

# 2018 Quality Producer Program

The Individual Disability Insurance (IDI) Quality Producer Program from Principal® rewards its best producers with a cash bonus and several additional perks. With the bonus, producers could earn up to 60% total first-year commissions (FYCs) on new 2017 IDI premium.<sup>1</sup>

## Cash bonus qualifications

- At least \$15,000 in IDI commissions earned and paid in 2017
- Average persistency of 90% or better in 2017 for policies issued in 2015, 2016 and 2017\*
- 25% or less IDI wastage (not takens, cancels, close-outs or declines) for 2017\*
- Favorable morbidity experience for 2016 and 2017
- Demonstrates a continued commitment to placing business with Principal
- Is in good business conduct standing

Cash bonus details		
2017 IDI FYCs	Bonus percentage	Bonus amount
\$0 – \$14,999	0	\$0
\$15,000 – \$29,999	10%	\$1,500 – \$3,000
\$30,000 – \$44,999	15%	\$4,500 – \$6,750
\$45,000+	20%	\$9,000+

\* A modified bonus is available when certain criteria are met. Details on back.

## Quality producer perks

- Dedicated sales support and priority response time
- Expedited service timing
- Dedicated underwriter for preliminary case review
- Annual block of business report
- Ongoing Benefit Update reports
- Monthly sales calls to discuss current cases
- Advance communication on IDI announcements
- Teleconference series to help build your business
- Recognition in company communications

## Modified cash bonus qualifications

A percentage of the bonus may still be earned if all qualifications are met except for persistency and/or wastage. The bonus amount is adjusted by using a multiplier when one or both of the following occurs:

- Average 2017 persistency is between 75% and 89% for policies issued in 2015, 2016 and 2017.
- Wastage is between 25% and 45% for 2017.

Persistency adjustment guidelines		Wastage adjustment guidelines	
Persistency	Multiplier	Wastage percent	Multiplier
90%+	1	Less than 25%	1
80% – 89.99%	.75	25% – 34.99%	.75
75% – 79.99%	.50	35% – 44.99%	.50
Less than 75%	0	45%+	0

## Payout examples

Cash bonus	\$20,000 IDI FYCs, 95% average persistency, 20% wastage $\$20,000 \times 10\% = \$2,000$ bonus
	\$45,000 IDI FYCs, 98% average persistency, 15% wastage $\$45,000 \times 20\% = \$9,000$ bonus
Modified cash bonus	\$20,000 IDI FYCs, 80% average persistency, 20% wastage $\$20,000 \times 10\% \times .75 = \$1,500$ bonus
	\$45,000 DI FYCs, 80% average persistency, 30% wastage $\$45,000 \times 20\% \times .75 \times .75 = \$5,063$ bonus

<sup>1</sup> 50% FYCs plus a 20% cash bonus based on level of Initial Commission Credits (ICC) production. For illustration purposes: \$90,000 in first-year premium equals \$45,000 FYCs, resulting in a \$9,000 cash bonus, paying you up to 60% on first-year premium.

<sup>2</sup> Except in California, APS and financials required for all DI/DIRS applications (except Simplified DI multi-life cases).



[principal.com](http://principal.com)

Disability insurance from Principal<sup>®</sup> is issued by Principal Life Insurance Company, Des Moines, Iowa 50392-0002.

The Quality Producer Bonus is for single producers who have an active contract at time of payout. It is not for producer groups or for those receiving management compensation. It is a cash bonus to the producer and does not increase the producer's overall ICC credit.

Final determination of bonus amounts rests solely with Principal.

The bonus formula may change or terminate at any time without prior notice.

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](http://www.principal.com).

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JJ1888-05 | 04/2017 | © 2017 Principal Financial Services, Inc.

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