

2003 Commission Schedule

PRODUCT LINES - all lines of business except Dental (all coverages combined)

- Short Term Disability - Group and Voluntary
- Term Life, AD&D and Dependent Life
- Voluntary Term Life (Employee, Spouse and Dependent Children)
- Long Term Disability – Group and Voluntary
- Voluntary AD&D

<u>Annual Premium</u>	<u>Commission, First Year and Renewal</u>
First \$15,000	• 15%
Next \$10,000	• 10%
Next \$25,000	• 5%
Next \$50,000	• 1%
Next \$150,000	• 0.50%
Over	• Refer to Home Office

DENTAL PRODUCT (Group and Voluntary)

<u>Annual Premium</u>	<u>Commission, First Year and Renewal</u>
First \$10,000	• 10%
Next \$10,000	• 7.5%
Next \$10,000	• 5%
Next \$20,000	• 2.5%
Next \$50,000	• 1.25%
Over \$100,000	• Refer to Home Office



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Our Attitude is Your Advantage



2003 BONUS PROGRAM

AIC will pay a bonus on first year annualized premium generated between January 1, 2003 and December 31, 2003, based on at least \$20,000 in new annualized premium in force as of December 31, 2003 with at least 5 cases or 5 lines of business in place as noted in the applicable provisions to follow. The bonus percentage applies to the combined new annualized premium inforce amount for all lines of business. For examples, see back of page.

FIRST YEAR ANNUALIZED PREMIUM INFORCE 12-31-2003

<u>FIRST YEAR ANNUALIZED PREMIUM INFORCE 12-31-2003</u>	<u>BONUS</u>
\$ 20,000 to \$24,999	1%
\$ 25,000 to \$49,999	2%
\$ 50,000 to \$74,999	3%
\$ 75,000 to \$99,999	4%
\$100,000 and Over	5%

RENEWAL BONUS – ALL LINES OF BUSINESS COMBINED

AIC will pay a bonus of 1% on renewal annualized premium in excess of \$60,000 inforce as of December 31, 2003 and with at least 5 renewal cases or 5 lines of renewal business in place.

QUALIFYING FOR THE BONUS PROGRAM

You may qualify by enrolling 5 new [group] cases in a single line of business OR by enrolling/adding 5 lines of business overall in new and/or existing cases. Advance Insurance Company will consider the following “a line of business”;

- Dental (Group or Voluntary)
- Short Term Disability (Group or Voluntary)
- Long Term Disability (Group or Voluntary, where available)
- Group Term Life and AD&D Coverages. If the group elects Dependent Life Coverage, it is also included in this line of business – not as a separate line of business.
- Voluntary Life (for employee, spouse and dependent children)
- Voluntary AD&D

APPLICABLE BONUS PROGRAM PROVISIONS

- Only the first \$100,000 of each [group] case is eligible for the New Sales or Renewal Bonus.
- Special commission, premium or underwriting agreements between the producer and Advance Insurance Company will not be applicable to the new sales or renewal bonus.
- General agents, principals of general agents and employees of general agents are not eligible.
- Only cases with a sole producer qualify - policies with more than one producer will not be eligible.
- First year and renewal annualized premiums are based on active inforce policies as of December 31, 2003.



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SEE THE FOLLOWING EXAMPLES "QUALIFYING" FOR NEW SALES BONUS with at least 5 cases or 5 lines of business consisting of first year annualized premium generated between January 1, 2003 and December 31, 2003 AND at least \$20,000 in new annualized premium in force as of December 31, 2003.

An example of qualifying for the bonus by adding 5 new cases...

New groups:	LOB
Group #1	Sold Dental
Group #2	Sold Group Term Life, AD&D
Group #3	Sold STD
Group #4	Sold LTD
Group #5	Sold Dental

TOTAL NEW CASES ADDED = 5

An example of qualifying for the bonus by adding 5 new Lines of Business (LOB) with new cases...

New groups:	LOB
Group #1	Sold Dental and Group Term Life, AD&D (2 LOB)
Group #2	Sold Group Term Life, AD&D (1 LOB)
Group #3	Sold STD and LTD (2 LOB)

TOTAL LOB'S ADDED WITH NEW CASES = 5 LOB

An example of qualifying for the bonus by adding 5 new Lines of Business (LOB) in a mixture of new cases and with existing clients...

New groups:	LOB	Existing Groups	LOB
Group #1	Sold Dental (1 LOB)	Group #3	Added Group Term Life, AD&D (1 LOB)
Group #2	Sold STD & LTD (2 LOB)	Group #4	Added LTD (1 LOB)

TOTAL LOB'S ADDED WITH NEW CASES **AND** WITH EXISTING CLIENTS = 5 LOB

An example of qualifying for the bonus by adding 5 new Lines of Business LOB with existing clients...

New groups:	LOB	Existing Groups	LOB
(none)		Group #1	Added STD & LTD (2 LOB)
		Group #2	Added Group Term Life, AD&D (1 LOB)
		Group #3	Added Dental and LTD (2 LOB)

TOTAL LOB'S ADDED WITH EXISTING CLIENTS = 5 LOB