

# 2023 bonus programs

Comprehensive rewards for your sales efforts

Dental | STD | LTD | Life | Vision | Accident | Critical illness<sup>1</sup> | PFML<sup>2</sup>

Increase your earning potential by placing and retaining business with us. We offer two types of bonus programs you may be eligible for.

- **Production bonus.** The more you sell, the higher the bonus factor. You can qualify for a production bonus based on new sale credits.
- **Premium persistency bonus.** The more premium you retain, the higher the bonus factor.

## Qualifying for the bonus programs

There are more ways to get into our bonus program than just selling our group insurance products. You'll earn:

- **One new sale credit for each of these qualifying coverages or services:**
  - Voluntary or non-voluntary dental, short-term disability (STD), long-term disability (LTD), life, or vision<sup>3</sup>
  - Voluntary accident or critical illness
  - Paid Family and Medical Leave (PFML)
    - Paid Family Leave (PFL) - Half credit
    - Paid Medical Leave (PML) - Half credit
  - Employer-sponsored individual disability insurance (IDI)
  - eBenefits Edge Total Management (Total Management) service sold

### Credit qualifications

To count as a credit the eligible benefit or service must meet these requirements:

- Issued to an employer/employee group
- Includes at least five lives as of Dec. 31, 2023
- You are the broker of record and receive at least 50% of the commission as of Dec. 31, 2023
- A bill has been generated to the policyholder
- It did not have a 2023 termination

If a case includes voluntary and non-voluntary coverage, you only receive credit for the non-voluntary coverages. The one exception is voluntary term life, which receives a separate credit from group term life.

A new sale credit is not given if an active coverage (dental, STD, LTD, life, or vision) is changed from non-voluntary to voluntary or voluntary to non-voluntary.

## Bonus calculations

### Premium used to calculate bonus

Coverage	Percent of annualized premium	Maximum per coverage per case
Dental, STD, LTD, Life, Accident, Critical Illness, PFML	100%	\$500,000
Vision	50%	\$500,000

- The premium for voluntary and non-voluntary lines is added together to determine annualized first-year premium. The one exception is voluntary term life, which is considered separate from group term life.
- Net of commission cases receive credit for the bonus program, and premium is included in the bonus calculation.
- The premium for employer-sponsored IDI and the fees for Total Management are not included in the bonus calculation.

Credits bonus calculation

A minimum of \$50,000 in new premium and 20 new sale credits are required to qualify.

Credits bonus formula

Bonus factor

x

Annualized first-year premium

=

Production bonus

Number of new sale credits	Bonus factor	
	First \$50,000*	Over \$50,000*
20-39	3.0%	2.5%
40-59	5.0%	2.5%
60 & up	6.0%	2.5%

\* These amounts are based on the total premium per coverage per case.

Persistency bonus calculations

The persistency bonus applies to all voluntary and non-voluntary coverages.

- Write a minimum of 15 new sale credits during the current calendar year; and
- Minimum of \$50,000 in new premium for current year; and
- Minimum of 30 active coverages inforce as of Jan. 1, 2023; and
- Retain at least 86% of the premium inforce through Jan. 1, 2024; and
- Have \$150,000 of renewal premium as of Jan. 1, 2024.

Persistency bonus formula

Bonus factor

x

Renewal premium<sup>4</sup>

=

Persistency bonus

Bonus factor	Premium persistency percentage
3.0%	95.991% – 100%
2.0%	90.991% – 95.990%
1.0%	86% – 90.990%

The bonus factor is applied to a maximum of \$500,000 of annualized renewal premium per coverage per case.

<sup>1</sup> Specified disease in New York.

<sup>2</sup> In approved states only.

<sup>3</sup> Self-funded dental, STD, and vision are not eligible.

<sup>4</sup> Renewal premiums are based on the average monthly billed premium multiplied by the number of renewal months in the bonus year.

Note: All bonus payments are paid in March of the following year.



For general compensation questions or information on how to calculate the bonus, call us at 800-388-4793.

Insurance products issued by Principal Life Insurance Company®, a member of the Principal Financial Group®, Des Moines, IA 50392.

Final determination of bonus amounts and/or payments rests solely with Principal. The bonus formulas may change or terminate at any time without prior notice. For financial professional use only. Not for distribution to the public.

Please remember to abide by the company’s policy on disclosure of compensation. You can obtain more information, as well as a sample disclosure form, at [www.principal.com](http://www.principal.com).

Principal®, Principal Financial Group®, and Principal and the logomark design are registered trademarks of Principal Financial Services, Inc., a Principal Financial Group company, in the United States and are trademarks and service marks of Principal Financial Services, Inc., in various countries around the world.