

**The following table summarises the commission options available with Synergy Protect:**

**Life – This covers commission in respect of premiums paid for Life & Terminal Illness, Combined Life with Critical Illness, Stand Alone Critical Illness together with Sickness & Accident insurance:**

LIFE	A) Indemnity option	B) Non-indemnity option	C) Hybrid 50/50 option
Initial rate - Online	178% of 1 <sup>st</sup> years premium	98% of first 2 years premiums as paid	Half of options A & B
Initial rate - Paper	160.2% of 1 <sup>st</sup> years premium	88.2% of first 2 years premiums as paid	Half of options A & B
Earnings Period	2 years	2 years	2 years
Renewal	2.5% from the start of year 3	2.5% from the start of year 3	2.5% from the start of year 3

**Commission Clawback details** - where Life premiums stop within the initial 2-year commission-earnings period and indemnity commission has been paid the following scale will apply (please note that commission clawback is calculated pro rata and the following scale is for illustration purposes only):

Number of months premiums are paid	1	2	3	4	5	6	7	8	9	10	11	12
Initial commission reclaimed.	100%	100%	100%	100%	100%	100%	94.44%	88.89%	83.33%	77.78%	72.22%	66.67%

Number of months premiums are paid	13	14	15	16	17	18	19	20	21	22	23	24
Initial commission reclaimed.	61.11%	55.56%	50.00%	44.44%	38.89%	33.33%	27.78%	22.22%	16.67%	11.11%	5.56%	0%

**Commission Sacrifice option:**

Commission sacrifice is available in 10% slices where initial commission on an Indemnity and Non-indemnity basis is selected. Commission sacrifice is not available on the Hybrid 50/50 commission option or on renewal commission.

**Life:** For each 10% of the initial commission sacrificed, the **Loyalty Discount** for years 1 to 6 is increased (additively) by (3.5% less 10% of Loyalty Discount for that year if no sacrifice was made). In the above example with 20% sacrifice the Loyalty Discount would be calculated as follows:

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	<b>Loyalty Discount with no sacrifice</b>	0%	5%	10%	15%	20%	25%
2	<b>20% of (1)</b>	0%	1%	2%	3%	4%	5%
3	<b>7% less (2)</b>	7%	6%	5%	4%	3%	2%
4	<b>Loyalty Discount with sacrifice = (1) +(3)</b>	7%	11%	15%	19%	23%	27%

## Notes:

- 1. Initial commission** is paid by either Direct Credit or cheque on a weekly basis. The weekly report runs on last day of each week and includes all new business going live in that week together with all cancellations processed during that week. For payments over any earnings period, the frequency of payment will be monthly. Any commission clawback will be deducted automatically from the commission account.
- 2. Commission on Increases** - provisional Indemnity Commission (for brokers on Indemnity terms) will be paid on any increase in life benefits based on the premium for the benefit increase at the date of change at the same rates as for the initial sale. If there is less than 10 years left to run on the Plan Term then the commission will be reduced pro rata. e.g. 7 years to go, indemnity, 124.6% on Life (112.14% for paper applications). This will involve a recalculation of future Loyalty Discounts.

The actual Indemnity commission will be calculated at the next review date based on the same proportion of the post review premium as the proportionate increase in the premium at the time of the increase. This will be paid and the provisional Indemnity payment reclaimed following the review date. The new Indemnity commission will start its earning period from the review date.

For Non-indemnity brokers initial commission on the increase will be calculated and start to be paid from the review date.

Note: changes in premium level due to age change or, for Life business, rate change will not attract commission.

- 3. Renewal commission** on increases will apply to the increase after the 1 or 2 year earnings period in respect of the increased premium, with the policy being treated in "slices".
- 4. Commission on Decreases** - In the event of any reduction in benefits, initial commission to be clawed back according to the scale shown above based on the premium reduction at the point of change. The decrease will be taken first against any increases in benefit on a last in first out basis. This will involve a recalculation of future Loyalty Discount. See separate note for details of this.

Note: changes in premium level due to the operation of the Loyalty Discount or due to a preset reduction in the sum insured on a Decreasing Term Plan will not attract clawback.

- 5.** If the Plan is cancelled during the cooling off notice period, 100% of any commission paid will be reclaimed.
- 6.** No commission is payable on any temporary extra premiums.