



Special Producer Compensation Program

Our Special Producer Compensation Program (SPC) is designed to offer extra commission for exceptional production of **Life, Disability, Dental, Vision** and **Voluntary products**. There's more, we've recently enhanced our SPC program, which means:

- All size cases now qualify to earn points
- Higher points awarded for large case sizes
- Incentives for persistency above 80%

Here's proof of how many of our producers have benefited from SPC -- for the 2002 production year, we distributed more than \$35 million in compensation to more than 1,700 producers across the country. This amount was paid over and above our new business and renewal commissions.

Determine your compensation in just 4 easy steps

Step 1: Calculate your case specific points

Depending upon your case size & using the corresponding chart, multiply new coverages* by new coverage points and/or multiply renewal coverages by renewal coverage points.

Ex: 5 new coverages with 11 covered employees 5 X 2 (new bus. Pts.) = 10pts. received from new coverages

No. of Lives	New Coverage Points	Renewal Coverage Points
<10	1	0.25
10-24	2	0.5
25-99	4	1
100-249	5	2
250+	7	3

Step 2: Determine your compensation level

Based upon your total points (new & renewal) and total new coverage points, identify your compensation level.

Compensation Level	Total New Coverage Points	Total Points (new & renewal)
Level One	12	25
Level Two	16	50
Level Three (Premier)	40	100

Step 3: Calculate your persistency level

Divide year-end inforce renewal points by the beginning of the year inforce renewal pts.

Ex: 60 renewal points at the beginning of the year and 50 of those pts. are still inforce at the end. Here's how persistency is calculated:

50 (yr. end renewal pts) ÷ 60 (beg. of yr. renewal pts) = 83% persistency.

If persistency is less than 80%**

New Persistency Incentive!
If persistency is 80% or more**

Step 4: Determine your Commission %

Select the appropriate chart based upon your calculated persistency level. The compensation level calculated (step 2) will determine your commission %.

Premium Per Case***	Commission %		
	Level One	Level Two	Level Three
First \$50,000	3%	4%	6%
Next \$50,000	2.5%	3.25%	4.75%
Next \$150,000	1%	1.5%	2.5%
Next \$750,000	.5%	.75%	1.25%
Balance	.25%	.25%	.50%

Premium Per Case***	Commission %		
	Level One	Level Two	Level Three
First \$50,000	3%	5%	7%
Next \$50,000	2.5%	4%	5.5%
Next \$150,000	1%	2%	3%
Next \$750,000	.5%	1%	1.5%
Balance	.25%	.50%	.75%

Participating in the program is simple. Contact your local Guardian representative for registration information.

*Employee paid AD&D does not count as a coverage when calculating points.
 **Persistency measurement is from 1/1 to 12/31.
 ***Bonuses are earned on premiums paid during the calendar year.
 ****ASO coverage is included for coverage count only.
 *****A 1099 form will be issued for bonus compensation received.