

# 2020 bonus programs

Comprehensive rewards for your sales efforts

Dental | Short-term disability (STD) | Long-term disability (LTD) | Life | Vision | Accident | Critical illness<sup>1</sup>

Increase your earning potential by working with us. Place new business and retain business with us, and you may be eligible for our group benefit bonus programs. We offer two types of bonus programs.

**Production bonus**—Rewards you for placing business with us. The more you sell, the higher the bonus factor.

You can qualify for a production bonus based on new sale credits.

**Premium persistency bonus**—Rewards you for placing and keeping business with us. The more premium you retain, the higher the bonus factor.

## Qualifying for the bonus programs

There are more ways to get into our bonus program than just selling our group insurance products. You'll earn—

**One new sale credit for each of these qualifying coverages or services:**

- Voluntary or non-voluntary dental, STD, LTD, life or vision<sup>2</sup>
- Employer-sponsored individual disability insurance
- eBenefits Edge Total Management (Total Management) service sold

**One-half credit for each of these qualifying coverages:**

- Voluntary accident
- Voluntary critical illness

### Credit qualifications

To count as a credit the eligible benefit or service must meet these requirements:

- Issued to an employer/employee group
- Includes at least five lives as of December 31, 2020
- You are the broker of record and receive at least 50% of the commission as of December 31, 2020
- A bill has been generated to the policyholder
- It did not have a 2020 termination

If a case includes voluntary and non-voluntary coverage (e.g. dental and voluntary dental), you only receive credit for the non-voluntary coverages. The one exception is voluntary term life, which receives a separate credit from group term life.

A new sale credit is not given if an active coverage (dental, STD, LTD, life or vision) is changed from non-voluntary to voluntary or voluntary to non-voluntary.

## Bonus calculations

The bonus applies to voluntary and non-voluntary dental, STD, LTD, life and vision coverage, voluntary accident and voluntary critical illness.

### Premium used to calculate bonus

Coverage	Percent of annualized premium	Maximum per coverage per case
Dental, STD, LTD, Life, Accident, Critical Illness	100%	\$500,000
Vision	50%	\$500,000

- The premium for voluntary and non-voluntary lines (e.g. non-voluntary STD and voluntary STD) is added together to determine annualized first-year premium. The one exception is voluntary term life, which is considered separate from group term life.
- Net of commission cases receive credit for the bonus program, and premium is included in the bonus calculation.
- The premium for employer-sponsored individual disability insurance and the fees for Total Management are not included in the bonus calculation.

## Credits bonus calculation

A minimum of \$50,000 in new premium and 20 new sale credits are required to qualify.

### Credits bonus formula

$$\text{Bonus factor} \times \text{Annualized first-year premium} = \text{Production bonus}$$

Number of New Sale Credits	Bonus Factor	
	First \$50,000	Over \$50,000
20-29	3.0%	2.5%
30-59	5.0%	2.5%
60 & up	6.0%	2.5%

## Persistency bonus calculations

The persistency bonus applies to voluntary and non-voluntary dental, STD, LTD, life and vision coverage, voluntary accident and voluntary critical illness.

- Write a minimum of 15 new sale credits during the current calendar year; and
- Minimum of \$50,000 in new premium for current year; and
- Minimum of 30 active coverages inforce as of January 1, 2020; and
- Retain at least 85% of the premium inforce through January 1, 2021; and
- Have \$150,000 of renewal premium as of January 1, 2021.

### Persistency bonus formula

$$\text{Bonus factor} \times \text{Renewal premium}^3 = \text{Persistency bonus}$$

Bonus Factor	Premium Persistency Percentage
3.0%	96% – 100%
2.0%	91% – 95.9%
1.0%	85% – 90.9%

The bonus factor is applied to a maximum of \$500,000 of annualized renewal premium per coverage per case.

<sup>1</sup> Specified disease in New York.

<sup>2</sup> Self-funded dental, STD and vision are not eligible.

<sup>3</sup> Renewal premiums are based on the average monthly billed premium multiplied by the number of renewal months in the bonus year.

Note: All bonus payments are paid in March of the following year.



For general compensation questions or information on how to calculate the bonus, call us at 800-388-4793.

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