2003

Producer Compensation and Incentive Plans for Life, Disability and Long Term Care

Aetna™

Health ▪ Dental ▪ Life ▪ Disability ▪ Long Term Care

www.aetna.com ▪ www.intelihealth.com

We enhanced our compensation program for all product lines!

Reaching our growth goals in Aetna Group Insurance depends on building lasting, productive relationships with our valued producers, and a competitively strong compensation program is a key component in this alliance. Compensation is based on premium, with additional bonuses available based on the number of Lines of Coverage sold. We added a new Cross-Sell Bonus and made it easier than ever to become a Key Producer and qualify for additional incentives.

Our compensation program has four components:

1 Base Commission Scale *(All Producers)*

The Base Commission scale is competitive in the marketplace and starts at 15% of premium, top of scale. The scale is applied to premium for each coverage separately – rather than the aggregate – to make payouts richer. The Life and Disability scale does not decrease in renewal years.

2 Cross-Sell Bonus *(All Producers)*

Aetna offers a full selection of group benefits, and the Cross-Sell Bonus acknowledges the producer's commitment to us. New Life, AD&D, Short Term Disability (STD) and Long Term Disability (LTD) accounts sold to a new or existing medical or dental account with 50+ employees will be eligible for a one-time bonus of 1% – 2% of premium.

3 New Business Incentive *(Key Producers)*

When you place new business with Aetna, you can earn an extra 3% to 6% of premium, depending on the number of Lines of Coverage sold. A maximum applies per coverage. With a 15% graded base scale, and the potential to earn up to another 6% for new business, a producer can earn compensation of 21% of paid premium.

4 Retention Incentive *(Key Producers)*

Our retention program pays an additional bonus of 1% to 3% *of base commission* to boost income further. The calculation is based on persistency percentage and the number of in-force Lines of Coverage. By placing and renewing more lines of coverage with Aetna, producers stand to make more money.

It is not difficult to qualify as a Key Producer. Just sell three or more insured Group Insurance Lines of Coverage with 2003 effective dates. All lines count, except AD&D and Dependent's Life. Once you qualify as a Key Producer, Aetna rewards you in 2003 for new business and in 2004 for persistency of the block. There is no need to re-qualify in the second year.

Base Commissions
+ Cross-Sell Bonus
+ New Business Incentive
+ Retention Incentive
= Impressive Total Compensation!

Contact your Aetna representative for further details!

Sales and Servicing Commission Scales

Base Commission

Life, AD&D, STD, LTD

Annual Premium	Percent of Premium
Of the first $15,000	15.0%
Of the next $10,000	10.0%
Of the next $25,000	5.0%
Of the next $100,000	1.0%
Above $150,000	0.5%

*(10% in Indiana)

Long Term Care

Year	Percent of Premium
1	15%*
2+	5%

Cross-Sell Bonus

Cross-sold Coverages	Additional Bonus (% of Premium)	Maximum
1	1%	$10,000
2	1.5%	$15,000
3+	2%	$20,000

Special Incentives for Key Producers

New Business Incentive Program

Coverages Sold	Percentage of Premium	Maximum Payment Per coverage
3 - 5	3%	$1,500
6 - 7	4%	$3,000
8 - 10	5%	$4,500
11+	6%	$7,500

Retention Incentive Program

	Number of Group Insurance coverages on Dec. 31, 2003			
Persistency Percent	Less than 10	10 – 19	20 – 29	30 or More
90 – 94.99%	5.0%	10.0%	15.0%	20.0%
95% or greater	15.0%	20.0%	25.0%	30.0%

2003 – IMPORTANT PROGRAM DETAILS

Cross-Sell Bonus

New Life, AD&D, Short Term Disability (STD), and Long Term Disability (LTD) accounts sold to a new or existing medical or dental account will be eligible for a one-time bonus of 1% – 2% of premium, depending on the number of coverages sold. The bonus will be paid in a lump sum based on first-year estimated premium.

How do you become a Group Insurance Key Producer?

Sell three or more insured Group Insurance coverages with 2003 effective dates.

What coverages apply to the Key Producer Program?

Basic Life, Group Universal Life, Supplemental Life, Short Term Disability, Long Term Disability and Long Term Care products. Excludes Dependent life and AD&D.

Retention Incentive Bonus

The Retention Incentive Bonus is calculated by applying the incentive percentage to the total base commission payment made to the Key Producer during calendar year 2004 on all insured coverages active on December 31, 2003. The retention percent is based on the December 31, 2004, retention of insured coverages active on December 31, 2003, and is payable in 2005.

Definitions and Rules

- In-force coverage is defined as a Group Insurance line of coverage on which the producer is named as the Producer of Record as of Dec. 31, 2003.
- Sales credit for Key Producer qualification is defined as the addition of a Group Insurance line of coverage effective for 2003 which was not in effect with Aetna on Dec. 31, 2002.
- Individual offices of national brokerage firms must qualify based on each office's own sales.
- Incentive compensation payments will not be charged to the policyholder, but must be disclosed with the policy year accounting, if required by state or federal law.

No credit applies to:

- Products converting within a line of coverage.
- Products converting from ASC to insured.
- An existing group insurance line of coverage which subsequently designates a producer as Producer of Record after the original effective date of coverage.

This program is subject to regulatory approval. For specific rules and more information about the Life, Disability and Long Term Care Schedules, New Business Incentive Plan or Persistency Incentive Plan, contact your Aetna sales representative. Aetna reserves the right to apply these programs and make determinations of eligibility amounts at its sole discretion. All determinations are final.

Aetna™

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