

# **Propose Review & Improvement on AGENCY COMPENSATION 2012**



# Overview



- 1) To promote better career incentives to all Agents toward GSM
- 2) To promote recruitments of Agent and ensure the USM/CA do not over stay in the existing position
- 3) To encourage more introduced Agents
- 4) To encourage promotion to GSM
- 5) To place PB in the right ratio of GSM/USM/CA. Indirectly motivate USM/CA to aim for promotion to GSM and enjoy the full benefits of GSM.
- 6) Once promoted, the leaders must be accorded the remunerations of the new position. They will only be guided by the MQ of the year, if they cannot MQ for 2 years continuously then the penalty is demotion but not a monthly penalty.



## **1. Basic Commission**

**Is payable as long as premium is received and applied to a policy**

## **2. Production Bonus on Personal Sales**

**Is only payable upon meeting the qualifying criteria**

## **3. Persistency Bonus**

**Is only payable upon meeting the qualifying criteria**



# AGENCY COMPENSATION

1	Overriding Commission	GSM	USM	CA
2	Deferred Benefit **	GSM	USM	CA
3	Production Bonus on Direct Unit **	GSM	USM	
4	Production Bonus on Direct CA	GSM	USM	
5	Recruiting Bonus *	GSM	USM	CA/ AGT
6	Production Bonus on WG *	GSM		
7	AOM reimbursement	GSM		
8	Additional Incentives *	GSM		
9	Break-away Benefits *	GSM		

- \* GSMs, USMs and CAs must meet qualifying criteria to receive these benefits
- \*\* (2&3) GSMs, USMs will receive the benefits as “pass up” as a senior if his subordinate fails to meet the qualifying criteria





# 1.0 Basic Commission



# BASIC COMMISSION – TRADITIONAL PLAN

## 1.1 Standard Plans for Whole Life, Endowment and Term Assurance

Payment Term (Years)	Policy Year						
	1 <sup>st</sup> (%)		2 <sup>nd</sup> (%)	3 <sup>rd</sup> (%)	4 <sup>th</sup> (%)	5 <sup>th</sup> (%)	6 <sup>th</sup> (%)
	Existing	Propose	Existing	Existing	Existing	Existing	Existing
20 or more	35.0	<b>30.0</b>	25.0	15.0	15.0	10.0	10.0
19	33.5	<b>28.5</b>	24.0	14.4	14.4	9.6	9.6
18	31.5	<b>27.0</b>	22.5	13.5	13.5	9.0	9.0
17	29.8	<b>25.5</b>	21.3	12.9	12.8	8.6	8.6
16	28.0	<b>24.0</b>	20.0	12.0	12.0	8.0	8.0
15	26.3	<b>22.5</b>	18.8	11.4	11.3	7.6	7.6
14	24.5	<b>21.0</b>	17.5	10.5	10.5	7.0	7.0
13	22.8	<b>19.5</b>	16.3	9.9	9.8	6.6	6.6
12	21.0	<b>18.0</b>	15.0	9.0	9.0	6.0	6.0
11	19.3	<b>16.5</b>	13.8	8.4	8.3	5.6	5.6
10	17.5	<b>15.0</b>	12.5	7.5	7.5	5.0	5.0
9	16.5	<b>13.5</b>	11.0	7.5	7.0	5.0	2.5
8	15.0	<b>12.0</b>	10.5	7.5	6.0	2.5	2.5
7	13.0	<b>10.5</b>	9.5	6.0	5.0	2.5	2.5
6	12.5	<b>10.0</b>	9.0	5.5	2.0	2.0	2.0
5	10.0	<b>10.0</b>	8.5	5.0	2.0	2.0	-
4	10.0	<b>10.0</b>	8.5	5.0	2.0	-	-
3	10.0	<b>10.0</b>	8.5	5.0	-	-	-
2	10.0	<b>10.0</b>	8.5	-	-	-	-

# BASIC COMMISSION – INVESTMENT LINK PLAN

1.2 Standard Life Riders = Same As Basic Policy

1.3 Standard Accident Riders = Same As Basic Policy

1.4 Standard Health Riders = Flat 8% as long as rider is attached to a policy

1.5 Mortgage Decreasing Term = 10%

1.6 Standard Investment Link

Standard Investment Link	Policy Year						
	1 <sup>st</sup> (%)		2 <sup>nd</sup> (%)	3 <sup>rd</sup> (%)	4 <sup>th</sup> (%)	5 <sup>th</sup> (%)	6 <sup>th</sup> (%)
	Existing	Proposed	Existing	Existing	Existing	Existing	Existing
Regular Plans	25	20	20	18.5	18.5	15	15
Single Premium	2	2	-	-	-	-	-
Top ups	2	2	-	-	-	-	-

1.7 Standard Health Plans

Standard Health Plans	Policy Year					
	1 <sup>st</sup> (%)	2 <sup>nd</sup> (%)	3 <sup>rd</sup> (%)	4 <sup>th</sup> (%)	5 <sup>th</sup> (%)	6 <sup>th</sup> (%)
Yearly Renewable Plans	12	(payable as long as policy is renewed)				
5 Yearly Renewable Plans	10	8.5	5	2	2	-





# 2.0

## Production Bonus on Direct Unit (PBDU)



## PRODUCTION BONUS ON DIRECT UNIT (PBDU)

9

		Existing	Propose
2.1	GSM / USM GSM / CA	30/70 50/50	40/60 55/45
2.2	GSM / USM / CA	30/20/50	40/15/45
2.3	PBDU for new agent who successfully completed 50K FYLPI on introduce agent's sales	NIL	5%
2.4	Utilization of full quota on USM's parallel USM	3 years	5 years
2.5	Overriding for USM on parallel USM	0/4/3	4% of FYLP for 2 years only on Junior USM
2.6	Monthly Quota	Monthly Quota	Remove

# OVERRIDING COMMISSION – TRADITIONAL PLAN

## 2.7 Standard Plans for Whole Life, Endowment and Term Assurance

Payment Term (Years)	Policy Year						
	1 <sup>st</sup> (%)				2 <sup>nd</sup> (%)	3 <sup>rd</sup> (%)	4 <sup>th</sup> (%)
	Existing		Propose		Existing	Existing	Existing
	Total	Sharing of GSM / USM	Total	Sharing of GSM / USM			
20 or more	20.00	6.00 / 14.00	<b>25.00</b>	<b>10.00 / 15.00</b>	10.00	6.00	5.00
19	19.40	5.82 / 13.58	<b>23.75</b>	<b>9.50 / 14.25</b>	9.00	5.80	4.80
18	18.50	5.55 / 12.95	<b>22.50</b>	<b>9.00 / 13.50</b>	8.50	5.50	4.50
17	18.00	5.40 / 12.60	<b>21.25</b>	<b>8.50 / 12.75</b>	8.50	5.00	4.00
16	17.00	5.10 / 11.90	<b>20.00</b>	<b>8.00 / 12.00</b>	8.00	4.50	3.50
15	15.00	4.50 / 10.50	<b>18.75</b>	<b>7.50 / 11.25</b>	8.20	4.30	3.50
14	14.30	4.29 / 10.01	<b>17.50</b>	<b>7.00 / 10.50</b>	7.00	4.20	3.50
13	13.20	3.96 / 9.24	<b>16.25</b>	<b>6.50 / 9.75</b>	6.50	4.00	3.30
12	12.40	3.72 / 8.68	<b>15.00</b>	<b>6.00 / 9.00</b>	6.00	3.60	3.00
11	11.30	3.39 / 7.91	<b>13.75</b>	<b>5.50 / 8.25</b>	5.50	3.40	2.80
10	10.00	3.00 / 7.00	<b>12.50</b>	<b>5.00 / 7.50</b>	5.00	3.00	2.50
9	8.90	2.67 / 6.23	<b>11.25</b>	<b>4.50 / 6.75</b>	4.50	2.80	2.30
8	8.00	2.40 / 5.60	<b>10.00</b>	<b>4.00 / 6.00</b>	4.00	2.50	2.00
7	6.50	1.95 / 4.55	<b>8.75</b>	<b>3.50 / 5.25</b>	3.50	2.50	2.00
6	6.00	1.80 / 4.20	<b>7.50</b>	<b>3.00 / 4.50</b>	3.00	2.00	1.50
5	5.00	1.50 / 3.50	<b>6.25</b>	<b>2.50 / 3.75</b>	2.50	2.00	1.50
4	5.00	1.50 / 3.50	<b>5.00</b>	<b>2.00 / 3.00</b>	2.50	1.50	1.50
3	5.00	1.50 / 3.50	<b>5.00</b>	<b>2.00 / 3.00</b>	2.50	1.50	-
2	5.00	1.50 / 3.50	<b>5.00</b>	<b>2.00 / 3.00</b>	2.50	-	-

## 2.8 Standard Investment Link

Standard Investment Link	Policy Year						
	1 <sup>st</sup> (%)				2 <sup>nd</sup> (%)	3 <sup>rd</sup> (%)	4 <sup>th</sup> (%)
	Existing		Propose		Existing	Existing	Existing
	Total	Sharing of GSM / USM	Total	Sharing of GSM / USM			
Regular Plans	10.0	4.0 / 6.0	<b>15.0</b>	<b>6.0 / 9.0</b>	15.0	6.5	6.5
Single Premium	1.0		<b>1.0</b>		-	-	-
Top ups	1.0		<b>1.0</b>		-	-	-

## 2.9 Standard Health Plans

Standard Health Plans	Policy Year			
	1 <sup>st</sup> (%)	2 <sup>nd</sup> (%)	3 <sup>rd</sup> (%)	4 <sup>th</sup> (%)
Yearly Renewable Plans	5.0	2.5	2.0	1.5
5 Yearly Renewable Plans	3.0	-	-	-
Health / Hospital Riders	2.0			





# 3.0

## Special Production Bonus



## **AGENCY COMPENSATION**

### **3.1 PERSONAL PRODUCTION BONUS**

---


## **Qualifying Criteria for Personal Production Bonus**

**Minimum Qualifying Quota : RM18,000.00 (FYLP)**

**4% of FYLP paid on 1<sup>st</sup> RM10,000 FYLP received in qualifying year**

**5% of FYLP paid on excess of RM10,000.00 FYLP received in qualifying year**

### **NOTE:**

- 1) This is a yearly quota**
  - 2) PPB is credited in the month the yearly quota is met**
  - 3) Those unpaid PPB of the Personal Sales will be retain for next accounting year. If the individual still fail to qualify in the following year, the PPB will be “pass up” to the immediate officer or the next higher officer who qualifies.**
- 

## **AGENCY COMPENSATION**

### **3.2 SPECIAL PRODUCTION BONUS ON DIRECT UNIT (SPBDU)**

---

#### **Qualifying Criteria for Production Bonus on DU:**

**Minimum Qualifying Quota : DU meet min. RM30,000.00 (QFYLP)**

**DPB = 3% of FYLP received from DU in qualifying year**

#### **NOTE:**

- 1) This is a yearly quota**
- 2) SPBDU is credited in the month the yearly quota is met**
- 3) DU does not include DCA**
- 4) SPBDU is paid to qualified USMs and GSMs**
- 5) SPBDU for junior officer is pass up to the up line if junior officer fail to qualify**
- 6) SPBDU will be retain for next accounting year if both USM and GSM fail to qualify in the year. The SPBDU will be paid upon qualify in the follow year.**

**3.3 SPECIAL PRODUCTION BONUS ON DIRECT CA (CAPB)**

---

**Qualifying Criteria for Production Bonus on DCA:**

**Minimum Qualifying Quota :**

**USM/GSM's meet min. RM30,000.00 (QFYLP)**

**DPB = 3% of FYLP received from DCA in qualifying year**

**NOTE:**

- 1) This is a yearly quota**
- 2) CAPB is credited in the month the yearly quota is met**
- 3) USM/GSM's DU for qualifying does not include DCA's production**
- 4) CAPB is paid to qualified USMs and GSMs**
- 5) CAPB will "pass up" to the IO or the next higher officer if DCA fail to qualify**
- 6) CAPB will be retained & transferred to the following year if all the up line fail to qualify in the year.**





# 4.0

## 2% Production Bonus on Whole Group (PBWG)



## **AGENCY COMPENSATION**

### **4.1 PRODUCTION BONUS ON WHOLE GROUP(PBWG)**

---


#### **Qualifying Criteria for Production Bonus on WG:**

**Minimum Qualifying Quota :**

**WG meet min. RM250,000.00 (QFYLP)**

**PBWG = 2% of FYLP received by GSM's WG in qualifying year**

**NOTE:**

- 1) This is a yearly quota**
  - 2) PBWG is credited in the month the yearly quota is met**
  - 3) WG does not include the direct GSM's production**
  - 4) PBWG is paid to qualified GSMs**
  - 5) PBWG for the year will be retained for the following year if GSM fails to qualify in the year. GSM will be paid in the following year upon qualifying.**
  - 6) PBWG will be transferred to the pool if the GSM fails to qualify for 2 consecutive year.**
- 

## AGENCY COMPENSATION

### 4.2 PRODUCTION BONUS ON WHOLE GROUP: ADDITIONAL PBWG

---


#### Qualifying quota for Additional PBWG:

GSM's WG achieve a min. RM250,000.00 (QFYLP) in qualifying yr

Upon Meeting quota, Additional PBWG is credited based on following pro-rated basis:

$$\frac{\text{Qualified GSM's QFYLP (WG)}}{\text{Total qualified GSM's QFYLP (WG)}} \times \text{Unpaid Balance of GSM's PBWG}$$

#### NOTE:

- 1) Upon closing of account for each calendar year from those who fail to qualify in 2 consecutive years
  - 2) Only paid to qualified GSMs
  - 3) Total PBWG paid by Company does not exceed the max allowed under Govt directives or Regulations
- 



# 5.0

## Break-away Benefits



## Break-away Benefits

---

**Lump sum compensation on average of 50% on the last 2 years' overriding on the newly promoted GSM  
(Same as D contract)**



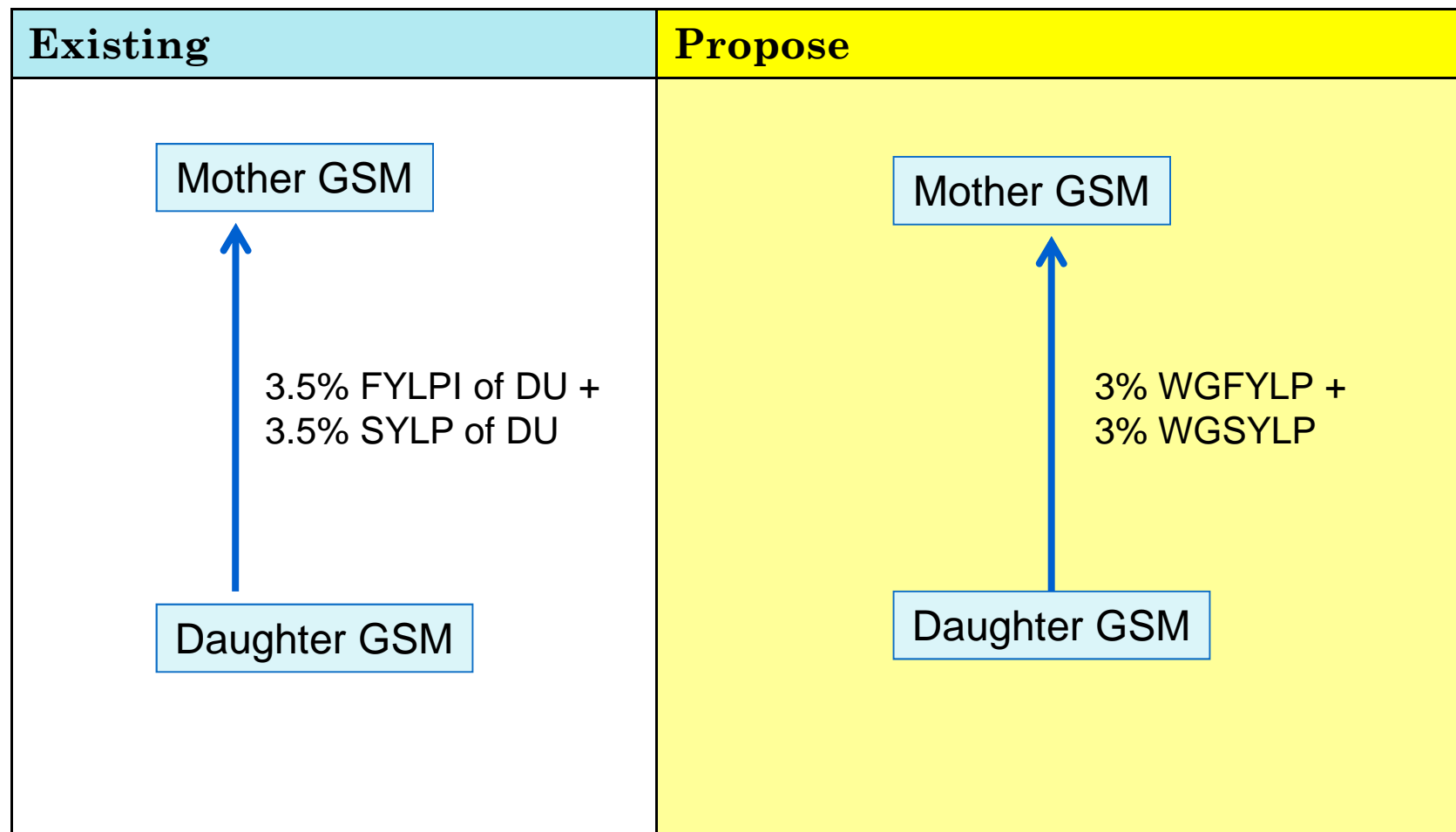


# 6.0

## Perpetual Overriding on newly promoted GSM



## Perpetual Overriding on newly promoted GSM





# 7.0 Recruiting Bonus on New agents



## Recruiting Bonus on New agents

---

### Proposed Incentives

Upon achieving 18,000 FYLPI in first 12 months

**RM1000 to Recruiter  
(Regardless of Rank)**





# 8.0

## Retirement Benefits

formerly known as  
deferred benefit or Fringe benefit



## Proposed Retirement Benefits

---

- 8.1 Same as D contract. 1.25% on DU renewals from 1996 onwards.**
  
- 8.2 Proposed additional benefits on whole group as the pre-OCC (before 1996) renewals is not including in the existing DU calculation. i.e. 0.5% on all renewal premium of WG.**



## Proposed Retirement Benefits

---

- 8.3 0.2% of all renewal premium of USM Whole division for GSM, 0.3% of all renewal premium of USM direct unit.  
0.5% of all RP of GSM direct unit.**
  
- 8.4 0.225% of all RP on DCA Personal Sales,  
0.275% of all RP of DCA to GSM**
  
- 8.5 0.075% of all RP of DCA to USM**





# 9.0 Agency Office maintenance



# AGENCY OFFICE MAINTENANCE

---

**Status quo till the new guidelines from BNM**





# 10.0

## Maintenance of Contract on Senior GSM



# Maintenance of Contract on Senior GSM

---

## **Proposal:**

- 1) Those who have trained more than 3 new GSM and as a GSM for more than 10 years of services shall be entitled for a retention of the title of senior GSM (existing rules) and no demotion clause shall be enforce. But still subject to the MQC requirement for fringe benefits**
  
- 2) Those who have successfully trained more than 3 'D' contract Junior GSMs shall be continue to entitled for using 50% of the 4<sup>th</sup> New GSM quota for maintenance.**
  
- 3) Those who have successfully trained more than 5 'D' contract junior GSMs shall be entitled for waiver of quota for break away benefits.**





# 11.0

## Persistency Bonus



## AGENCY COMPENSATION

### 11.1 PERSISTENCY BONUS ON PERSONAL SALES (PRB)

---

#### **First Year Persistency Bonus (PRB1):**

Qualifying criteria: PR12\_A = min 90% (PS)

PR Bonus paid 5% of Second Year Life Premium (SYLP) (PS)

#### **Second Year Persistency Bonus (PRB2):**

Qualifying criteria: PR24\_A = min 80% (PS)

PR Bonus paid 5% of Third Year Life Premium (TYLP) (PS)

#### **NOTE:**

- 1) NB period used for PR Bonus is always a calendar year
- 2) PRB is credited in the month the yearly quota is met



## **AGENCY COMPENSATION**

### **11.2 PERSISTENCY BONUS ON PERSONAL SALES (PRB)**

---

#### **Additional Proposal:**

- 1) To include direct unit incentives of 3% on direct unit PR on SYLPI upon achieving 80%**
- 2) To include WG PR Bonus on 30% of the subordinate direct unit PR Bonus**

#### **Note:**

**This Bonus is in line with the existing rules on P&M of which direct unit and whole group PR are taking into consideration. Therefore, agency leaders should be rewarded on PR Bonus.**

