

Producer Salary Offset Arrangement

- All agent commissions will be paid according to commission agreements in place when commissions are earned
- Commission split agreements are on a year by year basis.
- Agents signing this agreement will not be eligible for any other salary commission arrangements.
- Commissions paid will be for first year and renewals.
- Salary adjustments will be made annually based on the past year's commissions.
- Beginning at the end of 12 months of paid monthly commissions, the agent's salary will drop annually by 50% of the amount of total commissions earned in the last 12 months.
- Agent is expected to have minimum commission amount paid to them of 50% of salary amount.
- Agent must show agreeable efforts to justify salary amounts.
- Future commission splits will be based on balanced responsibilities of sales vs. service.

- Sample salary / commission offset (assumes 100% business persistency and consistent 50/50 commission split).

	Year 1	Year 2	Year 3	Year 4
Salary	20,000	15,000	5,000	0

1 st Yr. Commission *	10,000	10,000	10,000	10,000
Renewals	0	10,000	20,000	30,000
Total Commission	<u>10,000</u>	<u>20,000</u>	<u>30,000</u>	<u>40,000</u>
Total Income	30,000	35,000	35,000	40,000

* Agent amount (50% of total commission)

Agent

Date

Gregory P. Daniels, Vice President

Date

Micky L. Brafford, President

Date