



# SENIOR LIFE COMPENSATION

# 10 Weekly Steps to Success

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Now that you have your plan, lets talk about how you can make money immediately.

- **Step 1** – Know the SLICE App, understand the Leads The Way App
- **Step 2** – Know basic product knowledge of the various Senior Life Products. Remember Standard and Preferred products fit the majority of our clients



# Advance Commissions

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**Advances** are loans made against future earned commissions, and as such, we expect to get the **advance(s)** back on any policies that **lapse, cancel**, or otherwise become **inactive** with an advance debt; **rescinded policies** and **limited benefit plans** when the insured's death occurs during the **first policy year** require **return of earned commissions** also. **We pay advances daily** on a per policy basis on the submission of **qualified applications** subject to the following guidelines:



# Advance Commissions

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- All new business must be received by the established new business deadline.
- Live checks dated no more than thirty (30) days from the application date will be accepted but coverage will not be effective nor advance made until the live check is received, processed and the policy is issued
- Initial withdrawal applications cannot be processed until three (3) days after the initial withdrawal date and the policy is issued.



# Advance Commissions

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- Commission are paid on each policy upon payment of initial premium
  - If you collect a live check, it will scan in as part of the SLICE Application. If dated for that same day and scan into before 3pm, commissions will be deposited in your account the next business day
  - If the check is dated for a future date, commissions will be paid the following business day
- If a live check is not collected and you utilize only a routing and account number, commissions will be paid 3 business days after the policy issues to ensure payment will clear clients bank account



# Advance Commissions

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- Starting advance amount is limited to \$700 for application(s) of any one payor, insured, owner, or household.
- To qualify for an increase in max household advance, an agent must produce \$10,000 or more in issued and paid business within a 60 day period, resulting in their max advance increasing to \$800. If an agent does \$27,000 in issued and paid business within a 90 day period, they will be eligible for their max household advance to increase to \$1,000. To maintain the increase, all agents must maintain a not taken rate of less than 15% and a persistency rate of 75% or better.



# Chargebacks and Advances

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## 1. Deferred Chargeback Option

- Requires selection of 60% Advance
- Chargebacks will be taken out of deferred first year income and will not affect your weekly advance cashflow
- This eliminates having cashflow shortages when you least expected it or need it

## 2. Immediate Chargeback option

- Chargeback are immediate and will come out of your weekly advance cashflow. If 75% advance is selected, only Immediate Chargebacks can be selected



# Advances and Legacy

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1. Legacy is included in all pricing through SLICE
2. Legacy is critical to providing additional value to Senior Life policies resulting in greater placement and persistency
3. It is never recommended to remove Legacy from pricing. In the rare circumstance you choose to do so, be advised your commission percentage on that policy will be reduced by 20%





# Compensation Calculation

Annual Premiums		\$1,036.72
Policy Fee	-	36.72
Commissionable Premium	=	\$1,000
Commission %	*	85%
First Year Commission	=	\$850
Advance %	*	60%
EFT Amount	=	\$510



# Compensation – Paid as Earned

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- Initial Premium Non Sufficient Funds (NSF) two (2) or more times.
- Previous lapsed or canceled policy, or multiple NSF applications on insured, owner, payor or household.
  - Initial premium paid by money order on checking account
  - Disconnected/no phone service.
- Business we believe will be placed on direct bill after initial payment.



# Compensation – Paid as Earned

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- Controlled business (family, or other instances where you have influence).
- Limited Benefit risks that were originally written as immediate benefit; agent advanced when the signed endorsement is received.
- Any necessary forms not received with application; agents advanced when forms are received.
  - Payor not a party to the application nor named beneficiary, except if husband and wife.
    - Business we believe will not stay on the books.



# Compensation – Business Dated Out

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All sales should be expected to be drafted and issued immediately after application. Policies dated out 14 – 30 days is 50% likely to NSF or cancel. Offering to date the policy out is an advantage we have, but should not be used as a selling point. It is almost like going to the grocery store, but before you pay the cashier ask, “Would you like to pay for this today or in 30 days?” You would always choose to push it out whether or not you had the money. The difference is that when you talk to the about their draft always tell them it is immediate. If they don’t have the funds, ask when they get their social security or disability check and make sure to draft on that date



# Compensation – Business Dated Out

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Most of our clients get their money on the 1<sup>st</sup> or 3<sup>rd</sup> of each month. Their draft should be set for that day. Often time the client will request their draft be put 2 or 3 days after that to make sure the money is in their account, but that is the **wrong decision**. By not taking out the money at the same time it comes in, the client is 25% more likely to NSF their fist premium draft and 75% more likely to lapse on the policy at some time in the future.

