

## PRODUCER PERKS INFORMATION

Effective January 1, 2007

### COMBINED PRODUCTION CREDITS ("Perk Points")

One Producer Perk will be awarded for each 20,000 Combined Production Credits (CPCs, which are also called Perk Points). CPCs are calculated in the following way:

**Annuities:** 10% of total collected premium for the first five policy years (\$200,000 of annuity premiums would equal 20,000 CPCs)

#### Life (effective May 1, 2005):

100% up to target  
10% of excess and rollover premium in the first year  
15% of total first year paid premium on the GenDex-SP (not annualized)

For example, if the policy has a target of \$2,000 and the premium is \$3,000 you will be credited with 2,000 CPCs for target and 100 CPCs for excess.

#### LTC (effective May 1, 2005):

100% of total net issued annualized premium  
(Producer Perks are not available in Michigan for LTC business.)

CPCs are calculated and reported to you on a monthly basis.

You will begin earning CPCs for your basic Producer Perks with your first paid application. Year-end balances under 20,000 CPCs will roll from one year to the next, but do not qualify for the Gold, Platinum, Diamond, Premier or Elite levels for that following year.

**FASTstart CPCs:** 10,000 CPCs are credited with your first application and enrollment.

**Other CPCs:** Any CPCs not related to current year production CPCs. These other CPCs include CPC Balance Carry Forward from Prior Year; CPC Balance Carry Forward from Prior Period; First Application Bonus (FASTstart) and other non-production CPCs such as contest CPCs, bonus CPCs, etc. These other CPCs do not qualify toward reaching Gold, Platinum, Diamond, Premier or Elite Status.

**CPCs for Period:** Monthly calculation.

**YTD CPC Status:** Combination of CPC Balance Carry Forward From Prior Year, Current Production Activity CPCs, FASTstart CPCs and Other CPCs. Regular Perks are calculated from this total, but only current-year production (Annuity Premium CPCs, Life Premium CPCs, GenDex-SP Premium CPCs and Excess or Rollover Premium CPCs) go toward reaching Gold, Platinum, Diamond, Premier and Elite Status.

### CLUB LEVEL PERKS

Gold, Platinum, Diamond, Premier and Elite Perks are based on calendar-year production. Qualifications for each of these levels will restart at the beginning of each year. Any CPC Balance Carry Forward From Prior Year, FASTstart CPCs or any Other CPCs are not applied towards reaching any of these levels.

**Gold Perks:** This Club level is reached once production CPCs total 60,000. For each additional 20,000 CPCs earned from current-year production, a Gold Perk will be issued.

**Platinum Perks:** Agents move from Gold status to Platinum when their current-year production reaches 120,000 CPCs. For each additional 20,000 CPCs above 120,000 CPCs, two Platinum Perks will be issued.

**Diamond Perks:** Agents reach Diamond status when their current-year production reaches 300,000 CPCs. For each additional 20,000 CPCs above 300,000, three Diamond Perks will be issued.

**Premier Perks:** Agents reach Premier status when their current-year production reaches 500,000 CPCs. For each additional 20,000 CPCs above 500,000, five Premier Perks will be issued.

**Elite Perks:** Agents reach Elite status when their current-year production reaches 740,000 CPCs. For each additional 20,000 CPCs above 740,000, seven Elite Perks will be issued.

Persons redeeming Perks are responsible for paying the use tax to their state for their Producer Perk redemptions, except for the following states: MN, CA, GA, IL, MO, OH and TX.

**QUESTIONS?**

CPC Activity: [800-950-7372](tel:800-950-7372) (Option #2 and then Option #4)

Perks Redemption: [888-77-PERKS](tel:888-77-PERKS) ([888-777-3757](tel:888-777-3757))