

# **Agent Commission Statement**

## **Agent Centric**

New Era Life Insurance companies (including New Era Life Insurance Company, New Era Life Insurance Company of the Midwest, Philadelphia American Life Insurance Company, Life of America Insurance Company)—as part of an ongoing effort to improve agent resources—are proud to present the updated and innovative Agent Commission Statement. This statement was designed from the ground up with one driving principle: an agent centric statement. With an agent centric orientation, New Era has succeeded in creating a statement that provides a global view of your business. This statement will help you identify not only key production areas but also business growth opportunities. In the following sections, you will be introduced to all the key features of the new agent statement.

## **A Global Prospective**

The first step in creating the new agent centric statement was finding the ideal way to organize commission data. We discovered that sorting the statement by pay to agent name, earning agent name, writing agent name, and insured name is the most impactful way to arrange key data. After determining the sorting structure, we began designing the statement layout. The most important design choice was using your name instead of your agent number. That is why at the top of every page in the statement your name is proudly displayed. This design choice was followed by the creation of three key sections: the production section, the totals section, and the summary section. These sections were developed to ensure that the statement maintains an agent focus.

## **Production Section**

We created the production section to provide you with a detailed breakdown of all premium paying policy transactions. A few key aspects of the section are the earning agent name and number; and the production table. All individually billed policies will be placed in a group called “INDIVIDUAL BILLED POLICIES”. The earning agent is the agent who earned the commission. The production table will help you understand the impact of each client and earning agent on your bottom line.

The production table shows the following fields:

- **WRITING AGENT:** The agent who writes the policy.
- **INSURED NAME:** This is the last name and first initial of the insured.
- **TRAN:** The commission transaction code. Either an A will be shown for advance or a C will be displayed for commission.
- **RSN:** The reason code for the commission transaction. Please see the table below for an explanation of each reason code.

Regular Commission	
CODE	DESCRIPTION
Blank	Commission payment
ADJ	Statement adjustment
L P	Late Payment
REQ	Manual advance reversal or agent adjustment included with daily advance check
APP	Application Submitted
ISS	Issued-not Paid
STL	Settled
CHG	Agent number changed
CNL	Cancel
DCL	Declined
DTH	Death claim
ETI	Extended term insurance
LAP	Lapse
NTK	Not taken
REV	Premium reversal
RPU	Reduced paid up
SUR	Surrendered
TCV	Terminated due to conversion
WTH	Withdrawal

- **POLICY:** The policy number.
- **PLAN:** The plan code for each policy.
- **PAID TO DATE:** Date up to which the premium has been paid.
- **DUR:** The current duration of the policy.

- **MODE:** The current premium payment frequency. Please see the table below for an explanation of each code.

MODE	
CODE	DESCRIPTION
A	Annually
B	Bi-Weekly
M	Monthly
Q	Quarterly
S	Semi-Annually
T	Thirteen Times Per Year
W	Weekly

- **PREM:** The commissionable premium.
- **COMM RATE:** The stated commission percentage rate.
- **COMM AMT:** The amount of commission earned for the policy.
- **AGENT LEVEL:** Where the agent sits within an agency hierarchy. A level one (01) is the lowest level and level ten (10) is the highest level.
- **ADV BAL REDCTN:** A credit or debit toward an advance balance.

### **Total Section**

The agent centric focus continues with the Total section. This section was constructed to provide you with a quick snapshot of the premium paid by individual billed policies and the commissioned earned from individual billed policies. This snapshot will help you identify key producers for business development. The total section will appear after production section. The total section will contain two tables: the Commissionable Premium Distribution by Writing Agent table and the Commission table.

The Commissionable Premium Distribution by Writing Agent table breaks down how much business a writing agent earned by the total premium paid. This key statistic will help you maximize each writing agent's production. In addition to the Commissionable Premium Distribution by Writing Agent table, the Commission table will give you a precise analysis of each earning agent's contribution to the commission total. The table will display a concise total of commissionable premium paid, first year commissions, renewal commissions, total commissions, and advance balance (ADV CR/DB) by earning agent. The information gained from this table will help you identify critical earning agents.

## Summary Section

To ensure the agent centric focus is kept throughout the entire statement, a straight forward summary section was constructed. The summary section consists of three table: the Commission Earned Summary, the Adjustment Summary, and the Commission Summary. The Commission Earned Summary table will combine all premium paid, all first year commission, all renewal commission, and all advance (ADV CR/DB) balances for the entire statement. The table even summarizes all of the items by earning agent. The next table—Adjustment Summary—provides a brief description as well as an amount for every adjustment listed in the table. The last table in the statement called Commission Summary shows the total commission earned amount, the total adjustment amount, the total commission paid, and the method of payment.