

### Persistency Bonus

The persistency bonus applies to voluntary and non-voluntary dental, short-term disability (STD), long-term disability (LTD), life and vision coverage, and voluntary critical illness. The bonus factor is applied to a maximum of \$500,000 of annualized renewal premium per coverage per case.

- Minimum of \$50,000 in new premium; and
- Minimum of 12 active coverages in-force as of January 1, 2016; and
- Retain at least 85% of those coverages in-force through January 1, 2017; and
- Write a minimum of eight new sale credits during the current calendar year; and
- Have \$150,000 of renewal premium as of January 1, 2017.

PERSISTENCY BONUS FORMULA	
Bonus Factor	Persistency Percentage
3.0%	96% – 100%
2.0%	94% – 95.9%
1.5%	90% – 93.9%
0.65%	85% – 89.9%

<sup>1</sup> Renewal premiums are based on the average monthly billed premium multiplied by the number of renewal months in the bonus year.

All bonus payments are paid in March of the following year.

#### FOR MORE INFORMATION

For general compensation questions or information on how to calculate the bonus, call Principal Life at 800-388-4793.



WE'LL GIVE YOU AN EDGE®

Principal Life Insurance Company, Des Moines, Iowa 50392-0002  
www.principal.com

Final determination of bonus amounts and/or payments rests solely with the Principal Financial Group. The commission scales and bonus formulas may change or terminate at any time without prior notice. For producer use only. This material is not intended for use in sales situations or with the general public.

Please remember to abide by the company's policy on disclosure of compensation. You can obtain more information, as well as a sample disclosure form, at www.principal.com.

## Great rewards

You work hard for us and we notice! That's why the Principal Financial Group® strives to provide you with top-notch compensation programs. Group benefits compensation programs reward you for your sales efforts and thank you for selling our insurance products:

- Dental
- Short-term disability (STD)
- Long-term disability (LTD)
- Life
- Vision
- Voluntary (dental, STD, LTD, life, vision, critical illness)

### Group Benefits

## 2016 Compensation Programs



## Commissions

Each line of coverage (dental, short-term disability [STD], long-term disability [LTD], group term life, vision and critical illness) is applied separately to the commission scale. The premium for a voluntary and non-voluntary line of coverage (i.e., non-voluntary STD and voluntary STD) is added together to determine commissions, except for voluntary term life, which is considered separate from group term life.

### Graded percentage commissions

DENTAL, SHORT-TERM DISABILITY, GROUP TERM LIFE AND VISION	
Premium	Percent
First \$5,000	10.0%
Next \$5,000	8.0%
Next \$15,000	6.0%
Next \$25,000	4.0%
Next \$100,000	3.0%
Next \$350,000	2.5%
Over \$500,000	1.6%

GROUP LONG-TERM DISABILITY	
Premium	Percent
First \$15,000	15.0%
Next \$10,000	10.0%
Next \$25,000	5.0%
Next \$50,000	2.0%
Next \$100,000	1.0%
Next \$300,000	0.6%
Next \$500,000	0.3%
Over \$1,000,000	0.1%

### Flat percentage commissions

Commissions payable at a flat percentage are available for all group coverages. The flat commission amount varies according to the coverage elected, service provided and state regulations. In New York, the flat percentage commission payable on voluntary term life varies based on employee participation.

### Heaped percentage commissions

Commissions that are higher in the first year and lower in years two and beyond are available on critical illness. Commissions are payable at 30% in the first year and 15% in years two and beyond. Not available in Washington.

## Group benefits bonus

Our group bonus program rewards you for placing and maintaining group benefits and services with the Principal Financial Group®.

### Get in the bonus program with credits

You earn one new sale credit for each qualifying group voluntary or non-voluntary dental, short-term disability (STD), long-term disability (LTD), life or vision coverage, voluntary critical illness coverage, employer-sponsored individual disability insurance or eBenefits Edge<sup>SM</sup> service sold.

### Get paid on premium

The bonus is paid on life, STD, LTD, dental, vision and critical illness premium.

### Qualifications

You receive one new sale credit for each eligible benefit\* and service that meets the following requirements:

- Issued to an employer/employee group
- Includes at least five lives as of December 31, 2016
- You are the broker of record and receive at least 50% of the commissions as of December 31, 2016
- A bill has been generated to the policyholder
- It does not have a termination date during 2016

\*Self-funded dental, STD and vision are not eligible.

A new sale credit is not given if an active coverage (dental, STD, LTD, life or vision) is changed from non-voluntary to voluntary or voluntary to non-voluntary. If a case includes a voluntary and non-voluntary line of coverage (i.e., dental and voluntary dental), you receive credit for only the non-voluntary coverages, except for voluntary term life, which receives separate coverage credit.

### Premium credit

- Premium is credited at 100% for voluntary and non-voluntary dental, STD, LTD and life and voluntary critical illness.
- Vision and voluntary vision are credited at 50%.
- The premium for voluntary and non-voluntary lines (i.e., non-voluntary STD and voluntary STD) is added together to determine annualized first-year premium, except for voluntary term life, which is considered separate from group term life.
- Net of commission cases receive credit for the bonus program, and premium is included in the bonus calculation.
- The premium for employer-sponsored individual disability insurance and the fees for eBenefits Edge<sup>SM</sup> are not included in the bonus calculation.

## Bonus opportunities

### Production bonus

You can qualify for a production bonus based on new sale credits or premium production. If you qualify for both, your bonus is based on the bonus formula that results in the higher compensation. The bonus factor is applied to a maximum of \$500,000 of annualized premium per coverage (dental, STD, LTD, life, vision and critical illness), per case.

### Credits bonus

A minimum of \$50,000 in new premium and 10 new sale credits or 15 new sale credits are required to qualify.

CREDITS BONUS FORMULA		
Bonus Factor	X Annualized First-Year Premium	= Production Bonus
Number of New Sale Credits		Bonus Factor
	First \$50,000	Over \$50,000
10 – 14	1.0%	1.0%
15 – 19	2.0%	1.0%
20 – 24	4.0%	2.0%
25 & up	5.0%	3.0%

### Premium bonus

A minimum of \$500,000 in new premium and three new sale credits are required to qualify.

PREMIUM BONUS FORMULA	
Bonus Factor	X Annualized First-Year Premium = Production Bonus
Premium	Bonus Factor
\$500,000 – \$749,999	1.0%
\$750,000 – \$999,999	1.5%
\$1,000,000 & up	2.0%