



**Traditional Commission Schedule – MGA1**  
**Effective October 1<sup>st</sup> 2012**

**Rates of Commission: Individual Insurance Plans, Riders & Benefits**

This Schedule shall form part of the Producer Agreement. Commission rates stated in this or any Producer Commission Schedule are payable to the Producer only on production written by the Producer, based on the Producer Commission Schedule in effect as of the Certificate application signed date.

**LIFE INSURANCE PRODUCTS**

Product	First Year	Renewal Year 2	Renewal Years 2 – 3	Renewal Years 2 – 5	Renewal Years 2 – 10	Renewal Years 3 – 10	Renewal Years 4 – 10
LifeFirst 10 Yr Term - Medical	84.00%				0.00%		
LifeFirst 20 Yr Term - Medical	95.00%				0.00%		
LifeFirst 20 Yr Term – Non Medical	110.00%				0.00%		
Smart UL Target*	95.00%			1.75%			
Smart UL Excess	1.75%						
Prepared Accidental Death Term (General States)	110.00%				1.50%		
Prepared Accidental Death Term (Alternate States)	87.00%				0.00%		
Advantage Plus Pay 100* – Simplified Issue	90.00%	10.00%				2.25%	
Advantage Plus Pay 100* – Fully Underwritten	90.00%	10.00%				6.00%	
Advantage Plus 20 Pay*	65.00%				2.25%		
Term 10 Rider	70.00%				2.25%		
Term 20 Rider	85.00%				2.25%		
PUAR (Single and Flexible) Payments	2.00% for each payment in all certificate years						

\* Commission Capped

1. Maximum commission age is 65 for Smart UL
2. Maximum commission age is 65 for Foresters Advantage Plus

**First-year Annualized Commissionable Premium**

The first-year annualized commissionable premium is the annualized first-year target premium for Universal Life and the annualized first year premium on all other insurance products, except for the following situations:

- The policy fee on medically underwritten policies is non-commissionable.
- Producers will be compensated on staff discounted business (business written on Foresters employees) based on 50% of applicable first year commissions.
- On Foresters Universal Life Plans, the first year compensation is based on the annualized target premium unless both the annualized minimum premium and the annualized planned premium are less than the annualized target premium in which case it is whatever is greater: the annualized minimum premium or the annualized planned premium.
- The Universal Life excess premium is the first year premium paid in excess of the first year annualized commissionable premium on Universal Life Certificates.
- Compensation on the PUAR deposit is paid when the payment is processed at Foresters House. Internal rollovers to PUAR are not compensated.

## **First Year Commission Calculation – Life Products**

First year compensation on life Certificates will be paid at issue when the Certificate is issued standard as applied for and has the appropriate Cash with Application (CWA – as defined by Certificate Services – see Toolkit on Foresters' website). First year compensation on cases with outstanding requirements such as life amendments, premium shortages greater than \$5.00, as well as COD cases will be paid upon submission of the outstanding requirements.

## **First Year Commission Chargebacks – Life Products**

First year commissions are deducted in the current month on insurance products for losses processed at Foresters due to first-year lapses, cancellations, product not taken and first-year surrenders. First year commissions on Universal Life excess premium are deducted when Universal Life excess premium payment reversals are processed by Foresters.

If the Producer has signed an Advance Commission Addendum ("Addendum") and commissions have been advanced on a life Certificate issued on or after the effective date of the Addendum (defined as the date that Foresters processed the Addendum) and pursuant to the terms thereof, the Producer shall repay immediately to Foresters: an amount equal to:

- The difference between commissions advanced less the portion of commissions earned based on premiums paid to Foresters.

If the Producer's signed Advance Commission Addendum is revoked by Foresters, then commissions on Certificates issued on or after the effective date of that revocation shall be deemed to have been earned on the date that a premium is received by Foresters and credited to the Producer's account, and shall not be charged back on any Certificate that goes out of force (other than product not taken) in the first twelve months of the first Certificate year.

If the Producer has not signed an Advance Commission Addendum, commissions shall be deemed to have been earned on the date that a premium is received by Foresters and credited to the Producer's account, and shall not be charged back on any Certificate that lapses or otherwise goes out of force (other than product not taken) in the first twelve months of the first Certificate year.

If, at the end of the first year on a Universal Life Certificate, first year premiums actually received are less than the commissionable annualized premium, first year commission is deducted on the premium difference between the commissionable annualized premium and the first year premiums actually received.

A three-year chargeback schedule for any Face Amount decreases is imposed on Universal Life certificates. Decreases in Face Amount made in the:

- 1) First certificate year will be subject to a 100% chargeback of the decreased portion;
- 2) Second certificate year will be subject to a 66% chargeback of the decreased portion and;
- 3) Third certificate year will be subject to a 33% chargeback of the decreased portion.

## Indebtedness

It is understood and agreed that you shall be responsible to Foresters for your indebtedness owed by you, as well as for the indebtedness of your licensed producer, if any, whether or not termination of such licensed producer occurs. If at any time your commission account with Foresters is negative, the total negative amount will be applied as follows in that order towards the indebtedness until both a. and b. below are reduced to a zero balance:

- a) 100% of your total first year and renewal commissions to your personal production indebtedness.
- b) Foresters reserves the right to apply up to 100% of your first year, renewal and any other commissions to your indebtedness for any licensed producers.

## Plan Increases

On Foresters non-UL traditional plan increases, first year compensation is based on the increase in annualized premium only. First year compensation is paid on UL increases where specific conditions exist, as outlined in the guidelines found under "Universal Life Increases" on Foresters' website.

## Pre-paid Premiums

First year compensation is not payable on premiums that are pre-paid for future renewal year premium payments. Where applicable, renewal commissions will be paid on those premiums as they are allocated to each Certificate year.

## Reinstatements

If the reinstatement occurs in the first year of the Certificate and was a reinstatement of a first year lapse or surrender, first year compensation previously deducted is re-credited in the month the reinstatement was processed at Foresters.

## Controlled Business

All business written on an agent's own life, their spouse/partner or their children/step-children is considered "controlled" business. Likewise, all business written whereby the agent is the payor, policy owner or beneficiary will also be considered "controlled" business. For all "controlled" business, the commissions will be paid out **as earned** regardless of your compensation arrangement.

## Replacement Rules

A Certificate is regarded as a replacement Certificate if it meets the definition of "Replacement" set out in state regulation and Foresters written policies.

First year compensation from replacements of any business from products provided by Foresters is based on the increase in annualized commissionable premium only. This is applicable to all replacements identified as such at the time of submission and for partial or full term conversions where the old Certificate has been in force for less than 24 months. Any Certificate that is issued within 13 months of a lapsed Certificate on the same life

(either pre- or post-application date) will be considered a replacement and first year compensation will be reduced. No first year compensation is paid on internal rollover money. Additional compensation rules regarding Replacements can be found on Foresters' website.

### **Returned Premiums**

If Foresters returns a premium or part thereof to the insured for any reason, the Producer shall waive all right to the commission, if any relating thereto and shall repay to Foresters any commission received in respect thereof.



**Commission Schedule – PLRAGT10**  
**Effective July 30<sup>th</sup> 2012**

**Rates of Commission: Final Expense Whole Life Product**

This Schedule shall form part of the Producer Agreement. Commission rates stated in this or any Producer Commission Schedule are payable to the Producer only on production written by the Producer, based on the Producer Commission Schedule in effect as of the Certificate application signed date.

**GRADED BENEFIT WHOLE LIFE / IMMEDIATE BENEFIT WHOLE LIFE**

<b>FIRST YEAR RATES Issue Age 50-80</b>	<b>FIRST YEAR RATES Issue Age 81-85</b>	<b>RENEWAL RATES Year 2</b>	<b>RENEWAL RATES Years 3-5</b>	<b>RENEWAL RATES Years 6-10</b>	<b>RENEWAL RATES Years 11+</b>
<b>100.00%</b>	<b>70.00%</b>	<b>4.75%</b>	<b>4.75%</b>	<b>3.00%</b>	<b>1.10%</b>

**MODIFIED BENEFIT WHOLE LIFE**

<b>FIRST YEAR RATES</b>	<b>RENEWAL RATES Years 2-5</b>	<b>RENEWAL RATES Years 6-10</b>	<b>RENEWAL RATES Years 11+</b>
<b>45.00%</b>	<b>2.50%</b>	<b>1.75%</b>	<b>1.10%</b>

**First-year Annualized Commissionable Premium**

The first-year annualized commissionable premium is the annualized first-year premium. The certificate fee for Plan Right sold through VSOP (Voice Sales Over Phone) is non-commissionable while the fee for face-to face sales is commissionable.

**First Year Commission Calculation – Life Products**

First year compensation on life Certificates will be paid at issue when the Certificate is issued standard as applied for and has the appropriate Cash with Application (CWA – as defined by Certificate Services – see Toolkit on Foresters' website). First year compensation on cases with outstanding requirements such as life amendments, premium shortages greater than \$5.00, as well as COD cases will be paid upon submission of the outstanding requirements. First premium on PAC (FPOP) – If there is an Advance Commission Addendum in effect; commission is advanced when PAC is applied.

**First Year Commission Chargebacks**

First year commissions are deducted in the current month on insurance products for losses processed at Foresters due to first-year lapses, cancellations, product not taken and first-year surrenders.

If the Producer has signed an Advance Commission Addendum ("Addendum") and commissions have been advanced on a life Certificate issued on or after the effective date of the Addendum (defined as the date that Foresters processed the Addendum) and pursuant to the terms thereof, the Producer shall repay immediately to Foresters an amount equal to the difference between commissions advanced less the portion of commissions earned based on premiums paid to Foresters.

If the Producer's signed Advance Commission Addendum is revoked by Foresters, then commissions on Certificates issued on or after the effective date of that revocation shall, subject to the provision for Non-Accidental Death in First year below, be deemed to have been earned on the date that a premium is received by Foresters and credited to the Producer's account, and shall not be charged back on any Certificate that goes out of force (other than product not taken) in the first twelve months of the first Certificate year.

If the Producer has not signed an Advance Commission Addendum, commissions shall, subject to the provision for Non-Accidental Death in First Year below, be deemed to have been earned on the date that a premium is received by Foresters and credited to the Producer's account, and shall not be charged back on any Certificate that lapses or otherwise goes out of force (other than product not taken) in the first twelve months of the first certificate year.

### **Indebtedness**

It is understood and agreed that you shall be responsible to Foresters for your indebtedness owed by you, as well as for the indebtedness of your licensed producer, if any, whether or not termination of such licensed producer occurs. If at any time your commission account with Foresters is negative, the total negative amount will be applied as follows in that order towards the indebtedness until both a. and b. below are reduced to a zero balance:

- a) 100% of your total first year and renewal commissions to your personal production indebtedness.
- b) Foresters reserves the right to apply up to 100% of your first year, renewal and any other commissions to your indebtedness for any licensed producers.

### **Non-Accidental Death in First Year**

For Plan Right Modified Death Benefit (PRML) and Plan Right Graded Death Benefit (PRGL), any first year Non-Accidental Death will generate a 100% commission chargeback (i.e. all commissions are considered not earned and are reversed) to the writing agent and the uplines.

For Plan Right Level Death Benefit (PRWL), no commissions are charged back on Non-Accidental Deaths.

### **Pre-paid Premiums**

First year compensation is not payable on premiums that are pre-paid for future renewal year premium payments. Where applicable, renewal commissions will be paid on those premiums as they are allocated to each Certificate year.

### **Reinstatements**

If the reinstatement occurs in the first year of the Certificate and was a reinstatement of a first year lapse or surrender, first year compensation previously deducted is re-credited in the month the reinstatement was processed at Foresters.

### **Controlled Business**

All business written on an agent's own life, their spouse/partner or their children/step-children is considered "controlled" business. Likewise, all business written whereby the agent is the payor, policy owner or beneficiary will also be considered "controlled" business.

For all "controlled" business, the commissions will be paid out **as earned** regardless of your compensation arrangement.

### **Replacement Rules**

A Certificate is regarded as a replacement Certificate if it meets the definition of "Replacement" set out in state regulation and Foresters written policies.

First year compensation from replacements of any business from products provided by Foresters is based on the increase in annualized commissionable premium only. This is applicable to all replacements identified as such at the time of submission and for partial or full term conversions where the old Certificate has been in force for less than 24 months. Any Certificate that is issued within 13 months of a lapsed Certificate on the same life (either pre- or post-application date) will be considered a replacement and first year compensation will be reduced. No first year compensation is paid on internal rollover money. Additional compensation rules regarding Replacement Rules can be found on Foresters' website.

### **Returned Premiums**

If Foresters returns a premium or part thereof to the insured for any reason, the Producer shall waive all right to the commission, if any, relating thereto and shall repay to Foresters any commission received in respect thereof.