

# PRODUCER BONUS

*Guidelines*

The Personal Producer Bonus program has been redefined with a few key concepts critical for calculating agent bonuses; Total Monthly Issued Paid Premium, Carrier Bonusable Premium Percentages, Qualified Bonusable Premium, Persistency and Final Bonusable Premium

The program is structured around three main bonus components: Production, Lead Voucher and the Writer Increase.

## PRODUCTION BONUS:

Determine the Total Monthly Issued Paid Premium which is the sum of the monthly production across all carriers. Calculate the Qualified Bonusable Premium by applying the specified percentage rates for each Bonusable Carrier to their respective production volumes. The Bonusable Premium percentage determined by the agent's persistency score is then applied to the Qualified Bonusable Premium. This final step determines the Final Bonusable Premium that will be used for calculating the agent's production bonus amount.

## LEAD VOUCHER:

The Lead Voucher component is calculated by allocating 1% of the Production Bonus level amount to the agent as a lead voucher. Lead vouchers will be issued for FFL Exclusive Leads only.

## WRITER INCREASE BONUS:

The Writer Increase Bonus component is designed to incentivize agents to grow their direct writer count and their team's overall volume. Growth is assessed by comparing the current month's direct writer count and team volume against the highest values recorded in the past 12 months.

## Monthly PRODUCER BONUS

based on monthly issued paid life volume

\$20K IN LIFE =	<b>\$650</b>
\$30K IN LIFE =	<b>\$1,200</b>
\$40K IN LIFE =	<b>\$1,600</b>
\$50K IN LIFE =	<b>\$2,000</b>
\$75K IN LIFE =	<b>\$4,000</b>
\$100K IN LIFE =	<b>\$8,000</b>
\$125K IN LIFE =	<b>\$10,000</b>
\$150K IN LIFE =	<b>\$15,000</b>
\$200K IN LIFE =	<b>\$20,000</b>

ANY PRODUCER RECEIVING A BONUS MUST BE IN GOOD STANDING WITH FFL. FFL RESERVES THE RIGHT TO GARNISH ANY LEAD DEBT, CARRIER DEBT, LICENSING FEES OR ANY OUTSTANDING BALANCE THAT HAS ROLLED TO FFL FROM THE PERSON PRODUCTION BONUS. VOLUME IS BASED ON THE CALENDAR MONTH. THE MINIMUM AMOUNT A PRODUCER CAN EARN IS \$650.

## CARRIER BONUSABLE PREMIUM PERCENTAGES

	LIFE	IUL
AM AM	100%	-
AMERICO	100%	100%
COREBRIDGE	100%	-
MUTUAL	100%	100%
TRANS AM	100%	-
N AMERICAN	50%	50%
F&G	25%	75%
NATIONAL	25%	75%
SIMPLIFIED IUL	-	100%
ANICO	-	50%
COLUMBUS	-	50%
COLUMBIAN	25%	-
ETHOS	25%	100%
FORESTERS	25%	-
OCCIDENTAL	25%	-
ROYAL	25%	-
ANNUITY	2.5%	-

## PERSISTENCY

CARRIER PERSISTENCY	QUALIFIED BP %
<b>&gt;= 90%</b>	<b>100.00%</b>
<b>&lt;90%</b>	<b>95.00%</b>
<b>&lt;85%</b>	<b>85.00%</b>
<b>&lt;80%</b>	<b>75.00%</b>
<b>&lt;75%</b>	<b>65.00%</b>
<b>&lt;70%</b>	<b>50.00%</b>
<b>&lt;50%</b>	<b>0.00%</b>

## WRITER INCREASE BONUS

WRITERS	TEAM BP	WRITER INCREASE BONUS
1	\$20,000.00	\$500.00
3	\$40,000.00	\$750.00
5	\$75,000.00	\$1,000.00

Only applies to the personal producer and not their upline

# EXAMPLE

TOTAL MONTHLY ISSUED PAID PREMIUM		
PRODUCER	AGENT A	AGENT B
AETNA	\$67,862.30	\$6,580.10
AMERICAN AMICABLE	\$0.00	\$10,622.26
AMERICO	\$30,868.72	\$10,000.00
COREBRIDGE	\$0.00	\$8,487.60
ETHOS	\$0.00	\$39,738.60
F&G LIFE	\$0.00	\$1,800.00
FORESTERS	\$0.00	\$1,477.92
WELLABE	\$20,143.90	\$0.00
MUTUAL OF OMAHA	\$15,814.56	\$0.00
NATIONAL LIFE GROUP	\$0.00	\$32,776.50
PROSPERITY	\$0.00	\$20,213.52
TRANSAMERICA	\$70,121.16	\$0.00
<b>TOTAL</b>	<b>\$204,810.64</b>	<b>\$131,696.50</b>

QUALIFIED BONUSABLE PREMIUM		
PRODUCER	AGENT A	AGENT B
AETNA	\$0.00	\$0.00
AMERICAN AMICABLE	\$0.00	\$7,966.70
AMERICO	\$30,868.72	\$10,000.00
COREBRIDGE	\$0.00	\$8,487.60
ETHOS	\$0.00	\$39,738.60
F&G LIFE	\$0.00	\$1,350.00
FORESTERS	\$0.00	\$1,108.44
WELLABE	\$15,107.93	\$0.00
MUTUAL OF OMAHA	\$15,814.56	\$0.00
NATIONAL LIFE GROUP	\$0.00	\$24,582.38
PROSPERITY	\$0.00	\$20,213.52
TRANSAMERICA	\$35,060.58	\$0.00
<b>TOTAL</b>	<b>\$96,851.79</b>	<b>\$113,447.23</b>

Agent B has a larger Qualified amount than Agent A because the majority of their Qualified volume were from carriers with a higher Bonusable Premium percentage value.

## PRODUCTION BONUS

Agent A's Persistency Bonusable Premium =  $\$96,851.79 \times .75 = \$72,638.84$   
 Agent B's Persistency Bonusable Premium =  $\$113,447.23 \times .85 = \$107,774.87$   
Agent A's Persistency 76% and Agent B's Persistency 84%

Agent A's Bonus is based on \$72,638.84 thus \$2,000  
 Agent B's Bonus is based on \$107,774.87 thus \$8,000

## LEAD VOUCHER

Agent A =  $\$50,000 \times .01 = \$500$   
 Agent B =  $\$100,000 \times .01 = \$1,000$

## WRITER INCREASE

Agent A = \$750 ; Based on Writer Increase of 4 and Team Vol Increase of \$75,575  
 Agent B = \$500 ; Based on Writer Increase of 4 and Team Vol Increase of \$25,625

## TOTAL BONUS

Agent A =  $(\$2,000 + \$750) = \$2,750$  & \$500 Lead Voucher  
 Agent B =  $(\$8,000 + \$500) = \$8,500$  & \$1,000 Lead Voucher

## GLOSSARY

**Total Monthly Issued Paid Premium:** This represents the total of an agent's life annualized premium production across all carriers.

**Bonusable Carrier Percentages:** These percentages reflect the portion of a carrier's total volume that is eligible to be considered when calculating an agent's Bonusable Premium

**Qualified Bonusable Premium:** This amount is determined by applying the specific carrier bonusable percentages to their total production volume for each carrier. It directly influences the calculation of an agent's production bonus.

**Persistency:** This critical metric, evaluated by carriers, reflects the percentage of policies that remain active compared to those initially issued. An agent's persistency rate is determined based on their six-month persistency score.

**Final Bonusable Premium:** This premium is computed by applying a specific percentage, as outlined in the persistency table, to the agent's calculated persistency rate. Based on six month persistency score. Agents without a 6-month persistency score will be allocated their entire Qualified Bonusable Premium as their Final Bonusable Premium.