

BROKER BONUS PROGRAM

QUALIFYING GROUP BENEFITS PRODUCT LINES OF INSURANCE (on groups with 10 or more insured lives)

Group Insurance Products	Voluntary Insurance Products
Life, AD&D and Dependent Life	Life, AD&D and Dependent Life
Supplemental Life	Short-Term Disability
Group Short-Term Disability Insured and ASO Plans ¹	Long-Term Disability
Group Long-Term Disability	Group Dental
Group Dental Insured and ASO Plans ¹	
New York Disability Benefits Law (DBL)	

¹Dental and STD ASO premium equivalency (as determined by us) will be used to qualify for number of lines sold and new business premium qualification levels, but will not be used in calculating the actual bonus payout.

GROUP BENEFITS NEW BUSINESS BONUS SCHEDULE AND QUALIFYING REQUIREMENTS

OPTION A: Line Count and Premium Qualifier

Qualification Estimated New Annualized Premium		# of Qualifying Lines Sold (on groups with 10 or more insured lives)	Annual Bonus ²	
			Less than 8 New Cases Sold	8 or More New Cases Sold
\$0 – \$49,999	and	8	No Bonus	No Bonus
\$50,000-\$74,999	and	8	1.0%	2.0%
\$75,000-\$99,999	and	8	2.0%	3.0%
\$100,000-\$149,999	and	8	4.0%	5.0%
\$150,000+	and	8	5.0%	6.0%

OPTION B: Case Count and Premium Qualifier

Qualification Estimated New Annualized Premium		# of Cases Sold (on groups with 10 or more insured lives)	Annual Bonus ²
\$0 – \$499,999	and	2	No Bonus
\$500,000+	and	2	2.0%

²This Annual Bonus is determined by applying the percent applicable above to the Estimated New Annualized Premium of the applicable cases.

A broker can qualify for a New Business Bonus under Option A or B, but not both, as determined by us.

For purpose of qualifications and bonus calculation, \$500,000 is the maximum eligible premium for any single New Employer Group that will be used in calculating the actual bonus payment. Qualifying lines are for groups with 10 or more insured lives. Groups with 2-9 lives do not count toward the New Business Bonus or the Case Count Production Incentive.

GROUP BENEFITS RENEWAL BUSINESS BONUS SCHEDULE

To qualify for the Renewal Business bonus, a Broker (Agent) must: (1) qualify for the New Business Bonus described above; and (2) have a minimum of 10 In-Force Employer Groups as of 12/31 of the prior calendar year, and such Groups must have in total a Qualification Annual Renewal Premium of at least \$100,000, and each of those groups must have been in force longer than 12 months as of the beginning of the Current Plan Year.	Persistency Rate	Bonus Amount (% of Annual Renewal Premium) ³
	88% – 91.9%	2%
	92% – 94.9%	3%
	95% – 97.9%	4%
	98% +	5%

³This Annual Bonus is determined by applying the percent applicable above to the Annual Renewal Premium of the applicable cases. ASO STD and ASO Dental cases count in the persistency rate calculation, but do not count in the persistency bonus payout calculation.

Persistency Rate is determined by dividing premium on non-first year groups that remain in force as of 12/31 of the Current Plan Year, by premium for all In-Force Employer Groups as of 12/31 of the prior Plan Year. Premium for the Current Plan Year and the prior Plan Year will be calculated using the last modal premium as of 12/31 of the calendar year prior to those respective Plan Years, annualized.

For purpose of qualifications and bonus calculation, \$500,000 is the maximum eligible premium for any single In-Force Employer Group that will be used in calculating the actual bonus payment.

Additional terms and conditions on next page. Products and services marketed under the Dearborn National® brand and the star logo are underwritten and/or provided by Fort Dearborn Life Insurance Company® (Downers Grove, IL) and certain of its affiliates. Fort Dearborn Life Insurance Company® offers insurance products in all states (excluding New York, where it is not licensed and does not solicit business), the District of Columbia, the United States Virgin Islands, the British Virgin Islands, Guam and Puerto Rico. Product features and availability vary by state and company, and are solely the responsibility of each affiliate.

TERMS & CONDITIONS

This program only applies to business, coverages or policies issued by Fort Dearborn Life Insurance Company ("FDL") for qualifying lines of insurance.

- ▲ **Estimated New Annualized Premium** shall mean the first-year annualized premium for employer groups for policies that are effective during a Plan Year, with the maximum allowable annualized premium per employer group limited to \$500,000. However, for insured dental coverages it shall mean the first-year annualized premium for employer groups for policies that are effective during a Plan Year, multiplied by 75%, with the maximum allowable annualized premium per employer group limited to \$500,000.
- ▲ **Qualification Estimated New Annualized Premium** shall mean the first-year annualized premium for employer groups for policies that are effective during a Plan Year, with the maximum allowable annualized premium per employer group limited to \$500,000. Note: For insured dental coverages no further adjustment will be made in the first-year annualized premium for employer groups for policies that are effective during a Plan Year.
- ▲ **New Employer Group** shall mean an Employer Group having at least 10 lives insured with an effective date in a Plan Year that remains in force as of 12/31 of that Plan Year.
- ▲ **In-Force Employer Group(s)** shall mean those in force employer groups having at least two lives insured with an effective date on or before 12/31 of the prior Plan Year and that have been in force at least 12 months as of 12/31 of the Current Plan Year.
- ▲ **Persistency Rate** is determined by dividing premium on non-first year groups that remain in force as of 12/31 of the Current Plan Year, by premium for all In-Force Employer Groups as of 12/31 of the prior Plan Year. Premium for the Current Plan Year and the prior Plan Year will be calculated using the last modal premium as of 12/31 of the calendar year prior to those respective Plan Years, annualized.
- ▲ **Plan Year** shall mean a calendar year unless provided otherwise. The first Plan Year begins as of the date during the first calendar year that a Broker is contracted with Fort Dearborn Life Insurance Company ("FDL"); but every Plan Year ends on 12/31 of that calendar year. Each calendar year can be a new Plan Year.
- ▲ **Annual Renewal Premium** for non-dental coverages shall mean premium per case on non-first year groups, calculated by taking the last modal premium received in the prior Plan Year annualized for a 12 month period, with the maximum allowable annualized premium per employer group limited to \$500,000. For dental coverages it shall mean premium per case on non-first year groups, calculated by taking the last modal premium received in the prior Plan Year annualized for a 12 month period multiplied by 75%, with the maximum allowable annualized premium per employer group limited to \$500,000.
- ▲ **Qualification Annual Renewal Premium** for all qualifying coverages shall mean premium per case on non-first year groups, calculated by taking the last modal premium received in the prior Plan Year annualized for a 12 month period, with the maximum allowable annualized premium per employer group limited to \$500,000. Note: For insured dental coverages no further adjustment will be made in the premium used for this defined term.
- ▲ **Current Plan Year** shall mean the Plan Year for which a particular Broker Bonus is being determined.
- ▲ **ASO** shall mean Account Services Only or Administrative Services Only dental or short-term disability programs.
- ▲ **ASO Premium Equivalency** shall mean the dollar value of expected claims plus administrative fees charged by FDL as determined solely by FDL.
- ▲ Under both the new and renewal business bonus, the maximum eligible premium for any single Employer Group is \$500,000 for bonus calculation purposes.
- ▲ An Employer Group with more than one line of coverage with FDL counts as one case regardless of the number of lines of coverage or policies under which benefits are provided. Multiple divisions or subsidiaries or affiliates related to one policyholder count as one case.
- ▲ Cases that terminate due to policyholder bankruptcy, merger or acquisition may be excluded in the Premium Persistency Rate calculation if such case information is provided by the broker in advance of the calculation.
- ▲ Only an FDL agent of record or FDL recognized agent, broker or consultant is eligible for the bonus plan.
- ▲ In the event there is an agent of record change during the a Plan Year, each producer will receive premium credit for the period that they were responsible for the case during that Plan Year. New business credit will be given to the original agent of record only.
- ▲ Compensation under the Broker Bonus Program is not vested, and FDL reserves the exclusive right and discretion to interpret the Broker Bonus Program or to modify or withdraw it at anytime.
- ▲ In the event that FDL terminates its relationship/contract with any broker 'for cause' as determined at FDL's sole discretion, any rights to compensation under the Broker Bonus Program shall cease with such termination, and no compensation shall be payable under the Broker Bonus Program.
- ▲ Any compensation paid under this program will be disclosed on a Schedule A, if required.
- ▲ The Broker Bonus Program is not applicable for any business produced through a Blue Cross Agency in any state. Business produced by writing agents, through a general agency in IL, NY or MI is included in this program. However, general agents in IL, NY and MI are not eligible for this program.
- ▲ If there are multiple Brokers, producers or agents involved with a case, policy or business, whether as General Agent and sub-agent in a hierarchy or as agents sharing or splitting compensation, the total amount FDL will pay under this bonus program regarding any case, policy or business will be the amount that would have been paid for such case, policy or business if the bonus had been payable to only one party. When compensation regarding any case, policy or business is to be split between more than one party, whether as General Agent and sub-agent in a hierarchy or as agents sharing or splitting compensation, FDL reserves the right in its sole discretion, to determine how to allocate any bonus payable among those parties, and FDL's decision in such matters shall be final.
- ▲ A broker can qualify for this Broker Bonus Plan only if they are not already participating in another FDL Additional or Supplemental Compensation program.