

Schedule (a) Commission for New and Renewal Business



A. Commission Schedule

Commission on the Society's contracts is paid on the following terms:

	Income Assured Plus	My Earnings Insurance (Annual Escalating Premiums)	My Earnings Insurance (Level Premiums)	My Extra Benefits
Basic Rate of Commission for Introduction	165%	165%	120%	125%
Basis of Calculation	First months full premium x 12	First months full premium x 12	First months full premium x 12	First months full premium x 12
Indemnity Earnings Period	36 months (premiums paid)	36 months (premiums paid)	36 months (premiums paid)	36 months (premiums paid)
Indemnity Commission ¹ Available?	Yes	Yes	Yes	Yes
Non-Indemnity Commission Available?	Yes	Yes	Yes	No
Uplift for Non-Indemnity	5%	5%	5%	N/A
Effective Non-Indemnity Rate	173.25%	173.25%	126%	N/A
Renewal Commission Payable	3%	3%	3%	Nil
Renewal Commission Accrue from	Month 37 (premium paid)	Month 37 (premium paid)	Month 37 (premium paid)	N/A
Sacrifice Commission ² to Client?	Yes, if 'investment' selected	No	No	N/A
Part Indemnity & Part Non-Indemnity Available? ³	Yes	No	No	No

B. Notes to the Commission Schedule

1. Where the terms of an existing contract are varied during the initial period and such variation results in a decrease in the premiums being paid to the Society, including those not directly resulting from a loss of business to the Society (e.g. moving from immediate cover to deferred cover), then if indemnity terms apply clawback will arise on the reduction in premiums over the remaining term of the initial period.
2. Where initial commission is taken as either a mixture of indemnity and sacrifice or complete sacrifice in favour of the Member the initial commission element taken on indemnity terms is paid during the month in which the premium is credited to the Society's bank account. The initial commission sacrificed in favour of the Member will be enhanced by 20% (twenty per cent) and placed to the Member's credit at the end of the year in which the Member completes 36 months fully paid Membership.
3. If a mixture of indemnity and non-indemnity initial commission applies then any reduction in premiums will result in an amendment to the amount of non-indemnity commission payable, either in terms of when the monthly payments start or a reduction in the monthly amount payable. Clawback will only be applied to the indemnity commission if the revised total initial commission is less than the original indemnity amount paid.

C. Payment of Initial Commission

Option 1 - Indemnity

Initial commission taken on indemnity terms is paid within 28 days of the relevant premium payment being credited to the Society's bank account or the contract is put on risk. Such approach to be applied at the sole discretion of the Society.

Option 2 – Non-Indemnity

Payment of initial commission taken on non-indemnity terms commences within 28 days of the relevant premium being credited to the Society's bank account or the contract is put on risk. Such approach to be applied at the sole discretion of the Society.

Option 3 - Combination of Indemnity and Non indemnity

Where initial commission is taken as a mixture of indemnity and non-indemnity terms the initial commission element is paid within 28 days of the premium being credited to the Society's bank account or the contract is put on risk. Such approach to be applied at the sole discretion of the Society. Payment of initial commission taken on non-indemnity terms commences in the month following that in which the indemnity period expires provided premiums continue to be received and credited to the Society's bank account.

D. Renewal Commission

For Income Assured Plus following the expiry of the indemnity earnings period, renewal commission will be calculated during the first quarter of the year following each calendar year at the rate of 3% (three percent) of total premiums received in the previous year, excluding any premiums which fall within the initial period of the contract or any amendments thereon and on the basis that the intermediary continues to provide ongoing advice to the client.

For My Earnings Insurance following the expiry of the indemnity earnings period, renewal commission will be calculated following each subsequent anniversary at the rate of 3% (three percent) of total premiums received in the year, excluding any portion of premiums which fall within the initial period of the contract or any amendments and on the basis that the intermediary continues to provide ongoing advice to the client.

E. Suspended Contracts

Where a Member's contract is suspended for any reason (e.g. Career Break or period of Occupational Absence), special situations will apply in relation to the continuing payment or clawback of commissions paid. Please contact the Society's Customer Care Team for full details.

F. Important Notes

1. Provisions exist within the Rules of the Society to cater for Members who have difficulty in paying their premiums to the Society. In the event of financial difficulties early contact with the Society is appreciated.
2. The Society will issue a notice of arrears as soon as practicable to a Member who has missed a premium. If the arrears are not paid as specified on the final notice issued all benefits under the contract(s) will cease.