

# 2024 FAMILY FIRST LIFE Vice President BONUS PROGRAM

## BONUS POOL STRUCTURE

### TOTAL BONUS POOL

Indexed at 4.5% of the monthly annual premium volume.

**DISTRIBUTION OF FUNDS** - *The total pool is allocated as follows:*

### GENERAL BONUS POOL

Constitutes 75% of the total bonus pool, accessible to all qualified bonus recipients.

### 145 BONUS POOL

Accounts for the remaining 25% of the pool, earmarked for specific bonus payouts.

## BONUS PROGRAM COMPUTING ELEMENTS

THE PROGRAM IS STRUCTURED AROUND SIX KEY ELEMENTS WITH A **TOTAL POTENTIAL OF 50 POINTS**

### GROWTH

Bonusable premium growth utilized to determine the amount of bonusable premium used to compute bonusable premium points.	% OF GROWTH	CREDIT
	>=1.0%	100%
	>=.75%	85%
	>=.50%	70%
	>=.25%	55%
	>=0.0%	40%
	<0.0%	20%

### BONUSABLE PREMIUM

*Maximum 30 points*

Determined by agent's percentage of bonusable premiums from the total corporate bonusable premium.

**This includes the 1st leg rule.**

*Represents 60% (30 points) of the total points. Breakdown can be found in the glossary.*

### DIRECT LEG

*Maximum 5 points*

Calculated by dividing the total number of direct producing legs by six.

	# OF DIRECT LEG				
	6	12	18	24	30
\$150K	0.1	0.2	0.3	0.4	0.5
\$200K	0.2	0.3	0.45	0.6	0.75
\$300K	0.3	0.6	0.9	1.2	1.5
\$500K	0.4	0.8	1.2	1.6	2
\$750K	0.5	1	1.5	2	2.5
\$1M	0.6	1.2	1.8	2.4	3
\$1.25M	0.7	1.4	2.1	2.8	3.5
\$1.5M	0.8	1.6	2.4	3.2	4
\$1.75M	0.9	1.8	2.7	3.6	4.5
\$2M	1	2	3	4	5

	# OF NET DIRECT WRITERS				
	1	2	3	4	5
\$150K	0.1	0.2	0.3	0.4	0.5
\$200K	0.2	0.3	0.45	0.6	0.75
\$300K	0.3	0.6	0.9	1.2	1.5
\$500K	0.4	0.8	1.2	1.6	2
\$750K	0.5	1	1.5	2	2.5
\$1M	0.6	1.2	1.8	2.4	3
\$1.25M	0.7	1.4	2.1	2.8	3.5
\$1.5M	0.8	1.6	2.4	3.2	4
\$1.75M	0.9	1.8	2.7	3.6	4.5
\$2M	1	2	3	4	5

### NET DIRECT WRITERS

*Maximum 5 points*

Based on the difference between the current month's direct writers and the maximum over the past 12 months.

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## # OF DIRECT NON-VP

Maximum 5 points

Calculated from  
Non-VP direct teams  
with team volume of  
at least \$10,000.

	# OF DIRECT NON-VP				
	1	2	3	4	5
\$150K	0.1	0.2	0.3	0.4	0.5
\$200K	0.2	0.3	0.45	0.6	0.75
\$300K	0.3	0.6	0.9	1.2	1.5
\$500K	0.4	0.8	1.2	1.6	2
\$750K	0.5	1	1.5	2	2.5
\$1M	0.6	1.2	1.8	2.4	3
\$1.25M	0.7	1.4	2.1	2.8	3.5
\$1.5M	0.8	1.6	2.4	3.2	4
\$1.75M	0.9	1.8	2.7	3.6	4.5
\$2M	1	2	3	4	5

## PERSISTENCY PERCENTAGE

	68%	72%	76%	82%	85%
\$150K	0.1	0.2	0.3	0.4	0.5
\$200K	0.2	0.3	0.45	0.6	0.75
\$300K	0.3	0.6	0.9	1.2	1.5
\$500K	0.4	0.8	1.2	1.6	2
\$750K	0.5	1	1.5	2	2.5
\$1M	0.6	1.2	1.8	2.4	3
\$1.25M	0.7	1.4	2.1	2.8	3.5
\$1.5M	0.8	1.6	2.4	3.2	4
\$1.75M	0.9	1.8	2.7	3.6	4.5
\$2M	1	2	3	4	5

## PERSISTENCY

Maximum 5 points

Assessed using  
short-term (6 months)  
and long-term  
(12-14 months)  
persistency metrics

### GENERAL BONUS CALCULATION

Agent's total bonus points is the sum of all points from the five computing elements.

The share of the General Bonus Pool is determined by agent's points relative to the total corporate bonus points.

### 145 BONUS CALCULATION

Based on the agent's total direct 145 eligible volume compared to the total 145 corporate volume.

The agent's portion of the 145 reserves is derived from this comparison.

### TOTAL PAYOUT

The agent's final payout is the combination of bonuses from the General Bonus Pool and the 145 Bonus Pool.

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## GLOSSARY

**Monthly Annual Premium:** Total Life annualized premium for a specific month.

**Bonus Pool:** Funds reserved monthly for manager bonuses, calculated as 4.5% of the monthly annualized premium.

**General Bonus Pool:** 75% of the Bonus Pool, allocated for all eligible bonus recipients.

**145 Bonus Pool:** 25% of the Bonus Pool, designated for individuals who promoted direct downlines to a 145 compensation level.

**BP Growth Rate:** Comparison of the current month's bonusable premium to the highest value over the past 12 months.

**Eligible Bonusable Premium (EBP):** Bonus premium credited to a producer, considering production across carriers and 1st leg rule.

**Qualified Bonusable Premium:** Determined by applying the growth rate to the Eligible Bonusable Premium (EBP). For bonus eligibility, a minimum of \$150,000 in Qualified Bonusable Premium is required.

**Corporate Bonusable Premium (CBP):** Total of all qualified bonusable premiums.

**% of CBP:** A producer's qualified bonusable premium as a percentage of the CBP.

**Bonusable Premium Bonus Points:** Points associated with the bonusable premium element.

**Corporate BP Bonus Points:** Total of all individual Bonusable Premium Bonus Points.

**Direct Legs:** The total number of direct producing legs within a month. Points are calculated by dividing the number of legs by 6, with a cap of 5 points as the maximum achievable.

**Net Direct Writers:** Difference between the current and maximum number of direct writers over the past 12 months, with points as per the points table.

**# of Direct Non-VP:** Count of non-direct VPs with a team volume of at least \$10,000, with points as per the points table.

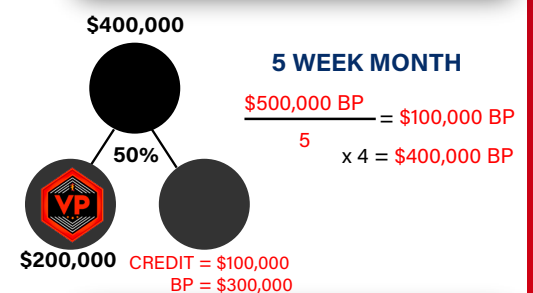
**Persistency:** Persistency score is an average between short term and long-term persistency values for all producing agents in the downline.

**Points Table:** Defines the relationship between levels and points for specific computing elements.

BONUSABLE CARRIER %		
	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%	-

1ST LEG RULE	
FIRST LEG %	FIRST LEG CREDIT
<=50%	100%
>50%	50%
>=60%	40%
>=70%	30%
>=80%	20%
>=85%	10%
>=90%	5%
>=96%	2%
>=97%	1%
>=98%	0%

### EXAMPLE



**145 BONUS BREAKDOWN**

Bonus on any 145 Direct VP. Must maintain at least \$150k Bonusable Premium outside of your top 2 VP legs to be eligible for the 145 VP Bonus.

145 eligible volume credit based on 1st leg percentage. See 1st Leg Rule for percentages.

# 2024 FAMILY FIRST LIFE *vice president* BONUS PROGRAM

## BONUS PROGRAM EXAMPLE

### INTRODUCTION OF EXAMPLE:

- **Focus:** Agent #5
- **Corporate Monthly Life Annualized Premium (AP):** \$10 million
- **Bonus Pool:** 4.5% of Life AP resulting in \$450,000
- General bonus pool (75% of Bonus Pool): \$337,500
- 145 bonus pool (25% of Bonus Pool): \$112,500

### ELIGIBILITY CALCULATION:

- Bonusable premium calculated for each producer. We will define this amount as eligible Bonusable Premium.
- Bonus premium growth: Comparison of current month eligible Bonusable Premium against the maximum eligible Bonusable Premium over the last 12 months.
- For Agent #5: Growth at 0.8%, qualifying for 85% of the eligible Bonusable Premium (\$700,000) resulting in the amount of \$595,000. This amount we will define as the Qualified Bonusable Premium.

### AGENT 5'S PROFILE:

- **145 Volume:** \$100,000
- **Direct Non-VP:** 0
- **Direct Writing Legs:** 25
- **Net Direct Writers:** 3
- **Persistency:** 50.99%

### POINTS CALCULATION:

- **Bonusable Premium Points:**
  - **% of Corporate BP:** Qualified Bonusable Premium as a percentage of corporate bonus premium ( $\$595,000 / \$3,765,000.00 = 15.80\%$ )
  - **% of Maximum % of Corporate BP :**  
 $\% \text{ of Corporate BP} / \text{Maximum}(\% \text{ of Corporate BP}) = 15.80\% / 21.25\% = .7435$
  - **Bonusable Premium Points =**  $.7435 \times 30 = 22.3$
- **Direct Non-VP:** Referencing the points table they would receive 0 points. A minimum of two is required to receive 1 point.
- **Direct Legs:** Number of direct legs divided by 6.  $25 / 6 = 4.2$
- **Net Direct Writers:** For the value of 3, they would receive 3 points based on the points table.
- **Persistency:** With an average short term and long term persistency value of 50.99% they would receive 0 points based on the points table.

### TOTAL POINTS AND BONUS PAYOUT CALCULATION:

- **Total Bonus Points:** Summation of points from computing elements.  $22.3 + 4.2 + 3 + 0 + 0 = 29.5$
- **Bonus Pool Payout:** Agent's points (29.5) divided by total corporate bonus points (254.4), multiplied by the general bonus pool  $\$337,500.00 = \$39,115.61$ .
- **145 Bonus Payout:** Agent's 145 volume (\$100,000) divided by corporate 145 volume (\$780,000.00), then multiplied by the 145 bonus pool (\$112,500.00) = \$14,423.08.
- **Total Bonus Payout:** Sum of bonus pool payout (\$39,115.61) and 145 bonus payout (\$14,423.08) = \$53,538.69.