

COMMISSION SCHEDULE
60% Career Agent Contract (B5)
2017 CSO
Effective 01/2019

Life Policies	Personal 1st year	Year 2-10*	Thereafter**
Whole Life	60.00%	3.00%	3.00%
Preferred Life	57.50%	2.25%	2.25%
15 Yr Mortgage Dec Term	57.50%	2.25%	2.25%
20 Yr Term	57.50%	2.25%	2.25%
Term to 65	57.50%	2.25%	2.25%
LPU 65	57.50%	2.25%	2.25%
10 Yr. Ren. & Conv. Term	57.50%	2.25%	2.25%
30 Yr Mortgage Dec Term	57.50%	2.25%	2.25%
Executive Life	53.50%	2.00%	2.00%
Select Life	41.50%	2.00%	2.00%
4 Yr Ren & Conv Term	24.00%	1.75%	1.75%
Term to 100	60.00%	5.00%	5.00%
Senior Graded Whole Life	60.00%	2.25%	2.25%
Senior Whole Life	57.50%	2.25%	2.25%
A&H			
Accident A71000	30.00%	5.00%	
Accident A74000	27.25%	4.00%	
Hospital H34000	30.00%	5.00%	
Disability D50000	30.00%	5.00%	
Cancer CNM	41.50%	5.00%	
Cancer C10000	30.00%	5.00%	
Critical Illness CI0000	30.00%	5.00%	
Lump Sum Cancer C20000	30.00%	5.00%	

Note: Policy approval, availability, and commission rates may vary by state and province. Check policy approval listing for your area.

Note: Add-on commissions are tied to the base policy. The commission rate paid is the stated rate based on the type and issue date of the base policy.

* % of Premium

** Thereafter commissions are only applicable on agents that are contracted for 10 years or longer.

Revised January 01, 2019

ADD-ON COMMISSION SCHEDULE
60% Career Agent Contract (B5)
2017 CSO
Effective 01/2019

	2001 CSO Plans Policies issued 01/01/2012 – 01/19/2019			2001 CSO PLANS Policies issued 01/01/2006 – 12/31/2011			1980 CSO PLANS Policies issued 01/01/2000 – 12/31/2005			1980 CSO PLANS Policies issued 12/31/1999 and prior		
Life Policies	Personal 1st year	Year 2-10*	There- after**	Personal 1st year	Year 2-10*	There- after**	Personal 1st year	Year 2-10*	There- after**	Personal 1st year	Year 2-10*	There- after**
Whole Life	60.00%	5.00%	5.00%	55.00%	5.00%	5.00%	55.00%	5.00%	5.00%	45.00%	5.00%	5.00%
Preferred Life	57.50%	3.75%	3.75%	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	42.50%	3.75%	3.75%
15 Yr Mortgage Dec Term	57.50%	3.75%	3.75%	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	42.50%	3.75%	3.75%
20 Yr Term	57.50%	3.75%	3.75%	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	42.50%	3.75%	3.75%
Term to 65	57.50%	3.75%	3.75%	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	42.50%	3.75%	3.75%
LPU 65	57.50%	3.75%	3.75%	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	42.50%	3.75%	3.75%
10 Yr. Ren. & Conv. Term	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	47.50%	3.75%	3.75%	37.50%	3.75%	3.75%
30 Yr Mortgage Dec Term	57.50%	3.75%	3.75%	52.50%	3.75%	3.75%	47.50%	3.75%	3.75%	37.50%	3.75%	3.75%
Executive Life	52.50%	2.50%	2.50%	47.50%	2.50%	2.50%	47.50%	2.50%	2.50%	37.50%	2.50%	2.50%
Select Life	41.50%	2.50%	2.50%	41.50%	2.50%	2.50%	30.00%	2.50%	0.00%	30.00%	2.50%	0.00%
4 Yr Ren & Conv Term	24.00%	1.25%	1.25%	24.00%	1.25%	1.25%	23.00%	1.25%	1.25%	23.00%	1.25%	1.25%
Term to 100	60.00%	5.00%	5.00%	55.00%	5.00%	5.00%	55.00%	5.00%	5.00%			
Senior Graded Whole Life	60.00%	3.75%	3.75%									
Senior Whole Life	57.50%	3.75%	3.75%									

Note: Policy approval, availability, and commission rates may vary by state and province. Check policy approval listing for your area.

Note: Add-on commissions are tied to the base policy. The commission rate paid is the stated rate based on the type and issue date of the base policy.

* % of Premium

** Thereafter commissions are only applicable on agents that are contracted for 10 years or longer.

Revised January 01, 2019

World's Greatest Bonus 2023

The World's Greatest Bonus will be paid on a weekly basis. The bonus calculation is based on the agent's MTD Net ALP on personal production as of the end of the week.

A percentage bonus will be paid on each portion of MTD Net ALP.

<u>MTD Net ALP Amount</u>	<u>Bonus Percentage</u>
\$0 - \$1,999.99	0%
\$2,000 - \$3,999.99	10%
\$4,000 - \$9,999.99	20%
\$10,000 - \$19,999.99	22%
\$20,000 - \$29,999.99	24%
\$30,000 +	30%

Agents 12+ months can receive a bonus increase based on their retention rate:

- ❖ 75 - 82.99% - Regular bonus
- ❖ 83 - 86.99% - 10% extra bonus
- ❖ 87 - 90.99% - 20% extra bonus
- ❖ 91+% - 30% extra bonus

Agents 12+ months with retention between 73% and 74.99% will be paid a reduced bonus at a 20% decrease for each point below 75 (no bonus below 73% retention)

- ❖ 72.99% or lower – no bonus
- ❖ 73 – 73.99% - 60% of bonus
- ❖ 74 – 74.99% - 80% of bonus
- ❖ 75+% - Full Bonus

Agents 0-12 Mos.*

- * Agents in their first 12 months must also meet the required net to gross ratio listed below:
 - ❖ 5th - 6th months – 84% net to gross is required
 - ❖ 7th - 12th months – 80% net to gross is required
- * Note: Net to gross comparison uses the prior month end AP&P data

New agents will not have a net-to-gross requirement in their first 4 months.

Agents 12+ Mos.*

- ❖ Requires 75% retention*
- ❖ *Contract month used in evaluation of tenure category.

Additional Information:

- ❖ The WGB Bonus is paid weekly and is based on MTD Net ALP achievement as of the end of the Run Code Week.
- ❖ A percentage bonus is paid on each portion of the MTD Net ALP as defined in each tier.
- ❖ The agent's MTD Net ALP must increase over the prior highest MTD Net ALP achievement in the existing month in order to receive a bonus.
- ❖ If the agent's MTD Net ALP amount falls below the prior highest MTD Net ALP achievement in the existing month, no bonus is payable for the week.
- ❖ When the Run Code Week crosses into a new calendar month, the previous month and new month will be evaluated for bonus separately based on the MTD Net ALP achievement for each individual month.
- ❖ When the Run Code Week crosses into a new calendar month, retention/net to gross for the new month will apply.
- ❖ ALP for Phone Add-ons will be excluded from the WGB Bonus.

Changes will be effective on week ending January 4, 2023

World's Greatest Bonus 2023

FAQ's

Bonus ALP and Rates

Q: How is the WGB bonus calculated and what counts toward the calculation?

A: The WGB bonus is paid weekly and based off of the MTD Net ALP achievement for personal production as of the end of each run code week. The bonus is paid proportionally in the qualifying rate tier based on the agent's MTD Net ALP.

Q: Is all of my Net ALP included for the bonus?

A: Bonus eligibility starts at \$2,000 of net ALP in a calendar month.

Q: What are the proportional bonus rate tiers?

A: A percentage bonus will be paid on each portion of MTD Net ALP.

<u>MTD Net ALP Amount</u>	<u>Bonus Percentage</u>
\$0 - \$1,999.99	0%
\$2,000 - \$3,999.99	10%
\$4,000 - \$9,999.99	20%
\$10,000 - \$19,999.99	22%
\$20,000 - \$29,999.99	24%
\$30,000 +	30%

Q: If I have an MTD Net ALP of \$12,000 will all of my bonus be paid at 22%?

A: No, the bonus tiers are paid proportionally to the ALP for that tier.

- There is no bonus payable on the first 1,999.99 of MTD Net ALP
- The tier 2,000-3,999.99 is paid at 10% (2,000 Net ALP x 10% = 200)
- The tier 4000-9,999.99 is paid at 20% (6,000 Net ALP x 20% = 1200)
- The tier 10,000-19,999.99 is paid at 22% (2,000 Net ALP x 22% = 440)
- The total bonus for the example above is \$200 + \$1,200 + \$440 = \$1,840

Q: Where can I find my MTD Net ALP amounts?

A: MTD Net ALP for the previous month can be found on the agent's Weekly WGB Bonus Report and the Monthly AP&P Report (shows under current month). MTD Net ALP for the new month can be found on the agent's Weekly WGB Bonus Report and the Weekly Advance Report (note amount on advance report includes ADB/WP ADD-ONS).

Q: What if previous month's business falls off in the current week, does this affect the current months MTD Net ALP?

A: Yes, all lost business that occurs in the current week will have an impact on the current MTD Net ALP.

Effective January 4, 2023

Q: Is the bonus ALP evaluated for bonus calculations based on application date or when the policy is submitted to home office?

A: The bonus ALP for payout is based on the date the business is submitted and processed by home office, not the policy application date.

Q: How will the MTD Net ALP payout when a month ends mid-week?

A: If an advance week is in two different reporting months, the ALP for policies submitted in the previous month will be paid at the percentage tiers tied to the personal MTD production through the previous month end. The ALP for policies with submit dates in the current month will be included in a new calculation of MTD production and paid based on the new month's bonus tiers rates. The two monthly WGB calculations will be totaled and combined into one payment.

MTD Benchmark Net ALP

Q: What is the MTD benchmark Net ALP?

A: The benchmark is the highest MTD net ALP achieved during the month as of the end of the previous advance week.

Q: Once I have received a WGB bonus based on my MTD Net ALP will I continue to receive that bonus for the month?

A: The agent's MTD Net ALP must increase over the MTD benchmark Net ALP in the existing month in order to be evaluated for a bonus. If the MTD Net ALP decreases or stays the same, no bonus will be paid out.

Q: If business fell off one week making my MTD Net ALP decrease, can my bonus go down in rate tiers?

A: No, the bonus percentage is not reduced due to lost business. However, if the agent's MTD Net ALP amount falls below the MTD Benchmark Net ALP, no bonus is payable for the week. The agent's MTD Benchmark Net ALP will remain at the highest amount achieved for the month.

Q: I had Negative Net ALP in the prior week but the advance report shows I have positive weekly Net ALP, why was there no WGB bonus payout?

A: The WGB bonus pays out on the total MTD Net ALP, if there was a negative net alp the previous week that caused the current MTD Net ALP to be below the benchmark Net ALP, there would be no bonus until the current MTD Net ALP is greater than the Benchmark Net ALP.

Bonus Quality

Q: My advance report shows my advance has stopped due to low retention/net to gross. Will this stop my WGB bonus as well?

A: WGB bonus is evaluated using personal production quality based on the rates listed below.

Agents in their first 12 months must also meet the required net to gross ratio listed below:

- 5th - 6th months – 84% net to gross is required
- 7th - 12th months – 80% net to gross is required

New agents will not have a net to gross requirement while in their first four months.

Agents 12+ months can receive a bonus increase based on their retention rate:

- 75 - 82.99% - Regular bonus
- 83 - 86.99% - 10% extra bonus
- 87 - 90.99% - 20% extra bonus
- 91+% - 30% extra bonus

Agents 12+ months with retention between 73% and 74.99% will be paid a reduced bonus at a 20% decrease for each point below 75 (no bonus below 73% retention)

- 72.99% or lower – no bonus
- 73 – 73.99% - 60% of bonus
- 74 – 74.99% - 80% of bonus
- 75+% - Full Bonus

Q: What quality is used when a month ends mid-week?

A: If an advance week is in two different reporting months the quality used for bonus qualification will be the quality from the most recent AP&P Report.

Other Questions

Q: Where can I see a breakdown of the WGB bonus?

A: The breakdown is located on the WGB report in the ICM web portal.

Q: Why do I have a bonus chargeback?

A: The chargeback is the recovery of any WGB bonus payment issued manually for business not loaded or other bonus adjustments. This amount will be taken from the initial WGB amount. If the total chargeback amount is higher than the total WGB bonus achieved then the remainder will carry over to the following week.

Q: Is bonus chargeback the same as an advance chargeback?

A: No, any advance chargebacks will be displayed on the advance report, WGB Bonus chargebacks are displayed on your WGB detail report.

Q: Are WP/ADB add-ons included in the bonus evaluation?

A: ALP for phone add-ons and WP will be excluded from the WGB bonus.

World's Greatest Bonus 2023

- The WGB Bonus is paid weekly and is based on MTD Net ALP achievement as of the end of the Advance Run Code Week.
- A percentage bonus is paid on each portion of the MTD Net ALP as defined in each tier:

<u>MTD Net ALP Amount</u>	<u>Bonus Percentage</u>
\$0 - \$1,999.99	0%
\$2,000 - \$3,999.99	10%
\$4,000 - \$9,999.99	20%
\$10,000 - \$19,999.99	22%
\$20,000 - \$29,999.99	24%
\$30,000 +	30%

- The agent's MTD Net ALP must increase over the prior highest MTD Net ALP achievement in the existing month in order to receive a bonus.
- If the agent's MTD Net ALP amount falls below the prior highest MTD Net ALP achievement in the existing month, no bonus is payable for the week.
- When the Advance Run Code Week crosses into a new calendar month, the previous month and new month will be evaluated for bonus separately based on the MTD Net ALP achievement for each individual month.

Example: WGB Bonus Calculation over a 5 week period

Week 1:

The agent has achieved **\$6,000** MTD Net ALP

The agent will be paid a percentage bonus for each portion of the MTD Net ALP up to \$4,000

- There is no bonus payable on the first \$1,999.99 of MTD Net ALP
- The next tier \$2,000-3,999.99 is paid at 10% (\$1,999.99 Net ALP x 10%)
- The following tier \$4,000-9,999.99 is paid at 20% (\$2,000.01 Net ALP x 20%)

Effective January 4, 2023

Net ALP Tier	Net ALP Base	Percentage	Bonus Amount
\$0 - \$1,999.99		0%	\$0.00
\$2,000 - \$3,999.99	1,999.99	10%	\$200.00
\$4,000 - \$9,999.99	2,000.01	20%	\$400.00
Total Weekly Bonus			\$600.00

Week 2:

The agent has achieved **\$11,000** MTD Net ALP

The agent will be paid a percentage bonus for each portion of the ALP over the prior highest MTD Net ALP achievement. The agent has already been paid a bonus on prior achievement of \$6,000 MTD Net ALP. In Week 2, the agent will be paid a percentage bonus for the additional \$5,000 Net ALP achieved.

- The \$4,000- 9,999.99 tier will be paid at 20% for the ALP remaining up to \$9,999.99.
(\$3,999.99 x 20%)
- The following tier \$10,000-19,999.99 is paid at 22% for the ALP over \$9,999.99 (\$1,000.01 x 22%)

Net ALP Tier	Net ALP Base	Percentage	Bonus Amount
\$0 - \$1,999.99		0%	\$0.00
\$2,000 - \$3,999.99		10%	\$0.00
\$4,000 - \$9,999.99	3,999.99	20%	\$799.80
\$10,000 - \$19,999.99	1,000.01	22%	\$220.00
Total Weekly Bonus			\$1,019.80

Week 3:

The agent's MTD Net ALP drops to **\$10,000**. No bonus is payable this week, as the agent has already been paid a bonus on prior achievement of \$11,000 MTD Net ALP.

Week 4:

The agent has achieved **\$23,000** MTD Net ALP

The agent will be paid a percentage bonus for each portion of the ALP over the prior highest MTD Net ALP achievement. The agent has already been paid a bonus on prior achievement of \$11,000 MTD Net ALP. In Week 4, the agent will be paid a percentage bonus for the additional \$12,000 Net ALP achieved.

- The \$10,000-19,999.99 tier will be paid at 22% for the ALP remaining for that tier (\$8,999.99 x 22%)
- The following tier \$20,000-29,999.99 is paid at 24% for the ALP over \$19,999.99 (\$3,000.01 x 24%)

Effective January 4, 2023

Net ALP Tier	Net ALP Base	Percentage	Bonus Amount
\$0 - \$1,999.99		0%	\$0.00
\$2,000 - \$3,999.99		10%	\$0.00
\$4,000 - \$9,999.99		20%	\$0.00
\$10,000 - \$19,999.99	8,999.99	22%	\$1,980.00
\$20,000 - \$29,999.99	3,000.01	24%	\$720.00
Total Weekly Bonus			\$2,700.00

Week 5:

When a week crosses the calendar month, each month will be evaluated for bonus separately based on the MTD Net ALP for each individual month.

MTD Net ALP for the previous month can be found on the agent's Weekly WGB Bonus Report and the Monthly AP&P Report.

MTD Net ALP for the new month can be found on the agent's Weekly WGB Bonus Report and the Weekly Advance Report.

In Week 5, the agent achieved \$31,000 MTD Net ALP for the previous month.

The agent also achieved \$3,000 MTD Net ALP in the new month

The agent will be paid a percentage bonus for each portion of the ALP over the prior highest MTD Net ALP achievement. The agent has already been paid a bonus on prior achievement of \$23,000 MTD Net ALP. In Week 5, the agent will be paid a percentage bonus for the additional \$8,000 Net ALP achieved for the previous month.

- The \$20,000-29,999.99 tier will be paid at 24% for the ALP remaining for that tier (\$6,999.99 x 24%)
- The following tier \$30,000+ is paid at 30% for the ALP over \$29,999.99 (\$3,000.01 x 30%)

Net ALP Tier	Net ALP Base	Percentage	Bonus Amount
\$0 - \$1,999.99		0%	\$0.00
\$2,000 - \$3,999.99		10%	\$0.00
\$4,000 - \$9,999.99		20%	\$0.00
\$10,000 - \$19,999.99		22%	\$0.00
\$20,000 - \$29,999.99	6,999.99	24%	\$1,680.00
\$30,000 +	1,000.01	30%	\$300.00
Weekly Bonus for Previous Month			\$1,980.00

Effective January 4, 2023

In addition, the agent will be paid a percentage bonus for the \$3,000 MTD Net ALP for the new month.

- There is no bonus payable on the first \$1,999.99 of MTD Net ALP
- The next tier \$2,000 – \$3,999.99 is paid at 10% (\$1,000.01 Net ALP x 10%)

Net ALP Tier	Net ALP Base	Percentage	Bonus Amount
\$0 - \$1,999.99		0%	\$0.00
\$2,000 - \$3,999.99	\$1,000.01	10%	\$100.00
Weekly Bonus for New Month			\$100.00

Total Combined Bonus for Week 5:

Month	Bonus Amount
Previous Month	\$1,980.00
New Month	\$100.00
Total Bonus for Week 5	\$2,080.00

Reinstatement Bonus 2023

- ❖ Bonus is 25% of the annualized premium. If case is in first-year an advance is given to the agent and charged to their account. If the case is in sub-year, a bonus is given to the agent and the company is charged.
- ❖ Must be life case recoded to a different agent on bank draft with all back premiums collected.
- ❖ Applicant check required for premium collected. Applicant check must be from account to be drafted. *(Money orders or drafts from savings accounts do not qualify.)*
- ❖ Checkless checking draft for all back premiums (AG-2605) is acceptable.
- ❖ We will allow returned items and lapses to count as eligible cases.
- ❖ Case can only qualify one time – we will create a database of policies where the bonus/advance was paid out and monitor so we don't pay on any one case more than once.
- ❖ Policies that are placed on direct and subsequently put back on MBD do not qualify for the reinstatement bonus.
- ❖ If a case is reinstated and lapses – we will not chargeback, but it will not count for bonus a second time.

Bonuses/advances paid monthly by 15th of following month. Agents must be active as of bonus date to be eligible.

SGA must monitor. We will review periodically. If we notice an abuse from any agency, that particular SGA/Agency will become ineligible for the bonus.

Effective January 4, 2023

Convention Qualifications 2024

Career Agents

Write \$95,000 of Net ALP as of December 31, 2023 AP&P report.

For Career Agents contracted less than one year, the Net ALP will be prorated based on number of months contracted after the 6th month.

Contracted less than 7 months (Hired after May 31, 2023) - **\$47,502 Net ALP**

Contracted 7 months (May 2023 hire date) – **\$55,419 Net ALP**

Contracted 8 months (April 2023 hire date) - **\$63,336 Net ALP**

Contracted 9 months (March 2023 hire date) - **\$71,253 Net ALP**

Contracted 10 months (February 2023 hire date) - **\$79,170 Net ALP**

Contracted 11 months (January 2023 hire date) - **\$87,087 Net ALP**

Contracted more than 11 months (Hired before January 2023) - **\$95,000 Net ALP**

❖ **See net to gross and retention requirements outlined below.**

*Personal Producers can also qualify by writing \$115,000 of Net Annualized Premium** as of December 31, 2023 AP&P Report. This includes Career Agents, SAs and GAs. – See net to gross and retention requirements outlined below.*

****Net Annualized Premium includes a combination of both Life and A&H business.**

Supervising Agents

Write \$95,000 of Personal Net ALP as of December 31, 2023 AP&P report.

OR

Write \$175,000 of First Six Months Agent YTD Production

We will allow a combination of Personal Net ALP and First Six Months Agent Production that add up to the total production requirement.

AND

Have at least 1 active First Six Months Agent as of December 31, 2023.

❖ **See net to gross and retention requirements outlined below.**

➤ **Can qualify on Pro-Rated basis if contracted less than 1 year.**

General Agents

Write \$95,000 of Personal Net ALP as of December 31, 2023 AP&P Report.

OR

Write \$225,000 of First Six Months Agent YTD Production

We will allow a combination of Personal Net ALP and First Six Months Agent Production that add up to the total production requirement.

AND

Have at least 2 active First Six Months Agents as of December 31, 2023.

❖ **See net to gross and retention requirements outlined below.**

➤ **Can qualify on Pro-Rated basis if contracted less than 1 year.**

Master General Agents – Agency Production

Write \$320,000 in Agency Net ALP with minimum 10% YTD growth over prior year
as of December 31, 2023 YTD MGA/RGA Report.

We will allow Personal Net ALP to count toward Agency total.

OR

Write \$95,000 of Personal Net ALP as of December 31, 2023 AP&P report.

❖ **See net to gross and retention requirements outlined below.**

➤ **Can qualify on Pro-Rated basis if contracted less than 1 year.**

Production is based on the YTD MGA/RGA Report that adjusts for hierarchy transfers and promotions throughout the year.
Production of MGAs promoted will be added to their promoting MGAs production for 12 months after promotion.

Effective January 1, 2023

Regional General Agents

Write \$320,000 in Agency Net ALP with minimum 10% YTD growth over prior year as of December 31, 2023 YTD MGA/RGA Report.

OR

The RGA can qualify as an MGA with his/her own MGA agency production.

- ❖ See net to gross and retention requirements outlined below.

State General Agents

SGA Categories 1, 2, & 3 must meet 10% growth over prior year as of December 31, 2023.

SGA Categories 4+ must meet 15% growth over prior year as of December 31, 2023.

- ❖ See net to gross and retention requirements outlined below.

Net to Gross and Retention – For All Levels

Using the 12/31/2023 AP&P report:

Through the 12th month

80% net to gross

12⁺ months

75.0% retention rate

- ❖ The net to gross and retention rates as shown in the qualifier's December 31, 2023 - AP&P report will be used in determining qualification.
- ❖ Year-To-Date award winners must also have 80% net to gross (from AP&P report) or a 75.0% retention rate to be eligible for recognition.

➤ *All levels contracted for the qualifying year must be accounted for to qualify for prorating. If contracted the entire year, prorating will account for all twelve months. Please see the prorating FAQ on the ARC for further details.*

Qualifying for the convention entitles one to attend only if he or she is an active American Incomer at the time the Convention is being held. In other words, there is no monetary equivalent related to having qualified for the Convention. No substitutions or transfers are permitted.

Please note:

Phone add-ons (WP or ADB) do not count toward convention qualification.

Individuals on Red Watch cannot qualify for convention.

Effective January 1, 2023

Please remember that expenditures for the Qualifier and the Spouse/Guest will be included in the Qualifier's taxable income for the year.

Personal Recruiting Convention Credits 2023

Requirements:

The recruit must be a personal recruit and not in the RMS system. The personal recruit must become a new associate in 2023 for the recruit to count towards qualification.

For 2023 - The company will also allow any personal recruits from with an original contract date in December 2022 to count towards qualification for 2024 convention.

Qualifications:

The recruiter can receive credit for their recruit's net ALP submitted in 2023 up to 50% of their convention qualifications even if the recruit is not in the recruiter's hierarchy. There is no limit on how many recruits a recruiter can receive credit from as long as their combined net ALP does not exceed 50% of the recruiter's total convention qualification.

There is no longer a maximum net ALP amount per personal recruit.

Pinnacle

RECRUITING CLUB

DEFINITION:

Candidates recruited primarily through personal relationships or happenstance introduction for which the existing agent identified the candidate as viable for our business.

RECRUITS THAT DO COUNT:

Personal acquaintances, friends, family, neighbors, waitresses, mall or retail workers, the guy behind you at the convenience store, unique or special recruiting efforts AND referrals obtained from in-home recruiting on the laptop!

RECRUITS THAT DO NOT COUNT:

Current, traditional recruiting methods: RMS, newspaper, career fairs, Internet postings, and colleges.

PINNACLE RECRUITING INCENTIVE STRUCTURE:

- **\$750 bonus** to the Recruiting Agent when a Pinnacle Recruit writes and submits \$1,500 net ALP within the Recruiting Agent's first 90 days of tenure and an **additional \$250 bonus to the recruiting agent's up line manager**. If the recruiting agent does not have an up line manager, the recruiting agent will still earn the \$750 bonus and the additional \$250 bonus will not be paid.
- **\$250 bonus** to the Recruiting Agent when a Pinnacle Recruit writes and submits \$1,500 net ALP after Recruiting Agent's first 90 days

VERIFICATION FORM:

An electronic verification form (online or PDF version) must be submitted to Home Office for each Pinnacle Recruit, and be digitally signed by the Pinnacle Recruit, the Recruiting Agent, and the SGA. All Pinnacle Recruit submissions will be scrubbed against RMS.

TERMS & CONDITIONS:

A Pinnacle Recruit obtains agent number after the Pinnacle Recruit files paperwork correctly and has application approved. A Pinnacle Recruit is recruited through personal relationships or happenstance introduction. Candidates recruited through any structured or existing recruiting system — RMS, newspaper ads, career fairs, Internet ads, job boards (such as Monster, CareerBuilder), Craig's List, etc., kiosk placements, event recruiting, etc. — do not qualify as Pinnacle Recruits, nor qualify you for Pinnacle Recruiting incentives. Any Agent or Manager violating these terms and conditions may be subject to suspension from program.

- ❖ **BRONZE** (2 Eligible Pinnacle Recruits*) Swag Box: (AIL Coffee Mug, Polo Pen)
- ❖ **SILVER** (5 Eligible Pinnacle Recruits*) Plaque (Level 1) and one item from Silver Member Catalog
- ❖ **GOLD** (10 Eligible Pinnacle Recruits*) Plaque (Level 2) and one item from Gold Member Catalog
- ❖ **PLATINUM** (15 Eligible Pinnacle Recruits*) Plaque (Level 3) and one item from Platinum Member Catalog
- ❖ **DIAMOND** (25 Eligible Pinnacle Recruits*) Plaque (Level 4) and one item from Diamond Member Travel Catalog
- ❖ **PINNACLE** (50 Eligible Pinnacle Recruits*) Plaque (Level 5) and one item from Pinnacle Member Travel Catalog

SPOTLIGHT RECOGNITION:

Each Pinnacle Recruiting Club level achieved includes recognition in Spotlight.

*A Pinnacle Recruit is considered *eligible* when he/she has submitted \$1,500 Net ALP

Effective January 1, 2023



**American Income
National Income**
life insurance companies

Founder's Club 2023

Personal Producers:

- Produce \$13,000 of Net ALP for 4 consecutive months.
- With a 80% four month retention rate.
- 8 full months tenure as active agent.

Qualifiers receive:

- *First Time Qualification:* **\$500**
and
Founder's Club Ring
- *Subsequent Qualifications:* **\$500**
and
Diamond Added To Founder's Club Ring
or
Founder's Club Ring for Spouse
- *2023 Qualifiers will be eligible to come in one day early to 2024 Convention.*

Effective January 1, 2023



**American Income
National Income**
life insurance companies

President's Club 2023

Individual Producers:

- ❖ Produce \$200,000 of Net ALP in the calendar year.
- ❖ With an 81% four-month retention rate as of December 31, 2023 AP&P report.
- ❖ Eight full months tenure as an active Producer.

Qualifiers Receive:

- ❖ First Time Qualification: President's Club ring (or pendant) and \$1,500.
- ❖ Subsequent Qualifications: Diamond added to ring (or pendant) of qualifier
OR
Ring (or pendant) for spouse
AND
The \$1,500 bonus will be increased \$200 for each consecutive qualification.
- ❖ Qualifiers will be eligible to come in one day early to convention.

Effective January 1, 2023



**American Income
National Income**
life insurance companies

Million Dollar Club 2023

Personal Producers:

- ❖ Produce \$1 million of Net ALP from 1999 forward.

Qualifiers Receive:

- ❖ Recognition at annual convention*
- ❖ First Time Qualification: \$5,000 Bonus

The \$5,000 bonus will be increased \$5,000 for each additional qualification.

**Must qualify for convention in order to receive recognition at convention.*

Effective January 1, 2023

Direct VIP Bonus 2023

The bonus is paid to direct managers (SA, GA, MGA) and is based on the number of times a direct code achieves VIP status. This is stand-alone bonus that is paid to the direct manager only.

- **1st time VIP = \$250**
- **2nd time VIP = \$500**
- **3rd time VIP = \$1000**

Effective February using January VIPs.

** Quality standards apply*

**Bonus will be paid to the direct manager as of the end of the month.*

Weekly Leadership Bonus ^{SA} 2023

This bonus is available for associates in their 7th month. (181st day and after)

Bonus eligibility: the SA must have a certain number of "associates" and/or "VIPs"

An associate is defined here as a new agent coded to the SA who submits at least \$1 gross ALP.

A VIP is defined here as a new associate within their 2nd-4th contract month with a minimum of \$5,000 gross ALP.

Associate/VIP Requirements:

SA is eligible to bonus if there is one or more new associates and/or VIPs in the previous 2 calendar months.

First time SAs have no new associate requirement for the first 60 days.

SA

Direct Associate and/or VIP

Post Six Month WGB Bonus Earner

Bonus

25% of Writing Agent's WGB

In order to be eligible for the Bonus, SAs in months 0-12 will be evaluated based on their net-to-gross. The net-to-gross requirements are as follows:

- 1-3 months – 86%
- 4-6 months – 84%
- 7-12 months – 80%

Starting in their 13th month (using the prior month's AP&P report), the SA must have 75% retention. If retention is below 75%, the bonus will be paid at a reduced rate of 20% for each 1 point below 75 (no bonus below 73% retention).

- 72.99% or lower – no bonus
- 73 - 73.99% - 60% of bonus
- 74 - 74.99% - 80% of bonus
- 75+% - Full Bonus

The SA must achieve a total of \$3,000 in personal GROSS ALP in the prior calendar month (tied to end of month AP&P report) to qualify for the bonus in the current month.

Changes will be effective on week ending January 4, 2023

Direct Associate Field Training Bonus 2023

This bonus is available for the first six months (180 days) of the new associate.

Bonus eligibility: the SA or GA, must have a certain number of direct "associates" and/or "VIPs"

An associate is defined here as a new agent directly coded to the SA or GA who submits at least \$1 gross ALP.

A VIP is defined here as a new associate within their 2nd-4th contract month with a minimum of \$5,000 gross ALP.

Associate Requirements:

- ❖ SA Requires **1** associate and/or VIP the previous 2 months
- ❖ GA Requires **2 Direct** associate and/or VIP the previous 2 months

The bonus will be calculated as a percentage of the total Weekly WGB Bonus earned by new agents in their **first 180 days** under a SA or GA during the week.

First time SAs and GAs have no new associate/VIP requirements for the first 30 days.

SA *Direct Associate*

WGB Bonus Earner – First **13** Weeks
WGB Bonus Earner – Over **13** Weeks

Bonus

125% of Bonus Agent's WGB
25% of Bonus Agent's WGB

GA *Direct Associate*

WGB Bonus Earner – First **13** Weeks
WGB Bonus Earner – Over **13** Weeks

Bonus

135% of Bonus Agent's WGB
50% of Bonus Agent's WGB

In order to be eligible for the Bonus, SA/GAs in months 0-12 will be evaluated based on their net-to-gross. The net-to-gross requirements are as follows:

- ❖ 1-3 months – 86%
- ❖ 4-6 months – 84%
- ❖ 7-12 months – 80%

Starting in their 13th month (using the prior month's AP&P report), the SA or GA must have 75% retention. If retention is below 75%, the bonus will be paid at a reduced rate of 20% for each 1 point below 75 (no bonus below 73% retention).

- ❖ 72.99% or lower – no bonus
- ❖ 73 - 73.99% - 60% of bonus
- ❖ 74 - 74.99% - 80% of bonus
- ❖ 75+% - Full Bonus

The SA/GA must achieve a total of \$3,000 in personal GROSS ALP in the prior calendar month (tied to end of month AP&P report) to qualify for the bonus in the current month.

Changes will be effective on week ending January 4, 2023

Monthly Incentive Bonus ^{SA/GA} 2023

The bonus is paid to the SA's and GA's and is based on the following requirements

- **Minimum of \$3K Gross in personal production**
- **Minimum of 1 Direct New Associate or VIP**
- **Bonus is 25% of their own previous month's WGB Bonus**

Example:

SA John had a total of \$9K in gross level one production and had 2 direct new assoc. for the month of March.

John's WGB earned for the month totaled \$1K

Additional \$250 (25% of \$1K) will be paid to John in April.

*** Level 01 Quality standards apply*



**American Income
National Income**
life insurance companies

Weekly Leadership Bonus MGA 2023

Bonus eligibility: the MGA must have a certain number of "associates" and/or "VIPs"

Associates defined here as a new agent who submits at least \$1 gross ALP. New associates count up-line – ex: if an SA who is coded under an MGA has an associate, both the SA and MGA get credit for the associate.

A VIP is defined here as a new associate within their 2nd-4th contract month with a minimum of \$5,000 gross ALP.

Veteran MGAs will be assigned a personal associate/VIP objective. The objective is based on the MGA's past 12 month associate/VIP count increased by 20%. If the MGA meets or exceeds the individual objective, the MGA Leadership Bonus will be paid at an increased bonus rate.

Associate/VIP Requirements:

Rookies : 4 or more new associates and/or VIPs in previous TWO calendar months

- a. 4 is paid at 100% bonus
- b. 5-6 is paid at 110% bonus
- c. 7+ is paid at 120% bonus

Veterans : Must have a minimum of 6 new associates and/or VIPs or 75% of objective (whichever is greater) in previous TWO calendar months

- a. Bonus payout is based on % of objective achieved.
 - 75% of objective will be paid at 75% of total bonus (76% of obj = 76% payout, 80% of obj = 80% payout, etc.)
 - **Max payout at 125%**

A minimum of 6 of the new associates/VIPs in the previous 2 months must be direct to their MGA hierarchy. The remainder of their objective can roll up from qualifying MGA promotional Associates/VIPs.

First time MGAs have no associate/VIP requirement for the first 90 days.

The following bonus percentages applies to both Rookie and Veteran MGAs.

MGA

Direct Associate/VIP

WGB Bonus Earner First 3 Full Months*
WGB Bonus Earner Months 4-11
WGB Bonus Earner Months 12+

*First 3 Months = Code month plus 3 months

MGA

Indirect Associate/VIP

WGB Bonus Earner First 3 Full Months*
WGB Bonus Earner Months 4-11
WGB Bonus Earner Months 12+

*First 3 Months = Code month plus 3 months

Bonus

175% of Writing Agent's Bonus
150% of Writing Agent's Bonus
65% of Writing Agent's Bonus

Bonus

125% of Writing Agent's Bonus
100% of Writing Agent's Bonus
65% of Writing Agent's Bonus

Changes will be effective on week ending January 4, 2023

Any SA or GA Leadership or Training Bonus reduced or eliminated for retention/NTG will carry forward to the MGA Indirect Leadership Bonus.

In order to be eligible for the Bonus, MGAs in months 0-12 will be evaluated based on their net-to-gross. The net-to-gross requirements are as follows:

- 1-3 months – 86%
- 4-6 months – 84%
- 7-12 months – 80%

Starting in their 13th month (using the prior month's AP&P report), the MGA must have 75% retention. If retention is below 75%, the bonus will be paid at a reduced rate of 20% for each 1 point below 75 (no bonus below 72% retention).

- 72.99% or lower – no bonus
- 73 - 73.99% - 60% of bonus
- 74 - 74.99% - 80% of bonus
- 75+% - Full Bonus

MGA Promotion Guidelines

- Current Guidelines require MGAs/RGAs to promote at least one person to MGA every 12 months.
- After each MGA fulfills their current 12 month requirement, the promotion requirement for the MGA and RGA levels will change to a net plus one every 18 months.
- Additionally RGAs will be required to maintain their current MGA count in addition to adding at least one every 18 months.
- If an MGA is demoted/termed or doesn't meet the qualifications as a new MGA promotion* for the month, that MGA must be replaced by a new promotion in addition to the normal required promotion (every 18 months).
- If the difference in the total number of MGAs isn't a positive net plus one by the end of the 18 month period, Leadership Bonus reductions will apply.

**** Note:** MGA transfers from a different hierarchy will not count towards the net plus one total. Only organic promotions will count.

- If an MGA promotes more than one MGA within the same 18 month period, the promotion requirement will be pushed out an additional 18 months as long as there is a positive net of plus one. To clarify, you must make up any MGA losses (demotions/terms or new MGAs that are not qualified*) first in order for the date to be extended an additional 18 months. Not to be extended beyond 36 months (more than 2 promotions).
- All promoted MGAs must remain an MGA for 12 months to continue to count.
- Promoted MGAs in their first 12 months must have \$20K Net ALP OR 2 Codes/VIPs in each of the following months - 6th, 7th, 8th, 9th, 10th, 11th to continue to count.
- The review will be completed after each EOM period. MGAs that don't meet the threshold one month won't qualify; however they can qualify again the following month as long as the minimum requirements are met.
- People who have previously been an MGA in the past can only count as a promotion if it has been longer than 12 months since last time as an MGA. Can only count 2 times overall.
- All MGA's promoted January 1, 2023 and after will be on the new Promotion Guidelines of 18 months.

The MGA bonus will decrease as follows each month between the 18th month and 24th month for managers who do not meet the above requirements:

- After 24 months – no bonus
- Between 18-24 months – 50% of bonus
- Under 18 months – Full bonus

New MGA Promotions - For 180 days associates and/or VIPs achieved by the newly promoted MGA will be added to their former MGA (new RGA's MGA level). If the promoted MGA is moved to a different RGA, the associates/VIPs will not be counted.

Changes will be effective on week ending January 4, 2023

The promoted MGA's associate and VIP count will only be considered if the promoting MGA is a veteran and they have a personal associate count of 6 or more. Promoting MGAs cannot qualify based solely on codes from their newly promoted MGAs.

Starting at the end of Q1 2023 all Veteran MGAs must meet minimum standards in order to continue to qualify for bonus. The minimum standards will also apply to any Rookie MGAs starting with their 5th full quarter.

The minimum standard requirements for MGAs are: \$48,000 of net alp production each calendar quarter and have one active GA and one active SA with each having a minimum of one associate under them. If minimum is not met, it will cause the MGA to not be eligible for leadership bonus.

Starting after March EOM each year, if prior month YTD growth is 10%+ (based on AP&P), growth can qualify in place of meeting the New Assoc/VIP requirement.

MGAs that have 10% growth YTD after the end of Q1 will be retroactively paid any Leadership bonus from Q1 where their code objective was not met.

The 10% YTD growth evaluation is based on unadjusted production taken from the monthly AP&P reports.

Changes will be effective on week ending January 4, 2023

Leadership Bonus

FAQ's

2023

MGA Associate/VIP Requirements

Q: How is the leadership bonus calculated and what counts toward the calculation?

A: The leadership bonus is paid weekly and based off of the WGB bonus received by the agents coded to the hierarchy. The leadership bonus percentages are based on the associate and/or VIP counts from the previous TWO calendar months:

For Rookies: 4 or more new associates and/or VIPs in previous TWO calendar months.

- a. 4 is paid at 100% bonus
- b. 5-6 is paid at 110% bonus
- c. 7+ is paid at 120% bonus

For Veterans: Must have a minimum of 6 new associates and/or VIPs or 75% of objective (whichever is greater) in previous TWO calendar months.

- a. Bonus payout is based on % of objective achieved.
 - 75% of objective will be paid at 75% of total bonus (76% of obj = 76% payout, 80% of obj = 80% payout, etc.)
 - **Max payout at 125%**

A minimum of 6 of the new associates/VIPs in the previous 2 months must be direct to their MGA hierarchy. The remainder of their objective can roll up from qualifying MGA promotional Associates/VIPs.

First time MGAs have no associate/VIP requirement for the first 90 days.

Examples:

- Veteran MGA has 4 associates and/or VIPs – Does not qualify for bonus
- Veteran MGA with an objective of 8, has 6 associates/VIPs – MGA qualifies for 75% of bonus payout
- Veteran MGA with an objective of 8, has 10 associates/VIPs – MGA qualifies for 125% of bonus payout

Q: How can I tell if I am a rookie or veteran MGA?

A: A Rookie is any MGA who hasn't completed a full calendar year from January 1st to December 31st. If the MGA was contracted on March 1, 2022, they would remain a Rookie until January 1, 2024.

Q: If I am still categorized as a Rookie after I have completed 12 full months of production, will my objective change and will I be considered a Veteran?

A: The first quarter after your full 12 months of production, your objective will increase to a minimum of 6 for the remainder of the calendar year. You will however still be categorized as a Rookie until January of the following year as we don't change MGA categories mid-year.

Changes will be effective on week ending January 4, 2023

Q: What if I'm a veteran MGA and I have an associate/VIP objective of 6 and I have an associate/VIP count of 6 do I qualify for the higher bonus percentage?

A: Veteran MGAs with an individual associate/VIP objective of 6 and meet or exceed their objective will receive a bonus payout % equal to the % of the objective achieved (minimum of 75% and maximum of 125%)

Q: How was my MGA individual associate/VIP objective calculated?

A: The individual associate/VIP objective is calculated annually by taking the average associate/VIP count from January 2022 to November 2022 and increasing by 20%.

Q: How do I find my MGA individual associate/VIP objective amount?

A: Your individual associate/VIP objective for 2023 will be sent to your SGA in December. If you have any questions, please contact home office by emailing BonusQuestions@aillife.com

Q: Is January 2023 MGA Leadership Bonus based off of November and December 2022 associate/VIPs, or will January be based off on December only and then February will be based on December and January?

A: January is based on November and December associate/VIPs. February is based on December and January associate/VIPs

Q: If an MGA is Rookie in November 2022, and becomes a Veteran in January 2023, how many new associate/VIPs will they need to remain on full bonus for January?

A: The January requirement will be a minimum of 6 for any veterans or 75% of their code objective, whichever is more. For a new veteran we won't start using their 2023 objectives until the March bonus evaluation which could be more than 6 depending on 2022 associate/VIPs.

Q: How are a promoted MGA's associates and VIPs added to their promoter MGA?

A: The promoted MGA's associates and VIPs will be added to the promoter MGAs associate/VIP count for 180 days after promotion.

The additional associates and VIPs will only be considered if they meet the following:

- The promoter MGA is a veteran
- The promoter MGA must achieve an associate/VIP count of 6 or more of their own associates/VIPs
- The promoter MGA cannot use the newly promoted MGA's associate and VIPs for the minimum requirement of 6 to qualify for the bonus

Examples:

- Promoter MGA is a veteran with 4 personal associates and VIPs. – Does not qualify to use promoting MGAs associates or VIPs
- Promoter MGA is a veteran with 8 personal associates and VIPs with a personal objective of 10. Promoting MGA has 1 associate and 1 VIP. Promoter MGA has combined count of 10, the promoter MGA qualifies for 100% of bonus.
- Promoter MGA is a veteran with 6 personal associates and VIPs with a personal objective of 8. Promoting MGA has 3 associates and 2 VIPs. Promoter MGA has combined count of 11, the promoter MGA qualifies for 125% of bonus.

Q: How do the associate waivers work for first time MGA's?

A: Waivers are only given to "new" MGA's, meaning that they have not been at that level of management with the company previously.

- When your waiver expires, in order to qualify for bonuses you must have met your associate/VIP requirement based on your previous TWO calendar months.

Changes will be effective on week ending January 4, 2023

Q: If an MGA achieves 10% growth based on 2022 YTD growth in January, will the code waiver be applied?

A: No, the new bonus guidelines go into effect starting January and the guidelines state that 10% growth can only be applied after March EOM results.

Q: If an MGA achieves 10% growth after the first quarter of the year will code waiver be applied at 100% bonus payout?

A: Yes

Q: If an MGA achieves 10% growth after the first quarter of the year will the code waiver carry over to apply to the RGA bonus as well?

A: Since the 10% will override the associate/VIP requirements, that will also qualify them for RGA bonus as far as the requirement to hit codes/VIPs at their MGA level. Note on the MGA bonus level, the percent available based on meeting 10% growth is 100% of the bonus.

Q: What is a VIP?

A: A VIP is a new associate that is in their 2nd – 4th month and has achieved a minimum of \$5,000 in gross ALP.

Q: What is the difference between an agency associate and a bonus associate?

A: Differences listed below:

- Agency associates are counted when an agent's number is activated by submitting any type of business (NOPRD, A&H, etc.).
- To count as a bonus associate for qualifications for the hierarchy, a new agent would need to have submitted production on the advance report at least \$1 gross life ALP.

Q: Do VIPs only count for 1 month? In other words, if they were a VIP in February, they can they be considered a VIP in March as well?

A: VIP credit is given for each month they qualify, month 2, month 3, and month 4. The credit is applied to the 2 month objective each month the VIP qualifies. See example below:

Sally's February bonus is based on Dec/Jan Codes/VIPs

Sally's March bonus is based on Jan/Feb Codes/VIPs.

December –

- Patty qualified as a code under Sally

January –

- Patty qualified as VIP under Sally
- Krystal qualified as a code under Sally

February –

- Patty qualified as a VIP for a 2nd time under Sally
- Krystal qualified as a VIP under Sally

In February, Sally would get credit for 3 Codes/VIPs –

- 1 for Patty as a Code
- 1 for Patty as a VIP (her 1st time to qualify)
- 1 for Krystal as a code

In March, Sally would get credit for 4 codes/VIPs total –

- 1 for Patty in January
- 1 for Patty in February (2nd time to qualify as VIP)
- 1 for Krystal as a code in January
- 1 for Krystal as a VIP in February.

Changes will be effective on week ending January 4, 2023

SA/GA Associate/VIP Requirements

Q: I'm a GA and I have 2 associates/VIPs, do I automatically qualify for training bonuses?

A: No, a GA is required to have at least 2 **direct** associate and/or VIP in the previous 2 months in order to qualify for training bonuses. For leadership bonus, requirement can be fulfilled with direct or indirect associates/VIPs

Q: How do the associate waivers work for first time SA/GA?

A: Waivers are only given to "new" SA/GA, meaning that they have not been at that level of management with the company previously.

Q: For the new SA/GA Incentive Bonus, is the quality requirements based on the SA/GA's level one quality since the bonus is based on personal production?

A: Since this is an extra percent of WGB on personal sales, level 1 retention or Net to Gross is required the same was what is required for WGB. The reduction will be available if quality is low.

Quality Requirements

Q: What if I'm a level 3 GA and I get promoted to an MGA, should my quality start over on Net to Gross?

A: No, your level determines what quality would be used. For example, if you are already a level 3 GA on retention when promoted to an MGA, the level 3 retention would be used for bonus qualifications. Quality would only start over on NTG if your level changes.

Q: When will the new quality requirements for increased retention be applied?

A: Retention will increase by 1% across the board for all bonus starting with payout in January 2023, based on December 2022 AP&P.

Q: How are the quality requirements for the new RGA 10% Rookie MGA PP bonus going to be applied?

A: The RGA as well as MGA who submitted the PP must have the required level of retention. MGA will be based on level 1 – RGA is based on RGA retention. The RGA can receive reduced percent if quality is below minimum.

Q: How are the quality requirements for the new VIP Direct Manager Bonus going to be applied?

A: The bonus will be paid based on the direct manager's retention or net to gross. Reductions will be applied for low quality accordingly.

Q: What quality is used when a month ends mid-week?

A: If an advance week is in two different reporting months the quality used for bonus qualification will be the quality from the most recent AP&P Report.

RGA Bonus Qualifications

Q: What determines my RGA bonus percentage?

A: The RGA bonus percentage amount is based on the number of MGAs in their hierarchy that received a leadership bonus that week.

Pay Rates:

- | | |
|---------------------|-----------------------|
| • 1 -2 MGAs – 100% | • 11-12 MGAs – 112.5% |
| • 3-4 MGAs – 102.5% | • 13-14 MGAs – 115% |
| • 5-6 MGAs – 105% | • 15-16 MGAs – 117.5% |
| • 7-8 MGAs – 107.5% | • 17+ MGAs – 120% |
| • 9-10 MGAs – 110% | |

Changes will be effective on week ending January 4, 2023

Q: If an RGA has two MGAs under them and both qualify for bonus, will the RGA receive 100% of their bonus if they haven't met their own Associate/VIP objective?

A: No the RGA must meet at least 75% of their own new associate/VIP objective on their MGA deal before they can qualify for any RGA bonus. The payout will match the % of objective achieved (min of 75% and a max of 100%)

Examples:

- RGA John has 2 MGAs under him that qualify for bonus
- RGA John has an associate/VIP objective of 8 under his own MGA number
- RGA John has 4 new associates and 2 VIPs in the previous two months and therefore only achieved 75% of his objective
- RGA will only receive 75% of his RGA bonus.

- RGA Sally has 2 MGAs under her that qualify for bonus
- RGA Sally has an associate/VIP objective of 8 under her own MGA number
- RGA Sally has 7 new associates and 2 VIPs in the previous two months
- RGA Sally met her new associate/VIP objective on her MGA deal and will 100% of her RGA bonus.

Q: If an RGA achieves 10% growth on their own MGA deal after the first quarter of the year will code waiver be applied at 100% bonus payout to the RGA bonus as well?

A: Yes; however, the percent available based on meeting the 10% growth is at 100% of the bonus payout.

MGA Growth Bonus 2023

MGA Veterans (Promotion date prior to 2022)

- The MGA Growth Bonus is paid quarterly and is based on 2023 calendar quarter Net ALP growth over the same calendar quarter of 2022.
- The percentage paid is based on the 2022 calendar quarter benchmark. The benchmark is the Net ALP production from the same calendar quarter of 2022 with a **minimum of \$60,000**.
- All growth dollars will be considered as long as the minimum is acquired.
- Production credit for MGA promotions is counted for a full 12 months.

Previous Year Quarter Benchmark Net ALP

\$ 60,000 + Net ALP

Bonus Percentage

20% of growth amount

MGA Rookies (Promoted 2022 or newer)

- To qualify the MGA Rookie must complete four full calendar quarters. If they have a promotion date of Apr 1, Jul 1 or Oct 1, that is their first calendar quarter. Promotion dates of the 2nd+ will be considered a partial quarter and will have to complete four full quarters to become eligible.
- The MGA Rookie Growth Bonus is paid quarterly and is based on their Calendar Quarter Net ALP growth over their previous year same calendar quarter with a **minimum of \$60,000**.
- Production credit for MGA promotions is counted for a full 12 months.

Previous Year Quarter Benchmark Net ALP

\$60,000 + Net ALP

Bonus Percentage

20% of production growth

MGA Veterans & Rookies VIP Boost

- A VIP is an agent in their 2nd through 4th month of contract who produces \$5K of gross life production as of the end of each month. Each MGA will be assigned a benchmark VIP evaluation based on their 2022 historical VIP evaluations.
- Minimum benchmark of 4 per quarter. If they exceed their VIP benchmark in the quarter their growth bonus will be increased.
- **VIP Boost** is paid on VIP growth over the benchmark at the following rate:

VIP Growth

1 VIP over the benchmark
2 VIP over the benchmark
3 VIP over the benchmark
4+ VIP over the benchmark

Bonus Percentage

5% of the production growth bonus
10% of the production growth bonus
15% of the production growth bonus
25% of the production growth bonus

Effective January 4, 2023

- When an MGA is promoted, for 6 months the VIPs achieved by the new MGA will be added to their former MGA (new RGA's MGA level). If the MGA is moved to a different RGA, the VIP roll-up will not count.

Adjustments to benchmarks will be made based on hierarchy transfers from previous year (2022)

- Production from 2022 transfers will be manually **added to the new hierarchy** and **subtracted from the old hierarchy** for 2023 benchmarks based on date of transfer.
- A full 12 month production adjustment will be made to 2023 benchmarks for any transfers made effective January 1, 2023.
- Any transfers made after January 1, 2023 where we are excluding production for 2023, will have benchmark adjustments made to the 2023 totals for use in 2024.

ADDITIONAL INFORMATION:

- **Minimum 75% RTN or 80% NTG requirements apply. 73-74.9 RTN can qualify at reduced rate.**
- **Remember, for growth recognition and growth bonus evaluations, transfers to a different MGA or RGA will be excluded for the balance of the calendar year.**
- **If the transfer is a manager then their entire hierarchy will be excluded.**
- **WP/ADB add/ons are not included in the growth evaluation.**
- **Credit for MGA promotions will be handled based on a rolling 12 month period.**
- **If any MGA is demoted and then re-promoted, they will need to complete 4 new consecutive quarters before qualifying for Growth Bonus, regardless of the amount of time that has passed.**
- **MGA PROMOTION REQUIREMENTS FOR LEADERSHIP BONUS ALSO APPLY TO GROWTH BONUS QUALIFICATION.**

Growth Bonus

FAQ's

2023

Transfer Rules:

Q: How do I know which agents within my hierarchy count towards my growth bonus and recognition?

A: The focus is to evaluate on true organic growth of people who were brought in through your hierarchy from the start. If you have anyone that has moved from an MGA and/or RGA to a different MGA and/or RGA, their production will be excluded from the evaluation for the remainder of the year.

Q: I have an MGA who just had a GA and SA transfer to his hierarchy. However, the GA and SA came to the hierarchy by themselves – no agents coded to either of them. Now that the GA and SA are starting to develop hierarchies under their new MGA, is all of their production in the GA and SA hierarchies excluded for the rest of the year?

A: Yes, per the guidelines, if a manager is transferred their entire hierarchy's production is excluded. If the SA and/or GA is transferred to a new MGA in the middle of the year, then the SA/GA's agency production is what will be excluded

Benchmarks:

Q: When will I move from Rookie MGA to Veteran MGA?

A: A Rookie must be an MGA for a full calendar year before becoming a Veteran.

Ex. MGA promotion with start date of April 3rd, 2020 – This MGA will become a Veteran at the beginning of the year 2022, because their first anniversary as MGA would not be until April 3rd, 2021.

Q: Can I move categories during the year?

A: No. The categories are set at the beginning of the year based on the previous year's Net ALP (+/- transfers)

Q: How often is the Growth Bonus paid?

A: Payments are done quarterly. The calculations are reviewed the month following the end of each quarter.

Ex. – 1st quarter (January-March) review will be done in April.

Q: Is my MGA and RGA production included in my benchmark calculation for MGA growth bonus

A: RGA production is not included. Only MGA Net ALP.

Q: Is my MGA and RGA production included in my benchmark calculation for RGA growth bonus

A: Stand-alone RGA production is used for the RGA benchmarks and Growth Bonus calculations.

Veteran MGA:

Q: How is my benchmark number calculated?

A: The Net ALP of the previous year's corresponding quarter (+/- transfers) with a minimum of \$60,000.

- Production from 2022 transfers will be manually added to the new hierarchy and subtracted from the old hierarchy for 2023 benchmarks based on date of transfer.
- A full 12 month production adjustment will be made to 2023 benchmarks for any transfers made effective January 1, 2023.
- Any transfers made after January 1, 2023 where we are excluding production for 2023, will have benchmark adjustments made to the 2023 totals for use in 2024.

Q: What bonus percentage am I eligible for?

A: 20% of production growth.

Q: How is the VIP boost calculated?

A: By comparing the current quarter VIPs to the previous year's corresponding quarter benchmark with a minimum of 4.

VIP Growth

1 VIP over the benchmark
2 VIP over the benchmark
3 VIP over the benchmark
4+ VIP over the benchmark

Bonus Percentage

5% of the production growth bonus
10% of the production growth bonus
15% of the production growth bonus
25% of the production growth bonus

Q: Do I need to maintain my MGA promotion requirements (on the leadership side) in order to qualify for MGA growth bonus?

A: Yes, MGA and RGA promotion requirements for Leadership Bonus also apply to Growth Bonus. The same reduction amounts will apply to the Growth Bonus as is handled on the Leadership Bonus.

Rookie MGA:

Q: How is my benchmark number calculated?

A: The Net ALP of the previous year's corresponding quarter (+/- transfers) with a minimum of \$60,000.

- Production from 2022 transfers will be manually added to the new hierarchy and subtracted from the old hierarchy for 2023 benchmarks based on date of transfer.
- A full 12 month production adjustment will be made to 2023 benchmarks for any transfers made effective January 1, 2023.
- Any transfers made after January 1, 2023 where we are excluding production for 2023, will have benchmark adjustments made to the 2023 totals for use in 2024.

Q: What bonus percentage am I eligible for

A: 20% of production growth

Q: When can I qualify?

A: As a Rookie MGA, four full calendar quarters must be completed. Promotion dates on the first day of a quarter (Apr 1, Jul 1, Oct 1) will have that as their first calendar quarter.

Q: If I was promoted to MGA on April 2nd, 2022, when can I first qualify for this bonus?

A: The 3rd quarter of 2023. Since your promotion was done after the 1st of April, you won't have four full calendar quarters until the end of June 2023. You could then qualify for bonus on production from 3rd quarter 2023 compared to the production from 3rd quarter 2022.

Q: If I was demoted and then re-promoted 2 back to MGA two months later, when will I be eligible for Growth Bonus again? Will I get to keep my previous status as an MGA?

A: No, if an MGA is demoted and then re-promoted later, they will need to complete 4 new consecutive quarters before qualifying for Growth Bonus, regardless of the amount of time that has passed.

Changes will be effective on week ending January 4, 2023

Promoted MGA Production:

Q: What happens when I promote someone within my hierarchy to an MGA?

A: We will manually add any production from the MGA that you promoted back to your MGA production total for the following 12 months. This will be used for bonus and recognition purposes only.

Q: Will the production from promoted MGAs be added to the previous RGAs production totals?

A: No, the intent for the RGA bonus was to tie any growth bonus to growth at the RGA level only (growth of MGAs reporting to the RGA). If someone is promoted and their former MGA becomes their RGA, that new MGA will not count for their former RGAs growth evaluation on a go forward basis.

Q: Will RGA benchmarks be adjusted for MGA promotions that are no longer a part of their hierarchy?

A: Benchmarks would not be adjusted. The intent would be for the RGAs to continue to grow new MGAs under their RGA deal over time.

WP/ADB add-ons:

Q: Are WP/ADB add-ons included in the growth evaluation?

A: No.

RGA Growth Bonus Qualifications:

Q: As a new RGA, when can I qualify for the Growth Bonus?

A: All RGAs must have a minimum of four consecutive full quarters as an RGA before they can qualify for growth bonus (starting in their 5th quarter).

Q: Do the same transfer rules for MGAs apply to RGAs as well?

A: Yes

Q: How is production for new MGA promotions under an RGA handled with the new bonus guidelines?

A: Any production from newly promoted MGAs will be excluded from their RGA for the first 12 months after promotion. This is done because newly promoted MGA production is manually added to the promoting MGAs totals on the MGA growth bonus and therefore wouldn't count on the RGA side until after 12 months (when the promotion credit ends).

Q: With the new RGA Growth Bonus guidelines, it states that new MGA promotions will be excluded for the first 12 months following the promotion. Does this mean if a GA is promoted to MGA and is submitting 10K a week, their production will not count towards the RGA for growth bonus for 12 months?

A: Yes, that is correct; however the promoted MGAs production is added to them on their MGA level.

Q: If I was demoted and then re-promoted 2 back to RGA two months later, when will I be eligible for Growth Bonus again? Will I get to keep my previous status as an RGA?

A: No, if an RGA is demoted and then re-promoted later, they will need to complete 4 new consecutive quarters before qualifying for Growth Bonus, regardless of the amount of time that has passed.

Q: Do I need to maintain my MGA promotion requirements (on the leadership side) in order to qualify for RGA growth bonus?

A: Yes, MGA and RGA promotion requirements for Leadership Bonus also apply to Growth Bonus. The same reduction amounts will apply to the Growth Bonus as is handled on the Leadership Bonus.

Changes will be effective on week ending January 4, 2023

Weekly Leadership Bonus

RGA 2023

The bonus percent will be paid on the number of bonus earning MGAs the RGA has for a particular week. Based on the number of MGAs who bonus, the RGA would receive the following percent of the MGA's bonus:

❖ 1-2 MGAs – 100%	❖ 11-12 MGAs – 112.5%
❖ 3-4 MGAs – 102.5%	❖ 13-14 MGAs – 115%
❖ 5-6 MGAs – 105%	❖ 15-16 MGAs – 117.5%
❖ 7-8 MGAs – 107.5%	❖ 17+ MGAs – 120%
❖ 9-10 MGAs – 110%	

In order to be eligible for the Bonus, RGAs in months 0-12 will be evaluated based on their net-to-gross. The net-to-gross requirements are as follows:

❖ 1-3 months – 86%
❖ 4-6 months – 84%
❖ 7-12 months – 80%

In order to be eligible for the bonus, starting in their 13th month (using the prior month's AP&P report), the RGA must have 75% retention.*

***If retention is below 75%, the bonus will be paid at a reduced rate of 20% for each point below 75% (no bonus below 73% retention).**

❖ 72.99% or lower – no bonus
❖ 73 - 73.99% - 60% of bonus
❖ 74 - 74.99% - 80% of bonus
❖ 75+% - Full Bonus

Example: RGA over three MGAs

MGA 1 Weekly Bonus = \$2,100

MGA 2 Weekly Bonus = \$1,500

MGA 3 Weekly Bonus = \$800

RGA Bonus = \$4,400 x 102.5% = \$4,510

- Must have a minimum of 6 New Associates or VIPs in previous TWO calendar months or 75% of new associate/VIP objective (whichever is greater).
- Payout is based on % of objective achieved (Ex. 76% of obj=76% payout) – **100% or more of objective receives full bonus.**

**** A minimum of 6 of the new associates/VIPs must be directly from the RGAs MGA hierarchy and not credited from an MGA promotion code/VIP rollop. ****

RGA Promotion Guidelines

- Current Guidelines require MGAs/RGAs to promote at least one person to MGA every 12 months.
- After each RGA fulfills their current 12 month requirement, the promotion requirement for the MGA and RGA levels will change to a net plus one every 18 months.
- Additionally RGAs will be required to maintain their current MGA count in addition to adding at least ONE every 18 months.
- If an MGA is demoted/termed or doesn't meet the qualifications as a new MGA promotion* for the month, that MGA must be replaced by a new promotion in addition to the normal required promotion (every 18 months).
- If the difference in the total number of MGAs isn't a positive net plus one by the end of the 18 month period, Leadership Bonus reductions will apply.

**** Note: MGA transfers from a different hierarchy will not count towards the net plus one total. Only organic promotions will count.**

- If an MGA/RGA promotes more than one MGA within the same 18 month period, the promotion requirement will be pushed out an additional 18 months as long as there is a positive net of plus one. To clarify, you must make up any MGA losses

Changes will be effective on week ending January 4, 2023

(demotions/terms or new MGAs that are not qualified*) first in order for the date to be extended an additional 18 months. Not to be extended beyond 36 months (more than 2 promotions).

- All promoted MGAs must remain an MGA for 12 months to continue to count.
- Promoted MGAs in their first 12 months must have \$20K Net ALP OR 2 Codes/VIPs in each of the following months - 6th, 7th, 8th, 9th, 10th, 11th to continue to count.
- The review will be completed after each EOM period. MGAs that don't meet the threshold one month won't qualify; however they can qualify again the following month as long as the minimum requirements are met.
- People who have previously been an MGA in the past can only count as a promotion if it has been longer than 12 months since last time as an MGA. Can only count 2 times overall.
- All MGAs/RGAs promoted January 1, 2023 and after will be on the new Promotion Guidelines of 18 months.

The RGA bonus will decrease as follows each month between the 18th month and 24th month for managers who do not meet the above requirements:

- After 24 months – no bonus
- Between 18-24 months – 50% of bonus
- Under 18 months – Full bonus

Changes will be effective on week ending January 4, 2023

RGA Growth Bonus 2023

The RGA Growth Bonus is paid quarterly and is based on 2023 calendar quarter Net ALP growth over the same calendar quarter of 2022. The production evaluated is **stand-alone RGA production only**.

- RGA must have four full quarters before qualifying in the 5th quarter.
- Any hierarchy transfers will be excluded from the growth evaluation
- **Any new MGA promotions will be excluded for the first 12 months following the promotion.**

The percentage paid is based on the 2022 calendar quarter benchmark. The benchmark is the Net ALP production from the same calendar quarter of 2022 with a **minimum of \$60,000**.

All growth dollars will be considered as long as the minimum is acquired.

Previous Year Quarter Benchmark Net ALP
\$ 60,000 + Net ALP

Bonus Percentage
20% of growth amount

Adjustments to benchmarks will be made based on hierarchy transfers from previous year (2022)

- Production from 2022 transfers will be manually **added to the new hierarchy** and **subtracted from the old hierarchy** for 2023 benchmarks based on date of transfer.
- A full 12 month production adjustment will be made to 2023 benchmarks for any transfers made effective January 1, 2023.
- Any transfers made after January 1, 2023 where we are excluding production for 2023, will have benchmark adjustments made to the 2023 totals for use in 2024.

ADDITIONAL INFORMATION:

- **Minimum 75% RTN or 80% NTG requirements apply. 73-74.9 RTN can qualify at reduced rate.**
- **Remember, for growth recognition and growth bonus evaluations, transfers to a different MGA or RGA will be excluded for the balance of the calendar year.**
- **If the transfer is a manager then their entire hierarchy will be excluded.**
- **WP/ADB add/ons are not included in the growth evaluation.**
- **If any RGA is demoted and then re-promoted, they will need to complete 4 new consecutive quarters before qualifying for Growth Bonus, regardless of the amount of time that has passed.**
- **MGA/RGA PROMOTION REQUIREMENTS FOR LEADERSHIP BONUS ALSO APPLY TO GROWTH BONUS QUALIFICATION.**

Effective January, 1, 2023

10% Rookie MGA PP Bonus **RGA** 2023

This bonus is paid to RGAs and is based on their Rookie MGAs** personal production.

- **Monthly stand-alone bonus**
- **Only applies to personal production of Rookie MGAs in their first 12 months.**
- **Rookie MGA must have a minimum of 6,000 Gross ALP – personal production to qualify**
- **Bonus is 10% of the NET ALP and is paid to the RGA.**
- **If no RGA is in the hierarchy, no payout will be generated.**

Example:

Rookie MGA Dan has \$9K of gross ALP and \$8K of net ALP for the month.

Dan's RGA is Rob.

Rob will receive an \$800 bonus (10% of \$8K)

***The bonus is calculated based on new MGAs within their first 12 months.*

*** MGA must meet quality standards in order for RGA to qualify. RGA must meet minimum quality standards on their level 3 RGA quality.*

Pro-Rating FAQ's

The way we pro-rate is to take the YTD requirement for each level and divide by 12 to get a monthly amount. This way, we are able to combine levels if the agent switches levels during the calendar year. These monthly amounts can also be used to show you if you are "on target" for the year, and helps set your monthly/weekly goals. Here are the amounts we are using to prorate this year:

- **Agent YTD - 95,000 / 12 = 7,917 month**
- **SA YTD - 175,000 / 12 = 14,583 month**
- **GA YTD - 225,000 / 12 = 18,750 month**
- **MGA/RGA YTD - 320,000 / 12 = 26,667 month**

If the agent switched from level 2 to 3 during this year, we will be keeping track of their stats for the calendar year on the GA/MGA adjustments (unless they are demoted). We send these to the SGA mailbox monthly. These will be the YTD figures we use for the final convention numbers.

If someone was an **agent level only** OR was promoted from **SA/GA to MGA** at any point in the year and **did not** make the average monthly amount for those months in net alp/F6, they **will not qualify for prorating** and will need to make **the entire YTD amount required** for whatever level they ended the year as. This is because of the different types of production used for personal production and F6 as opposed to agency alp. For those particular months, we pull the net alp/F6 for those **exact months** they were an agent and compare to the total needed, as opposed to F6 where we use the YTD amount to compare.

Here is an example:

12 MONTH PRODUCTION RECAP LIFE BY RUN DATE							
DATE	GROSS	DCL	WTH	INC	NTO	CAN	NET
06/22	0	0	0	0	0	0	0
07/22	0	0	0	0	0	0	0
08/22	6541	0	773	0	0	0	5768
09/22	14021	0	966	0	0	0	13054
10/22	6684	0	0	0	0	0	6684
11/22	9047	0	1134	0	0	0	7912
12/22	12983	0	1404	0	0	0	11579
01/23	18619	389	740	0	0	0	17489
02/23	11578	927	0	0	0	0	10651
03/23	17178	103	687	1225	0	913	14247
04/23	7699	0	2911	0	2296	0	2491
05/23	6442	820	1150	188	0	628	3654
TOT	110796	2241	9768	1414	2296	1542	93533

An agent was promoted to SA 4/17/23. We will require him to have 4 (months) x 7,917 (monthly pp amount) = 31,667 Net ALP for Jan-Apr (the months he was an agent). So we will add his NET ALP totals for each month that he was a level 1 agent only (5,337 + 10,506 + 12,043 + 4,908 = 32,794) and see that he DID have enough net alp for the months he was an agent. At that point, we would only then require him to make the remaining 8 months of SA F6 (14,583 x 8) = \$116,664 F6 YTD as of 12/31/23 would be what he needed to make for the year, as well as meeting retention standard and the 1 active F6 agent to qualify as an SA, OR on only his full year personal NET ALP \$95,000 for the whole year.

If he had NOT had enough to meet the personal production requirement while he was an agent, he would NOT be able to use prorating, and we would require him to either make the entire years' worth of SA F6 (175,000) or he could qualify on the whole year of Net ALP (95,000). For anyone hired after May, they will still need to make a total 6 months' worth of production overall by EOY.

How to Pro-Rate

1. Determine how many months they were at each level. For agents that were hired prior to the current year, their total of months must equal 12. If they were hired in the current year, we will only count full months of tenure. The exception to this is that they must have a minimum of 6 months of production at any level by end of year. Even if they were hired in December, they would need to make the minimum to be considered.

Example: Hire date is 2/4/23, they will have 10 months total to prorate.

Example: Hire date is 10/4/23, they will need 6 months of whatever they end the year at.

2. Multiply the number of months at each level times its monthly amount.

Example:

SA 4 months, GA 6 months, MGA 2 months

4 x 14,583 = 58,332 (SA)

6 x 18,750 = 112,500 (GA)

2 x 26,667 = 53,334 (MGA)

3. Add the totals for each level together. Agent and MGA months are tracked separately from SA/GA (see previous example for PP).

Example:

(SA) 58,332 + 112,500 (GA) = \$170,832 F6 YTD is what this person needs to qualify to prorate.

If they had the Net F6 for those 10 months, they would only then need the 53,334 MGA agency alp to qualify. If Agent or MGA is not involved then you can stop at the F6 total.

4. If they were an MGA/RGA during the year, the month net alp (adjusted) will be taken from the MGA/RGA YTD spreadsheet sent out by Dom every month and combined.
5. Make sure that they meet the other requirements for the level they end the year at including qualifying retention/net to gross.

Example:

If they end the year as a GA, they would also need 2 F6 agents.

You can set goals for your agents by subtracting the total you find in #3 from their YTD F6, and then dividing by the remaining months/weeks in the year.

Example:

Prorated amount is \$170,832, and as of 8/31 they have \$122,584.

170,832 – 122,584 = 48,248

48,248 ÷ 4 (months left in the year) = \$12,062 F6/month is how much they would need to meet their goal.