

# New Business Recognition Compensation Plan

Brokers with <\$50 Million of Inforce Premium

# Overview

MetLife is pleased to present the New Business Recognition Compensation Plan. This plan allows brokers to earn compensation as they work to build their book of business with MetLife. All appropriately licensed and appointed brokers with less than \$50,000,000 of annualized inforce premium with MetLife as of October 1, 2019 may participate in the New Business Recognition Compensation Plan.<sup>1</sup>

The New Business Recognition Compensation is paid in addition to any other type of compensation paid by MetLife.

## Eligible Brokers

Brokers with less than \$50,000,000 of annualized inforce premium with MetLife as of October 1, 2019.<sup>2,3,4,5.</sup>

## Plan Summary

A broker may qualify for New Business Recognition Compensation based on one or more of the following criteria:

New Business (New Business Premium or New Business Coverage Groupings) with effective dates between 7/1/2020 through 12/15/2020 (the “Qualification Period”)<sup>6</sup>

How it Works	Compensation Amount <sup>7</sup>
New Business Recognition Qualification	\$250,000 to \$749,999 of New Business Premium <b>AND</b> 20 New Business Coverage Groupings \$ 10,000
	\$750,000 to \$1,449,999 of New Business Premium <b>AND</b> 10 New Business Coverage Groupings \$ 20,000
	\$1,500,000 to \$2,999,999 of New Business Premiums <b>AND</b> 5 New Business Coverage Groupings \$ 30,000
	\$3,000,000 or more of New Business Premium \$ 50,000

- By accepting any payment under the 2020 New Business Recognition Compensation Plan, the Broker attests that it is an independent contractor (as such term is defined in Treasury Regulation Section 1.409A-1(f)(2)) with respect to MetLife, and acknowledges that it is solely responsible for payment of all taxes related to any payment from the 2020 New Business Recognition Compensation Plan. The Broker also releases (to the extent permitted by law) MetLife from any and all responsibility for payment of any and all taxes related to any payment from the 2020 New Business Recognition Compensation Plan, including, if applicable, any interest or penalties that may be imposed under statutes, regulations, orders, or rulings governing the taxation of deferred compensation, including but not limited to Section 409A of the Internal Revenue Code.
- For purposes of determining inforce premium is determined as of October 1, 2019, including New Business Premium with effective dates on or before October 1, 2019. MetLife may, however, in its sole discretion determine annualized inforce premium at the end of the Qualification Period for certain brokers based on changes in inforce premium during the 2020 calendar year.
- MetLife may in its discretion aggregate affiliated Tax ID's for qualification while applying payment to the individual Tax ID's, if requested to do so by the broker. A request to aggregate must be submitted no later than October 1, 2019. After this date, MetLife may in its discretion consider requests to aggregate Tax ID's if a merger or acquisition occurs among firms before September 30, 2020, or under other circumstances that MetLife deems appropriate due to activity that occurred during the 2020 calendar year.
- If the Broker of Record is merged with another broker, or otherwise legally consolidates multiple Tax IDs, and submits both written notice of the transaction and a broker change request to MetLife by October 1, 2020, MetLife will combine the inforce premium as of October 1, 2019 to redetermine qualification. If notice of the transaction and broker change request is submitted after October 1, 2020, but no later than December 1, 2020, the qualification tier for the consolidated entity will be that of the acquiring broker prior to the transaction.
- If two or more firms merge prior to the qualification period and this results in an increase of 50% or more of the acquiring firm's inforce block of business with MetLife, MetLife reserves the right to remove the combined firms from the 2020 New Business Recognition program.
- Coverages sold during the Qualification Period must continue to be inforce through the remainder of the 2020 calendar year.
- Compensation amounts shown are not cumulative. For example, a broker who has \$1,000,000 of New Business Premium and 20 NewBusiness Coverage Groupings can only qualify for \$20,000 in compensation.

# Eligible group products and services

There are a number of different group products and services marketed by MetLife for which a broker is eligible to earn New Business Recognition Compensation. For qualification and payment purposes, coverages must have a minimum of two eligible lives. The products and services fall into the following New Business Coverage Groupings:

## Core Products

### New Business Coverage Grouping 1

- Basic Life, Core Life, Dependent Life, Accidental Death & Dismemberment (“AD&D”) both personal and dependent

### New Business Coverage Grouping 2

- Optional Group Term (Supplemental Life), Voluntary AD&D both personal and dependent, Optional Life/AD&D, Buy-Up Life, Buy-Up AD&D, Survivor Income Benefit

### New Business Coverage Grouping 3

- Group Universal Life – cost of insurance only

### New Business Coverage Grouping 4

- Group Variable Universal Life – cost of insurance only†

### New Business Coverage Grouping 5

- Dental benefits products\*

### New Business Coverage Grouping 6

- Short Term Disability (“STD”)\*, Voluntary STD, Mandated State Disability Plans

### New Business Coverage Grouping 7

- Long Term Disability (“LTD”)\*, Voluntary LTD

### New Business Coverage Grouping 8

- Vision<sup>8</sup>

## Voluntary Products

### New Business Coverage Grouping 9

- Hospital Indemnity Insurance, Accident Insurance, Cancer Insurance, Critical Illness, Worksite STD, MetLife Legal Plans<sup>9</sup>

† Only a registered broker-dealer may receive qualification credit and New Business Compensation for the sale of Group Variable Universal Life

\* Administrative Services Only (“ASO”) business may be included only in New Business Coverage Groupings 5, 6 and 7.

## Excluded Coverages and Products

The following coverages are excluded from the New Business Recognition Compensation Plan:

Texas Life Whole Life<sup>10</sup>

In addition to Texas Life Whole Life coverages, any products or services not specifically included in the above section are excluded from the New Business Recognition Compensation Plan, and therefore will not be counted for qualification purposes, nor will a broker receive New Business Recognition Compensation on the premium or fees relating to those products. Products or services sold to customers whose situs is outside the United States and its territories are excluded.

8. Safeguard Vision cases are excluded from New Business Recognition Compensation for qualification and payment.

9. MetLife Legal Plans is excluded for qualification and payment for customers with less than 100 employees.

10. Texas Life Whole Life Insurance is available through your MetLife representative and is underwritten by Texas Life Insurance Company, 900 Washington Ave, Waco, Texas. Texas Life is not affiliated with Metropolitan Life Insurance Company or its affiliates.

# Guidelines

## General Program Guidelines

### Amendments

The terms and conditions set forth in this brochure govern the New Business Recognition Compensation Plan. MetLife reserves the right to change the terms of the New Business Recognition Compensation Plan and discontinue the sale of any product. There will be no changes to the New Business Recognition Compensation Plan unless set forth in a writing signed by an Executive Vice President. Changes to the New Business Compensation Plan will be posted on [www.metlife.com/brokercompensation](http://www.metlife.com/brokercompensation).

### Contacting MetLife

Your Account Executive is available to answer any questions. Brokers may also contact the dedicated Broker Service Center at the number below.

When contacting MetLife by e-mail, please state the topic of your request in the subject line and include pertinent details in the body of the message. Information needed to respond to your request may include the broker's name, address, e-mail address, phone number, broker number, customer name and coverages.

**Phone:** (866) 796-1800; select option #5

**E-mail:** [ins\\_compensation\\_inquiries@metlife.com](mailto:ins_compensation_inquiries@metlife.com)

**Mail to:** MetLife  
P.O. Box 30160  
Tampa, FL 33630

### Disclosure

MetLife reserves the right to notify its customers of a broker's eligibility to receive compensation under the New Business Recognition Compensation Plan and the amount of any payment made or to be made, and to obtain written customer authorization prior to making any payment. Certain customer and prospect communications will include a compensation notice explaining to customers and prospects how brokers are compensated. MetLife will send to all group insurance customers an annual statement indicating all compensation paid to the customer's Broker of Record in the prior year. Working with MetLife, you can be assured of its commitment to disclosure of information about its compensation plans to customers and potential customers.

### Important dates

#### Qualification Period

New business with effective dates between July 1, 2020 and December 15, 2020.<sup>6</sup>

#### Customer Authorization Form

Must be completed, and received by MetLife by February 1, 2021 – to be counted for qualification.

If it is received by MetLife after February 1, 2021 – will apply to payment only, unless otherwise determined at MetLife's discretion. Payment cannot be made until receipt of signed Customer Authorization Form.

#### Notification of Qualification

Estimate of qualification – intended to be mailed in December 2020 to brokers qualifying for the New Business Recognition Compensation Plan.

Broker book of business corrections – due to MetLife by January 15, 2021.

Official notification of qualification – mailed in February 2021 to brokers qualifying for the 2020 New Business Recognition Compensation Plan.

#### Payment and Timing

All New Business Recognition Compensation payments will be made by March 15, 2021.

MetLife reserves the right to adjust the timing of all New Business Recognition Compensation payments.

### Licensing and appointment

In order to be eligible for qualification and payment under the New Business Recognition Plan, the broker must be appropriately licensed and appointed and comply with all applicable laws and regulations, including without limitation, those that apply to disclosure of compensation.

### Pricing

The cost of the New Business Recognition Compensation Plan is not directly charged to the price of our products except as an allocation of overhead expense, which is applied to all eligible group insurance products, whether or not the New Business Recognition Compensation Plan is paid in relation to a particular sale or renewal.

# Guidelines (continued)

## Qualification Guidelines

### ASO/Participating (“PAR”)

For ASO and PAR customers/coverages, MetLife will apply the full ASO fee or the PAR premium amount towards qualification.

### Broker of Record

The Broker of Record on the effective date of the qualifying new business sold during the Qualification Period<sup>6</sup> will receive qualification credit for annualized New Business Premium and New Business Coverage Grouping count; there is no prorating of the qualification credit. A customer’s coverage must be in force at the end of the Qualification Period<sup>6</sup> in order to be counted towards qualification for New Business.

### Brokers Splitting/Deal %

If two or more brokers split base compensation, the New Business Premium will be apportioned. This apportionment will be the same as the base compensation apportionment.<sup>11</sup>

### New Business Coverage Grouping Count

New Business Coverage Grouping counts are determined at the customer number level. For a given customer number, a broker will receive a single New Business Coverage Grouping count for each new New Business Coverage Grouping.

### Opting Out

All premium on qualifying business is counted for qualification purposes. However, if a customer chooses to Opt-out of the New Business Recognition Compensation Plan, no New Business Recognition Compensation will be paid in relation to that customer’s premium.

## Payment Guidelines

### Advances

No New Business Recognition Compensation payments shall be made in advance of when they are due under the New Business Recognition Compensation Plan.

### ASO / PAR Customers

ASO fees and PAR premium are reduced to 25% of the actual ASO fees and PAR premium prior to applying the applicable New Business Recognition Compensation percentage.

### Brokers Splitting/Deal %

Received and Earned Premium shall follow the apportionment designated on the brokers’ commission agreement.<sup>11</sup>

### Broker of Record

New Business Recognition Compensation shall be earned by the Broker of Record only so long as the premium is deemed to be Received and Earned Premium, and provided MetLife and the customers continue to recognize the broker as the Broker of Record for the Bill Date during the Qualification Period.<sup>6</sup>

### Customer Authorization

MetLife reserves the right to obtain written customer authorization before making any New Business Recognition Compensation payment.

### Overpayments

The broker shall immediately return any overpayment of New Business Recognition Compensation. Any New Business Recognition Compensation paid to a broker that is not earned by the broker shall be immediately returned and MetLife reserves the right to offset any funds payable by a broker against any funds payable to the broker. By cashing any check or otherwise accepting any payment, including any New Business Recognition Compensation payment, the broker thereby agrees that MetLife may offset any funds payable to the broker in order to recover an overpayment or any other funds payable by the broker.

### Primary Payee

In instances where multiple payee codes exist for a single Tax ID, MetLife will require a duly authorized representative of the broker to designate in writing a primary payee. When a primary payee is designated, it will remain in effect until MetLife receives and approves a written change request.

11. MetLife may in its discretion allow the apportionment of the New Business Recognition Compensation to be different than the apportionment of base compensation, if requested to do so by the broker.

# Definitions

In addition to the defined terms below, some terms may be defined where they first appear in this brochure.

1. **“Annualized Billed Premium”** – the last billed premium earned and received in good order at the end of the Qualification Period<sup>6</sup> is then used to calculate an annual premium amount.
2. **“Bill Date”** – Billing due date for the premium of the customer.
3. **“Broker of Record”** – the broker recognized, by both the customer and MetLife, to service the customer’s eligible group insurance coverage.
4. **“New Business Coverage Grouping”** – one or more coverages or group products or services marketed by MetLife that are eligible for qualification and payment under the New Business Recognition Compensation Plan.
5. **“Division Number” and “Experience Number”** – terms used internally. A Division Number or Experience Number may be used to identify sub-groups within a customer. For example, a customer may choose to have one sub-group of its employees covered for basic life insurance benefits under one Experience Number and another sub-group of its employees covered for basic life insurance benefits under a different Experience Number. MetLife reserves the right to determine in its sole discretion whether to permit multiple Division Numbers or Experience Numbers under one customer.
6. **“Inforce Premium”** – the Annualized Billed Premium for customers whose group coverages are in force as of the calculation date, but excluding coverage(s) effective on or after January 1, 2020 unless otherwise noted. For purposes of determining Inforce Premium, MetLife includes all customers of the Broker, including customers with Zero Commission Coverages and Opt-out customer.
7. **“New Business Premium”** – New Business Premium is Annualized Billed Premium for new coverages with an effective date during the Qualification Period.<sup>6</sup>
8. **“Opt-out”** – the act of electing to exclude a broker’s Tax ID, customer, Division Number, Experience Number and/or New Business Coverage Grouping from participating in the New Business Recognition Compensation Plan. This can be accomplished by contacting the Broker Service Center.
9. **“Received and Earned Premium”** – the premium paid by a customer and allocated by MetLife to loss experience, expense and profit for the customer’s case, and used to calculate base compensation.
10. **“Tax ID”** – an individual’s social security number or a firm’s taxpayer identification number.
11. **“Zero Commission Coverage”** – group coverage where the Broker of Record is not receiving base compensation, whether or not MetLife or the customer pays any amount to that broker. Both the broker and customer must sign the Customer Authorization Form to include a Zero Commission Coverage in the New Business Recognition Compensation Plan for purposes of determining eligibility and New Business Recognition Compensation payable. Once a Customer Authorization Form is completed and submitted for the 2020 New Business Recognition Compensation Plan, it will remain in effect for subsequent New Business Recognition and other additional compensation plans unless a customer notifies MetLife in writing of its intention to terminate the authorization.

# Customer Authorization Form

MetLife requires customer consent by means of the Customer Authorization Form in order to include a Zero Commission Coverage for qualification and/or payment purposes. New Business Recognition Compensation will only be paid on Zero Commission Coverages with an effective date on or after January 1, 2010, provided a Customer Authorization Form is received by December 31, 2020, and the broker is recognized as the Broker of Record as of the effective date of the coverage.

MetLife will accept a Customer Authorization Form (and pay new Business Recognition compensation) for coverages with effective dates before January 1, 2010 under the following conditions:

1. A new Supplemental Compensation eligible group product for qualification (as defined on page 8) is added; or
2. A MetLife Auto and Home product is added; or
3. A qualifying re-enrollment campaign<sup>12</sup> for existing coverages is implemented; or
4. A customer converts from ASO to non-participating Dental, STD or LTD insurance.

For previously excluded coverages (as described above) where no base commission had been payable or that had a base commission change, a signed Customer Authorization Form is required in order to be eligible for payment and qualification under the New Business Recognition compensation.

Both the broker and customer must sign the Customer Authorization Form. MetLife reserves the right to exclude from its New Business Recognition Compensation Plans any business where a broker may have represented that broker compensation paid under their New Business Recognition Compensation Plans with respect to a customer's coverage will reduce the price or premium rates with respect to the customer's coverage.

If a customer submits a Customer Authorization Form for the 2020 New Business Recognition Compensation Plan, it will remain in effect for current or subsequent supplemental compensation plans, beginning with 2020 Supplemental Compensation, unless the customer notifies, in writing, of its intention to terminate authorization. In addition, if a Customer

Authorization Form has been received for the 2010 – 2020 Supplemental Compensation Plans, unless the customer notifies MetLife, in writing, of its intention to terminate the authorization. Annual notices may be provided to customers who have submitted the Customer Authorization Form describing changes to its supplemental compensation plan from the prior year.

The customer may terminate the authorization at any time. Termination of the authorization will take effect within thirty (30) days after notification is received and no payments in relation to that customer's premium will be made thereafter under any supplemental compensation plan.

The Customer Authorization Form must be completed and submitted via U.S. Mail, overnight delivery service, fax, or e-mail to one of the following contact points below by February 1, 2021

**E-mail:** [ins\\_compensation\\_inquiries@metlife.com](mailto:ins_compensation_inquiries@metlife.com)

**Mail to:** MetLife  
P.O. Box 30160  
Tampa, FL 33630

In MetLife's discretion, New Business Recognition Compensation earned only under the 2020 New Business Recognition Compensation Plan may qualify and be paid retroactively by MetLife by March 15, 2021, after the date of receipt of the Customer Authorization Form. The Customer Authorization Form will not be considered received until it is received at one of the contact points listed above. If the form is submitted to another area (for example, a sales office), the form will not be considered received until it is received at one of the contact points listed above, and the business may not be counted for New Business Recognition Compensation purposes. Any Customer Authorization Forms received at one of the contact points listed above after February 1, 2021 will apply to payment only and will not count towards the broker's qualification for the 2020 New Business Recognition Compensation Plan. In addition to using the Customer Authorization Form in this brochure, you can photocopy the form, or download a PDF version of the form at **[www.metlife.com/business-and-brokers/broker-resources/broker-compensation](http://www.metlife.com/business-and-brokers/broker-resources/broker-compensation)**.

12. Your MetLife Account Executive can provide you with specific details around qualifying re-enrollment campaigns.

# Customer Authorization Form



## Important Information for MetLife Customers:

MetLife requires that this form be completed when a customer obtains MetLife group insurance products through a licensed and appointed insurance intermediary, such as a broker or consultant ("Broker") and MetLife is not paying the Broker base compensation in connection with the customer's coverages, but the customer wishes to permit MetLife to include each of the customer's MetLife coverages for determining the Broker's eligibility for payment of New Business Recognition compensation pursuant to the 2020 New Business Recognition Compensation Plan (or other MetLife supplemental compensation plans ("Compensation")). If a customer submits a Customer Authorization Form for a current Compensation plan, the authorization will remain in effect for future Compensation plans, unless the customer advises MetLife in writing that such authorization is terminated. MetLife may provide to each customer who submits this form an annual notice describing any changes to its Compensation plan from a prior year. MetLife will only accept this form in relation to a coverage that has an effective date on or after January 1, 2010, and in relation to a Broker recognized as Broker of Record by MetLife as of the effective date of such coverage. A customer's signature on this form will permit MetLife to include each of the customer's MetLife coverages, for determining the Broker's eligibility for payment of Compensation with respect to current and future Compensation plans, beginning with the 2020 Supplemental Compensation Plan.

MetLife will accept a Customer Authorization Form (and pay Compensation) for coverages with effective dates before January 1, 2010 under the following conditions:

1. A new Supplemental Compensation eligible group product for qualification is added; or
2. A MetLife Auto and Home product is added; or
3. A qualifying re-enrollment campaign for existing coverages is implemented; or
4. A customer converts from ASO to non-participating Dental, STD or LTD insurance.

For previously excluded coverages (as described above) where no base commission had been payable or that had a base commission change, a signed Customer Authorization Form is required in order to be eligible for payment and qualification under any of the Compensation plans.

Sections I and II of this form **MUST** be completed in their entirety and received by MetLife by **February 1, 2021** at one of the contact points listed below. In MetLife's discretion, Supplemental Compensation earned only under the 2020 New Business Recognition Compensation Plan may qualify and be paid retroactively by MetLife by March 15, 2021, after the date of receipt of the Customer Authorization Form. Any Customer Authorization Forms received by MetLife at one of the contact points listed below after **February 1, 2021** will apply to payment only.

**SECTION I** must be completed and signed by the **broker**. **SECTION II** must be completed and signed by the **customer**.

Broker Information (To be completed by Broker)	<b>SECTION I</b>
	Printed name and Tax I.D. of broker: _____
	Address: _____
	Broker code: _____
	Name and Tax I.D. of individual writing agent: _____
	Effective date of coverage: _____ Contact phone number: _____
	E-mail address: _____
<b>Signature of broker or of a duly authorized representative of broker, if broker is a firm:</b> _____ Date: _____	

Customer Information (To be completed by customer)	<b>SECTION II (Initial where applicable)</b>								
	On behalf of the MetLife customer identified below, I authorize MetLife to include each MetLife coverages identified below for the purposes of determining the Broker's eligibility for, and payment of, Compensation, subject to Section 1, with respect to one or more of the Compensation plans and any future MetLife compensation plans. I have had the opportunity to review MetLife's New Business Recognition Compensation Plan brochures. I understand that my Broker may receive a payment under one or more of the Compensation plans and future compensation plans for the insurance coverages listed below that are being placed with MetLife. I understand that this form also confirms my intention for MetLife to consider the above broker to be my Broker of Record.								
	<table border="1"><thead><tr><th>MetLife coverages</th><th>MetLife customer name and number</th><th>MetLife division or experience number <input type="checkbox"/> Check if all is applicable</th></tr></thead><tbody><tr><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td><td>_____</td></tr></tbody></table>	MetLife coverages	MetLife customer name and number	MetLife division or experience number <input type="checkbox"/> Check if all is applicable	_____	_____	_____	_____	_____
MetLife coverages	MetLife customer name and number	MetLife division or experience number <input type="checkbox"/> Check if all is applicable							
_____	_____	_____							
_____	_____	_____							

## Authorization of MetLife Customer

By signing below, I certify that I am duly authorized by the company identified below to execute this document and to authorize MetLife to include the MetLife insurance coverages identified above in the calculation of MetLife's 2020 New Business Recognition Compensation plan payments as well as payments pursuant to any subsequent Compensation plans. This authorization will permit MetLife to include each of the customer's coverages for determining the Broker's eligibility for payment of Compensation, pursuant to current and future Compensation plans, beginning with the 2020 New Business Recognition Compensation Plans. In addition, I represent that the broker identified above has not solicited my signature on this form by suggesting that any Compensation will reduce the pricing and/or premium payments for any MetLife coverage listed above.

Customer's company name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Return by Mail to:** MetLife, P.O. Box 30160, Tampa, FL 33630 or **E-mail to:** [INS\\_Compensation\\_Inquiries@metlife.com](mailto:INS_Compensation_Inquiries@metlife.com). You can download a PDF version of the Compensation brochures and the Customer Authorization Form at [www.metlife.com/business-and-brokers/broker-resources/broker-compensation](http://www.metlife.com/business-and-brokers/broker-resources/broker-compensation).



[metlife.com](https://www.metlife.com)



Metropolitan Life Insurance Company | 200 Park Avenue | New York, NY 10166

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