

The Assurance Group

*Standards For Contract Level
Maintenance & Agent Promotion*

Career Division
Effective March 1, 2012

What Is The Purpose of the Plan?

The Assurance Group is keenly aware that a significant portion of the company's growth will result from agents who desire to advance their careers through promotion.

The ***“Standards For Contract Maintenance & Agent Promotion”*** are established as a method to clearly define sales expectations for each hierarchy level as well as the rules governing agent promotion.

Overall, the plan is intended to strengthen TAG's foundation and prospects for future growth through agent promotion. An equally important element of the plan is that each and every agent affiliated with TAG be given an opportunity for personal, professional and financial advancement through promotion.

Hierarchy Sales & Promotion Standards

	Avg. # Issued Policies Per Week	Or	Avg. Annualized Issued/Paid Premium Per Week
Regional Sales Director	35	Or	\$25,000
Regional Sales Manager	25	Or	\$18,750
Agency Director	20	Or	\$15,000
Division Manager	10	Or	\$7,500
Sales Manager	5	Or	\$3,750
Supervising Agent	3	Or	\$2,250
Agent*	1	Or	\$1,000

* To maintain an active agent level contract,, an agent must have a minimum of 1 case submitted and paid totaling at least \$500 APV every 30 days.

The above minimum sales standards are used to determine continued eligibility for a specific hierarchy level and for promotion to a specific hierarchy level. These represent averages over a 13 week period.

Agent Promotion Rules

- 1.) Any agent at any hierarchy level is eligible for promotion if the average number of issued policies and/or the average amount of issued annualized premium over a thirteen week period meets or exceeds the standards for promotion.
- 2.) An agent may be promoted to any level from their current level based on the agent's attainment of the standards for a particular hierarchy level.
- 3.) Once an agent is promoted to any level, the agent must remain in that hierarchy position for a minimum period of twenty-six weeks.
- 4.) Any promoted agent who fails to meet the required minimum standards in the immediate thirteen weeks following their promotion shall have an additional thirteen weeks to meet the required standards. Failure to meet the required standards after twenty-six weeks shall cause the agent to be returned to their previous hierarchy level.
- 5.) Promotions are also contingent upon the agent meeting or exceeding quality of business guidelines for team and/or personal production.

Agent Promotion Rules

6.) Upon promotion to a Regional Sales Director, the promoted agent shall have all of their current down-line agents reassigned at the discretion of the promoting Regional Sales Director.

7.) An agent promoted to Regional Sales Director shall continue to receive override on their former down-line according to the following carry-forward override schedule:

1st Six Months – 100%; 7th through 9th Month – 50%; 10th through 12 Month – 0%

8.) The promoted agent's down-line may be reassigned by the promoting RSD to another agent, but the agent may only be paid the difference between what the promoted agent is being paid on carry-forward override and the total amount of override available. Should an agent in a reassigned down-line qualify for promotion during the RSD's carry-forward payment period, the override difference will be deducted from the promoted RSD's carry-forward payments.

9.) In addition to achieving the standards outlined for promotion, an agent must have demonstrated an ability to recruit.

Agent Promotion Rules

10.) When an agent is promoted to RSD from another RSD's down-line, the promoting RSD shall be entitled to compensation based on sales made by the promoted RSD and their down-line. This additional compensation will be made on a one-time per-policy basis as follows:

Life Insurance (All Lines) – 2.0% of Issued/Paid Premium

Long-Term Care – 1.0% of Issued/Paid Premium

Medicare Supplement - 0.25% of Issued/Paid Premium

Annuities – 0.10 Basis Points of Paid Premium

Medicare Advantage - \$5.00 Per Deemed Policy

** Products and/or lines of business not listed are not eligible for override.*

*** 1.) If the agent promoted to RSD fails to maintain an RSD contract and the promoted agent is reduced to any other contract level, the promoting RSD is no longer eligible to receive overrides. 2.) If the promoting RSD fails to maintain an RSD contract and is reduced to any other contract level, the promoting RSD is no longer eligible to receive overrides on the promoted RSD.*

11.) The ***Standards For Contract Level Maintenance and Agent Promotion*** do not supersede, change, alter or modify any provisions contained in TAG's Independent Agent Agreement. Additionally, TAG may change, alter, modify or cancel this program at any time.

RSD Compensation For Recruiting RSD's

An RSD may recruit another RSD to TAG. When an RSD recruits an RSD, the recruiting RSD shall be entitled to override the recruited RSD according to the schedule below. The recruiting RSD's override begins on the first of the month after the recruited RSD has met the minimum standards required to maintain an RSD contract. The recruiting RSD's override will be made on a one-time per-policy basis as follows:

Life Insurance (All Lines) – 2.0% of Issued/Paid Premium
Short & Long-Term Care – 1.0% of Issued/Paid Premium
Medicare Supplement - 0.25% of Issued/Paid Premium
Annuities – 0.10 Basis Points of Paid Premium
Medicare Advantage - \$5.00 Per Deemed Policy

** Products and/or lines of business not listed are not eligible for override.*

*** 1.) If the recruited RSD fails to maintain an RSD contract and is reduced to any other contract level, the recruiting RSD is no longer eligible to receive overrides. 2.) If the recruiting RSD fails to maintain an RSD contract and is reduced to any other contract level, the recruiting RSD is no longer eligible to receive overrides on the recruited RSD.*