



2019 Special Producer Compensation

Producers may qualify for bonus compensation based on attaining minimum qualification criteria detailed below.

New Business and Inforce Points calculation

New Business and Inforce Points are determined based on the number of insured lives within each line of coverage.

Insured Lives	New Business Points Per Line of Coverage ¹	Inforce Points Per Line of Coverage ¹
<10	0.50	0.25
10-24	1.50	0.25
25-49	2.50	0.75
50-99	3.00	1.00
100-249	5.00	2.00
250-999	7.00	4.00
1,000+	10.00	5.00

New Business Points are derived from the first bill on which a coverage appears.
Inforce Points are derived from the coverage's lives count as of September 30th.

Compensation level determination

Your compensation level is based on your total new business points and your total points.
You must meet the minimum, in both categories, in order to qualify for each level.

Compensation Level	Total New Business Points	Total Points (New + Inforce)
Bronze	30	40
Silver	40	80
Gold	65	145

Premium persistency calculation

The Premium Persistency³ is calculated by dividing the producer's January 1, 2020 Inforce Capped Premium by the producer's January 1, 2019 Inforce Capped Premium for the same coverages.

Illustration of the premium persistency calculation

Customer	Coverages	Beginning Premium	Capped Beginning Premium*	Capped Ending Premium*	Capped Premium Persistency
Customer A	Life & LTD	\$550,000	\$100,000	\$--	0%
Customer B	Dental & Vision	\$250,000	\$250,000	\$250,000	100%
Customer C	Life & STD	\$350,000	\$100,000	\$100,000	100%
Customer D	Dental & Vision	\$1,000,000	\$250,000	\$250,000	100%
Customer E	Life & Accident	\$75,000	\$75,000	\$75,000	100%
Total		\$2,225,000	\$775,000	\$675,000	87.1%

Bonus calculation

Based on your Compensation Level and your Premium Persistency, you can determine your commission percentage applicable to the **premium category of each case** using the chart below.

Note: If your persistency is **87% or higher** you are rewarded with the greater commission percentages illustrated below.

In addition, if the new business case has **1,000 or more insured lives**, Guardian will add 2% on first year premium and fees to each of its applicable commission percentages.

Bonus Calculation			Plans With <25 Insured Lives ²	Plan With 25+ Insured Lives ²				
Level	Capped Premium Persistency	Premium Category	All Premium Per Case ⁴	First \$50,000	Next \$50,000	Next \$150,000	Next \$750,000	Balance
Gold	87%+	New and Inforce Business	4.00%	7.00%	5.50%	3.00%	1.50%	0.75%
	75-86.99%		3.50%	6.00%	4.75%	2.50%	1.25%	0.50%
	<75%	New Business Only						
Silver	87%+	New and Inforce Business	3.00%	5.00%	4.00%	2.00%	1.00%	0.50%
	75-86.99%		2.50%	4.00%	3.25%	1.50%	0.75%	0.25%
	<75%	New Business Only						
Bronze	87%+	New and Inforce Business	2.00%	2.00%	2.00%	0.75%	0.50%	0.25%
	75-86.99%		1.50%	1.50%	1.50%	0.75%	0.50%	0.25%
	<75%	New Business Only						

Contact your Guardian Group Sales Representative for more information.

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* A per case premium cap of \$100,000 for Life/AD&D, Disability, and Supplemental Health coverages combined, and \$250,000 for Dental and Vision combined, will be applied to minimize the impact of large cases on a producer's persistency.

¹ Voluntary AD&D only counts as a coverage when the plan does not include any other Voluntary Life coverages. "Exam Plus" vision plans do not count as a coverage when calculating SPC points. SPC bonus for ASO plans are based upon fees. First Commonwealth (FCW) plans effective on or after 6/1/2003 are treated the same as Guardian dental plans for bonus calculation. All state mandated disability plans (New York DBL/PFL, New Jersey TDB, and Hawaii TDI) with less than 10 lives are excluded from SPC. Further, New York DBL/PFL plans with between 10 and 49 insured lives contribute towards SPC qualification and persistency, but only when the DBL benefit is enhanced will the DBL/PFL premium in this size segment be used when calculating any applicable SPC bonus. PFL only counts as a coverage when the plan does not include DBL coverage. Guardian's Group Universal Life (GUL) product does not qualify for SPC.

² If a plan has multiple coverages, Insured Lives is determined by the coverage with the highest number of insured lives.

³ Persistency measurement, for benefits/plans effective on or prior to 12/31/2018, is from 1/1/2019 through 1/1/2020. Minimum persistency requirement applies to producers with less than 75% persistency and 1/1/2019 inforce points of greater than or equal to 18.

⁴ Bonuses are calculated on premiums paid / posted within calendar year 2019. For group plans, where the retail producer (i.e. the agent of record) has the corresponding SPC credit accrue to their benefit, but utilize the services of a Group General Agent who is receiving a fee and/or override from Guardian, any applicable SPC bonus will be paid at 80% of the standard payout.

SPC bonus payments are limited to \$200,000 on any one plan. SPC is payable only on plans inforce as of 12/31/2019 and provided those plans remain in effect for some period of time in 2020. The payment of SPC is fully priced for and does not affect the price of our products to a given client. Tax reporting will be issued for bonus compensation received. This brochure provides a general overview of Guardian's standard SPC program. It is not a complete statement of the rights, benefits, limitations or exclusions of the program. The standard program parameters described herein may be amended by supplemental programs. Final determination of qualification and payment rests solely with The Guardian. This SPC Program is subject to regulatory approval.