upon receiving your response to this request for information, this office and the Commission will give further consideration to your inquiry as an advisory opinion request. If you have any questions concerning the advisory opinion process or this letter, please contact the undersigned.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


N. Bradley Litchfield
Associate General Counsel



RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, DC

#0652

Mailing Address:
P.O. Box 70000
Van Nuys, California 91470
(818) 703-2345

93 AUG 19 11:21 AM '93

August 4, 1993

Federal Election Commission
Office of the General Counsel
999 E Street NW
Washington DC 20463

AOR 1993-16

Re: Advisory Opinion Request--Sales
Force Solicitation
FEC letter dated June 7, 1993

93 AUG 19 11:34 AM

Gentlemen:

In response to your request for further information:

- Q Are any members of the BCC's sales force in question members of, or represented by, labor unions.
- A: None of the members of BCC's sales force are members of, or represented by, labor unions.
- Q How is compensation of these individuals apportioned between salary and commission. Give weekly salary; identify which (or both if both) compensation component(s) subject to FICA payroll withholding taxes.

A:	Sales Mix		Weekly Salary	Portion Sales Mix Subject to FICA
	Base	Incentive		
Telemktg Rep	33%	67%	\$ 323	Both
Lead Telemktg Rep	33%	67%	323	Both
Reg'l Sales Mgr	33%	67%	500	Both
FEP Account Rep	Error--these individuals will <u>not</u> be solicited			

- Q To what extent is each job category in question exempt from FLSA (29 USC SS 201, et seq.).
- A: All three categories in question (Telemarketing Representatives, Lead Telemarketing Representatives and Regional Sales Managers) fall outside sales exemption as described in the Fair Labor Standards Act.
- Q Re: "Telemarketing Representative" -- describe in more detail type of assistance typically provided; do individual insurance plans under development relate only to needs of targeted customers or apply to a large segment of BCC's market; what is extent to which such research and analysis has application or is utilized to formulate BCC policy.
- A: Telemarketing Representative and Lead Telemarketing Representative positions are not currently involved in the "research, analysis and preparation of special studies related to the development of selling of individual insurance plans."

Thank you; I look forward to your prompt response to this request.

Sincerely,

Nora Schwartz
Community Development
(818) 712-6462