

# › Med Supp Mix of Business Bonus

EFFECTIVE APRIL 1, 2016



## Take the Cash! You've Earned It!

The Medicare supplement mix of business bonus increases your renewal commission and awards a cash payout on all policies when the percentage of underwritten business meets a target level.

### TWO COMPONENTS\*

#### Enhanced Renewal Compensation

The mix of business bonus pays when the number of net issued underwritten Medicare supplement policies in a quarter that are in force on the 12th business day of the following month meets one of the target levels (measured as a percentage of all net issued Medicare supplement policies).

Payouts begin in a policy's second year in addition to your renewal commissions.

#### Quarterly Cash Payout in Year 1

During the policy's first year, producers who reach the 50 percent target level during the qualifying quarter receive \$30 for each Medicare supplement issued application. Payment occurs during the month following the end of the qualifying quarter.

### TARGET LEVELS OF UNDERWRITTEN BUSINESS

Percentage of Underwritten Policies in a Quarter <i>(measured as a percentage of all net issued Med supp policies)</i>	Mix of Business Bonus Rate in Policy Years 2-6**	Quarterly Cash Payout in Policy Year 1
40% – 49%	2%	n/a
50% and over	3%	\$30/issued application

\*\*State special requirements apply in Indiana, Michigan, Ohio and Texas. See your compensation schedule for details.

### EXAMPLE OF EARNINGS FROM THE MED SUPP MIX OF BUSINESS BONUS

Policy Year	Standard Commission	Bonus Commission and Cash for Apps		
		20% Underwritten Level	40% Underwritten Level	50% Underwritten Level
1	\$3,300	\$0	\$0	\$300***
2	\$2,805	\$0	\$255	\$383
3	\$2,384	\$0	\$217	\$325
4	\$2,027	\$0	\$184	\$276
5	\$1,723	\$0	\$157	\$235
6	\$1,464	\$0	\$133	\$200
<b>Total</b>	<b>\$13,703</b>	<b>\$0</b>	<b>\$946</b>	<b>\$1,719</b>

\*\*\* Quarterly Cash Payout

Assumptions used in the example:

- › 10 issued underwritten application during the quarter
- › \$1,500 average ANBP per policy
- › 85 percent annual persistency
- › 22 percent compensation years 1-6

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## ELIGIBLE BUSINESS

Medicare supplement net-issued policies underwritten by Mutual of Omaha Insurance Company, United of Omaha Life Insurance Company, United World Life Insurance Company and Omaha Insurance Company.

The following business counts toward the target level each quarter:

- › Underwritten
- › Guaranteed issue
- › Open enrollment
- › Internal conversions and affiliate conversion policies

## SHORT QUALIFICATION PERIODS

Quarterly qualification periods offer several opportunities to earn the extra cash. They are:

- January – March
- April – June
- July – September
- October – December

## REPORTING

You can keep track of your status with two reports on Sales Professional Access, [mutualofomaha.com/broker](http://mutualofomaha.com/broker). Select “Reports” tab, then “Compensation.” If you’ve chosen to use a PIN to see your compensation details, you’ll be prompted to enter it.

- › **Daily Med Supp Enhanced Renewal Report**
- › **Quarterly Med Supp Enhanced Renewal Report**  
You receive an email with a link to your quarterly report if you have at least one Medicare supplement net-issued policy in force on the 12th business day of the month following the end of each quarter.

## \*Exclusions and State Special Requirements

While internal conversions and affiliate conversion policies count toward the target level each quarter, these policies are not eligible for the mix of business renewal bonus payout.

Net-issued policies in the following states count toward the target level, however, due to state regulations, the mix of business renewal bonus cannot be paid on them: Colorado, Florida, North Dakota, South Carolina and West Virginia.

Net-issued policies in the following states do not count toward the target levels and the mix of business renewal bonus cannot be paid on them: Arkansas, California, Connecticut, Maine, Minnesota, Missouri, New York, Oregon, Vermont and Washington.

Special Agents’ (licensed-only agent) credits are allocated to their Agency.

Quarterly cash payments will be reported to the producer as taxable income on IRS Form 1099. Producer must be in good standing with Mutual of Omaha at the time of the award.

**CELEBRATING 50 YEARS**  
*of Medicare Supplement Sales*