

## **Accordia Life**

### **Internal Replacement Guidelines**

#### **Effective: September 2014**

#### **For permanent life insurance, any fixed life policy (WL, UL, EIUL) exchanged within Accordia Life**

- If the policy being exchanged is at least 10 years old, full first-year commission will be paid on the newly issued policy.
- If the policy being replaced is less than 10 years old, and the face amount of the new policy is greater than the old policy, target premium on the new policy will receive a new first year commission (FYC) calculated on an adjusted basis.
  - Adjusted FYC rate = standard FYC x (new face - old face)/new face
- If the policy being replaced is less than 10 years old, and the face amount of the new policy is less than or equal to the old policy, there will be no commission paid in the first policy year. This includes first-year commissions on target and excess premiums.

#### **For any term policy exchanged for a term policy within Accordia Life**

- Full first-year commission will be paid on new policies issued as a result of a term policy exchange so long as the term policy has been in force at least 5 years.
- For term policies replaced within the first 5 policy years:
  - o Full commissions will be paid only on amounts in excess of the prior face amount.
  - o 10-Year term exchanged for a longer term (e.g., 15 or 20 years) is considered an exchange.
  - o Commissions will be paid only on amounts in excess of the prior face amount, regardless of the premium increase.

#### **Surrender Charges/Underwriting**

- Surrender charges, policy loads and fees will apply to the existing values exchanged into the new policy.
- As is our current practice, normal underwriting requirements will apply to the new policy.

#### **Production Qualification**

- Compensation payable as described above on internal exchanges will be used to determine contract levels and any contest or convention qualification for which you may be eligible.

#### **Internal Replacement**

- Replacement of policies issued by Accordia, Athene, and any affiliate of Global Atlantic are considered an internal replacement to which these guidelines will apply.
- For the purpose of determining compensation, a replacement of a term policy with a permanent policy through the election of the term conversion provision is not considered an internal replacement.

#### **Exceptions**

- No first-year commissions will be paid on an Executive VIP (or within