

## Growing Together with Canada Life bonus Q&A

### What is the promotion?

Advisors can receive an additional 25% bonus on life and living benefits insurance and segregated fund sales placed between Oct. 1, 2022 and March 31, 2023.

### Qualifications:

- Advisors individually must make a minimum total growth of \$10,000 in net-adjusted first year commission (NAFYC) over their NAFYC for the period Oct. 1, 2021 to March 31, 2022.
- After you've achieved a minimum total growth of \$10,000 in NAFYC, the \$10,000 and subsequent sales will receive an additional 25% growth override bonus to a maximum of \$10,000.
- Net "adjusted" first year commission (NAFYC) = new life insurance, disability insurance, critical illness insurance count at full FYC value; Segregated funds FYC is adjusted to count based on 0.833% of deposits.
- All NAFYC in the qualification period counts regardless of when the business was written including chargebacks.

### Additional criteria

- Must have an active producer code at the time the bonus is paid following close of the qualification period ending March 31, 2023.
- Must be in good standing when the bonus is paid
- Advisors with a negative total NAFYC results for the prior period of Oct. 1, 2021 to March 31, 2022, will be reset to a zero-dollar baseline before adding the growth target for this promotion.
- Canada Life reserves the right to deny qualification. For example: If an advisor has placed a case that has failed to remain in force at the time of the bonus calculation.

### What are some examples of the 25% bonus on growth over benchmark?

Advisor	Benchmark NAFYC Oct. 2021 – March 2022	NAFYC Oct. 2022 – March 2023	Growth	Bonus
A	\$2,500	\$12,500	\$10,000	\$2,500
B	\$10,000	\$50,000	\$40,000	\$10,000
C	\$0	\$40,000	\$40,000	\$10,000 (max payout)
D	\$1,000,000	\$750,000	-\$250,000	\$0

### How is growth over benchmark calculated when an advisor had a negative sales result in 2021?

Advisor	Benchmark period NAFYC	Promo period NAFYC	Growth	Projected bonus
A	-\$5,000	\$10,000	\$10,000 (\$10,000 - \$0)	\$2,500
B	-\$10,000	\$0	\$0	\$0

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**What products qualify?**

Any combination of life and living benefits insurance and segregated fund sales.

Qualifying individual insurance products includes:

**Life insurance**

- Term life
- Participating life
- Universal life

**Living benefits**

- Disability insurance
- Critical illness insurance

**Wealth**

- All segregated fund policies.

**What types of transactions are included?**

Eligible transactions generating NAFYC include: new business/deposits, conversions, and changes to coverage that result in a new coverage being issued.

**What types of transactions are excluded?**

Excludes group conversion products, individual health products, wealth GIO, annuities and mutual funds.

**What happens if I split my sale with another advisor? (sales count, NAFYC, bonus impacts)**

When you request a commission split on a sale (for eligible products) – this same split applies for all calculations related to the bonus.

Example – if you split one sale 50/50 – you would receive 50% credit for the NAFYC and once you qualify for the bonus, the 50% would be included in the bonus calculation.

**When is the growth bonus being paid?**

The bonus will be paid after the qualification period ends. Payment will be processed based on how commissions and bonuses are normally paid.

Any bonus inquiries or challenges must be received within 30 days after the bonus is paid.

**Can bonus payments be clawed back?**

If a policy or coverage that contributes to an advisor's qualifying bonus incurs a commission chargeback on or before the first policy anniversary, we will deduct the qualifying bonus for that policy/coverage from the advisor's next pay.

We reserve the right to claw back a bonus payment if we detect abusive behavior.

### **Where do I find out how I am doing? Will I qualify soon?**

**All advisor business is being amalgamated for the purpose of this promotion.** You'll be provided your benchmark by mid-October and monthly progress data will start late November.

### **How will a policy lapse be treated (NAFYC calculations)?**

Lapses may impact NAFYC, depending on when the policy was issued. Lapses may therefore influence whether an advisor qualifies and/or the amount they qualify to receive.

### **Compliance: the right way to conduct business**

*Remember, your primary obligation is to advise clients in their best interest. This bonus shouldn't in anyway influence you to promote or sell a product that doesn't meet the specific needs of your clients. To be eligible for the rewards of this bonus you must have a compliant practice.*

When you're compliant, you protect yourself and your clients and you strengthen the value of your practice. Compliance is mandated. It's the right way to conduct business, and it's how we conduct business.

There are consequences for insurance non-compliance infractions. If you have serious open or unresolved compliance issues, you may face:

- Monthly supervision costs
- Disqualification from recognition and rewards programs or conferences

Examples of advisors who aren't eligible for rewards or conferences because they're not in good standing due to non-compliance include:

- Advisors who have failed an Insurance Sales Compliance re-assessment and who have open compliance gaps (Stage 2 or 3)
- Advisors under close supervision or monitoring imposed by a regulator; advisors who are under investigation by Canada Life. (Note: this excludes advisors who are under supervision related to bankruptcies, garnishments or requirements to pay.)

If you have questions or concerns about compliance, contact your field leader or regional compliance consultant.