



Agent Incentive Programs

Vancouver | April 12-17, 2025

Agent Incentive Programs

The Agent Incentive Programs is for the personally producing individual, herein referred to as "Agents."

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Agent Defined

An individual producer that is the original Agent of Record on the policy, aka, the writing Agent. An Agent may be an Agent appointed direct and paid by the Company, a General Agent residing in an Agency or sub-Agency's downline that is paid directly by the Company, a Licensed Only Agent (LOA) that resides in and is writing for an individual, an Agency or a sub-Agency's downline and a Single LOA Agency, whose Agent is the Principal and sole writing Agent for the Agency.

Med Supp Agent Bonus

Effective

January 1, 2024 (subject to quarterly review)

Bonus Period – When

Calendar month; each production month stands on its own.

Bonus Eligibility – Who

The original writing Agent and Agent of Record on the policy – Agents, General Agents, Licensed Only Agents (LOAs) and Single LOA Agencies.

Eligible Production – What

- Individual's personal Med Supp production only; the individual's downline sales do not count
- Medicare Supplement issued sales only
- Medicare Supplement business exclusions: High Deductible, Internal Replacements, Guarantee Issue (including Birthday and Anniversary Rule) and Underage sales
- Sales are net issued

Monthly Minimum – 5 Med Supp Eligible Sales

Agents earn a bonus based on their prior month's production after meeting the minimum of 5 Med Supp eligible issues sales. There is no limit on the number of sales to earn a bonus. Split app percentages are summed for a total. No rounding.

Bonus – Per Med Supp Eligible Sale (after meeting the minimum)

- \$200 for every Underwritten Med Supp policy sold
_____ AND _____
- \$50 for every Open Enrollment Med Supp policy sold

Bonus Paid – When and How

Bonuses are payable the month following the production month on the commission statement and directly deposited to the Agent's bank account.





The Land of Awe awaits

Follow the road to Sales Leaders 2025 and celebrate your achievements in Vancouver, one of the most beautiful cosmopolitan cities in the world. This awe-inspiring coastal gem is a gateway to the best of all worlds, beckoning you with its breathtaking mountain and ocean views, vibrant city life and exhilarating outdoor adventures.

Your journey is marked by the important work you do throughout the year as a representative of the Physicians Mutual family. Through your expertise, hard work and dedication, you empower Americans across the country to make confident insurance decisions – so they can enjoy the future they deserve.

Along the way, you can count on Physicians Mutual to be by your side, supporting you with the tools and in-demand products you need to achieve your goals.

For all you do to serve our customers ... for all you accomplish throughout the year, you deserve to be celebrated. See you in the Land of Awe in 2025.



Vancouver: A cosmopolitan oasis

Imagine a world where epic mountain views unfold in one direction, and expansive ocean vistas in another. Where playful seals frolic along the shoreline, and whales emerge from the ocean depths in a glistening display of colossal grace. Where glorious rainforests stand in stunning contrast to modern skyscrapers.

This is Vancouver, British Columbia. One of the most beautiful cities in the world. The Land of Awe, where you will spend your days celebrating your accomplishments at Sales Leaders 2025.

A dynamic urban landscape amid nature's grandeur

Nestled between the Coast Mountains to the north and the Pacific Ocean to the west, Canada's third largest city welcomes you with its rich tapestry of history and culture, its vibrant city life and culinary scene, and countless opportunities for outdoor adventures.

Experience all the city has to offer, including ...

- **Stanley Park:** Explore a 1,000-acre urban rainforest with miles of hiking trails, beautiful beaches, local wildlife, natural, cultural and historical landmarks, and restaurants with ocean views.
- **Stanley Park seawall:** Walk, run or bike along the 6.25-mile loop around the park for 360-degree views from the city.
- **Granville Island:** Head to one of the city's most important cultural districts with the Public Market, theaters, artisan workshops, craft studios and gourmet foods.
- **Capilano Suspension Bridge:** Enjoy the views from 230 feet above the Capilano River.
- **Gastown:** Spend a leisurely afternoon in this historic district with its quaint shops, art galleries, fine restaurants, world-famous steam clock, and 360-degree views from Vancouver Lookout.
- **Robson Street:** Make your way to this premier shopping area with popular eateries and a great café culture in the heart of downtown Vancouver.

There's so much more to do and explore. Learn more about your 2025 Sales Leaders destination at DestinationVancouver.com.

Immerse yourself in coastal splendor at Fairmont Waterfront Hotel

Luxury accommodations. Floor-to-ceiling windows. Spectacular harbor and mountain views. Heated rooftop pool. Exquisite, locally-sourced cuisine. It all awaits you at the beautifully appointed Fairmont Waterfront Hotel when you qualify for Sales Leaders 2025.

Get ready to experience one of the most luxurious hotels in Vancouver, with:

- unparalled views of the harbor, mountains and Stanley Park
- artisan cuisine made with locally sourced ingredients in the ARC Restaurant + Bar
- hot tub, steam room and 50-foot heated pool
- health club with 24-hour fitness center and guided runs for guests

And, with the city's stunning harbor and top attractions just beyond the doorstep, Fairmont Waterfront is the perfect starting point for your sightseeing adventures. It's a short walk to many local highlights, including:

- The harbor and passenger ferries
- Stanley Park and the seawall
- Gastown's trendy pubs, eateries and shops
- Robson Street shopping and dining
- SkyTrain station (rapid transit)

The best of the Pacific Northwest awaits you at Fairmont Waterfront and Sales Leaders 2025, where your experience is sure to be as memorable as the magnificent surroundings.

We look forward to celebrating you and your accomplishments in this beautiful Land of Awe.



Sales Leaders Qualifications

Agent/Producer

Qualifying Period: January 1 - December 31, 2024 (12 months)

| PSPs | MED SUPP ISSUED POLICIES | MINIMUM PERSISTENCY | TRIP OR CASH ELECTIONS |
|--------|--------------------------|---------------------|-----------------------------|
| 15,600 | 50 | 75% | Trip or \$4,000 cash |

Production and Eligibility

- All eligible product types; see the matrix for points crediting
- Points and sales are net issued
- Individual's personal production only; the individual's downline sales does not count
- Business exclusions: Internal Replacements and Medicare Supplement Guarantee Issue, Birthday and Anniversary Rule and Underage sales

New Agents – Prorated Qualifications

Agents with Performance Dates on or after January 1, 2024, have their qualifications prorated as follows:

| FIRST FULL MONTH UNDER CONTRACT | PSPs | MED SUPP ISSUED POLICIES |
|---------------------------------|--------|--------------------------|
| February, 2024 | 14,300 | 50 |
| March, 2024 | 13,000 | 50 |
| April, 2024 | 11,700 | 50 |
| May, 2024 | 10,400 | 50 |
| June, 2024 | 9,100 | 50 |
| July - December, 2024 | 7,800 | 50 |

Med Supp Century Club Members

Qualifiers who also achieve membership into the 2024 Med Supp Century Club earn a higher status when electing trip or cash: Trip w/extra night stay or \$4,500.

Agent Election Rules

Agents must elect trip or cash by October 31, 2024.

Product Awards

Annual product awards are given to the Agent who leads the Company in PSPs, January 1 – December 31, 2024.

Awards for the leading Agent by product category for the 12-month period include:

- Medicare Supplement
- Medicare Supplement Underwritten
- Dental
- Cancer
- Life

Disclaimer

Once qualified, attendance is by invitation for the Agent qualifier and his/her guest, 18 years of age or older. The Agent must be active and in good standing through the qualifying period and at the time of the program dates to earn the trip or cash. See the glossary for guest definition and good standing rules. This incentive program is under the approval of the Company's CEO and CMO; at their discretion, the program may be changed or canceled at any time prior to the program dates.

Sales-Based Points (DEFINED)

Production Sales Points (PSP)

The primary production measurement for Agent incentive and recognition programs is Production Sales Points (PSP). Agents earn points for every sale made. Production Sales Points are credited at the time a policy is issued/diposed in the Policy Administrative System. Points earned vary by product line and product kind.

Production Sales Points are net of policy not-takens. Internal Replacements and Medicare Supplement Guarantee Issue, Birthday and Anniversary Rule and Underage sales are excluded. Split application sales (%) are applied to the points earned per sale.

PRODUCTION SALES POINTS (PSP) POINT VALUES BY PRODUCT LINE AND PRODUCT KIND

| Production Sales Points (PSP) (Issued Policies) | | Production Sales Points (PSP) (Issued Policies) | |
|--|--------|--|--------|
| MED SUPP (PER SALE) | POINTS | CANCER (PER SALE) | POINTS |
| Open Enrollment | 100 | Individual App | 50 |
| Underwritten | 400 | Multi-Person App | 100 |
| Guarantee Issue | 0 | | |
| DENTAL (PER SALE) | POINTS | LIFE (PER SALE) | POINTS |
| Individual App | 50 | Term Life (Direct Agents only) | 100 |
| Multi-Person App | 100 | Juvenile (Direct Agents only) | 10 |
| Adding Spouse to Existing Policy | 50 | Guarantee Issue | 50 |





Agent Persistency

0-24 Month Agent Persistency

A rolling 24-month persistency is the primary measurement for quality business. Persistency is a policy count ratio of in-force policies to issued policies. Policies are measured from their effective date vs. disposed date. Policies persist if paid through their 24th month.

Persistency by Service (Reported quarterly)

Assumed persistency is used for Agents in their first full 12 months of service.

For Agents in their second year of service, the greater of their “actual” 0-24 month persistency or “assumed” persistency shall apply.

Upon completion of Agent’s second year of service, “actual” 0-24 month persistency shall apply.

Assumed Persistency

Assumed persistency for 2024 is 75%.

Leading Honoree Awards

Rookie Agent of the Year Honoree

President's Award

This award is named in honor of the current President and Chief Executive Officer, Robert A. Reed, Jr.

To be eligible for Rookie Agent of the Year, the Agent must have been contracted between January 1 and December 31, 2023. Agents who previously competed for the award are not eligible.

The leading Rookie Agent in Production Sales Points (PSP), as measured during his/her first full 12 months under contract, who also qualifies for Sales Leaders, earns the award.

The Rookie Agent of the Year Recipient Receives:

- Recognition as the top Rookie Agent on stage at Sales Leaders
- \$1,000 cash bonus

Senior Agent of the Year Honoree

Chairman's Award

The Chairman's Award is the highest award bestowed to an Agent. This award is presented to the Senior Agent of the Year in honor of Bob Reed, Director Emeritus.

All Agents are eligible, excluding those who are eligible for the Rookie Agent of the Year Award.

To earn the award, the Agent must be the leading PSP Agent in the Doctors Club, as measured during the calendar year 2024 (12 months) and qualify for Sales Leaders.

The Senior Agent of the Year Recipient Receives:

- Recognition as the top Senior Agent on stage at Sales Leaders
- \$1,000 cash bonus

Supportive Partner Honoree

Betsy Reed Award

The Supportive Partner award is named in honor and memory of Betsy Reed, wife and supportive partner of Bob Reed.

The Betsy Reed Supportive Partner award is given annually to the spouse, partner or close family member who greatly contributed to the Agent's professional achievements and personal growth during the prior year.

Secret Nomination and Who Nominates

The Supportive Partner award is by secret nomination, not shared with the Agent or the Agent's supportive partner. Sales Directors submit their nomination to their National Sales Director by the nomination deadline.

Chosen Nominees and Surprise Recipient

The eligible and chosen nominee (by special committee) is the supportive spouse, partner or close family member attending Sales Leaders with his/her Agent qualifier. The Supportive Partner recipient will be revealed and recognized on stage at the Sales Leaders.

THE Club

Club Milestones

THE Club Milestones of Achievement by Member "Class" Year:

- Four Consecutive Years – Member
- 10 Qualifying Years – Senior Member
- 15 Qualifying Years – Lifetime Member
- 20 Qualifying Years – Senior Lifetime Member
- 25 Qualifying Years – Diamond Member
- 30 Qualifying Years – Lifetime Diamond Member
- 35+ Qualifying Years – Senior Lifetime Diamond Member

Club Benefits

Members of THE Club Receive:

- THE Club ring with one diamond upon induction. For each qualifying year thereafter, another diamond is added to the ring.
- After 10 Conventions, the center stone of the ring is replaced with a ruby.
- The center stone changes for each of the next five years to indicate the number of qualifying years.
- Upon qualifying for the 15th year, a center diamond is added.
- After 15 years of qualifying, special recognition is given.

THE

Club

Like the Agent Honor Clubs, membership to THE Club is a prestigious honor given to the Agent who consistently qualifies for Sales Leaders. After qualifying for four consecutive Sales Leaders, the Agent achieves membership and is inducted into THE Club.



Agent Honor Clubs

Doctors Club | Residents Club | Interns Club

Membership in the Agent Honor Clubs has its privileges and distinction. Agents who excel in the areas of production, submitted applications and quality business achieve member status. To earn Honor Club, an Agent must satisfy the Honor Club requirements and qualify for Sales Leaders.

Qualifying Period

January 1 - December 31, 2024 (12 months)

Honor Qualification Minimums

Doctors Club:

- Production – 22,000 Production Sales Points
- Submitted Medicare Supplement Applications – 90
- 0-24 Month Persistence – 80%

Residents Club:

- Production – 20,000 Production Sales Points
- Submitted Medicare Supplement Applications – 80
- 0-24 Month Persistence – 80%

Interns Club:

- Production – 18,000 Production Sales Points
- Submitted Medicare Supplement Applications – 70
- 0-24 Month Persistence – 80%

Honor Club Awards Club members receive the following:

All Clubs:

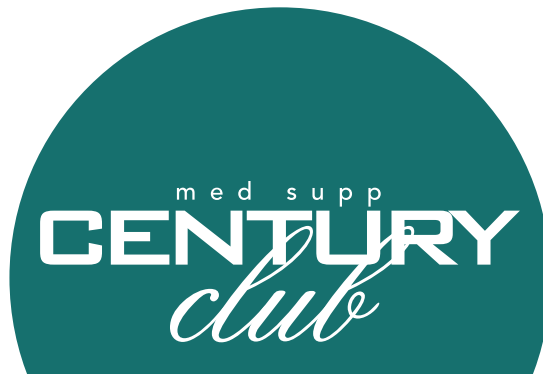
- Honor Club personal award
- Stage recognition

Doctors Club:

- Top member is the Senior Agent of the Year
- \$300 spending money at Sales Leaders

Exclusions:

- Internal Replacements, withdrawals and Medicare Supplement Guarantee Issue, Birthday and Anniversary Rule and Underage sales.



Qualifying Period: 12 months; January 1 – December 31, 2024

Membership into the Medicare Supplement Century Club is achieved by submitting a minimum of 100 Medicare Supplement applications during the Sales Leaders qualifying period.

Membership distinction has five categories of achievement and bonuses paid based on the number of submitted applications.

| LEVEL OF ACHIEVEMENT | SUBMITTED APPLICATIONS ¹ | BONUS |
|-----------------------|-------------------------------------|---------|
| Diamond ² | 225+ | \$1,500 |
| Platinum ³ | 200 - 224 | \$1,250 |
| Gold ⁴ | 150 - 199 | \$1,000 |
| Silver | 125 - 149 | \$750 |
| Bronze | 100 - 124 | \$500 |

1. Internal Replacements, withdrawals and Med Supp Guarantee Issue Birthday and Anniversary Rule and Underage sales excluded.
2. Diamond leader in apps earns an additional \$1,000.
3. Platinum leader in apps earns an additional \$750.
4. Gold leader in apps earns an additional \$500.

Extra Night at Sales Leaders

Med Supp Century Club Members also receive an extra night at Sales Leaders. Agent candidates must maintain a minimum 80% issue ratio during the period to be eligible for the bonus membership.

Additional Information

The programs contained herein apply only to Agents in "good standing."

Agents not in good standing may not, at the discretion of the National Sales Director and/or Agency Management, be eligible for programs herein or any other incentive programs offered by the Company. The programs and awards remain at the discretion of the National Sales Director and Agency Management. At any time, the Company has the right to change, alter or eliminate any program or award herein. Any changes that occur will be communicated by addendum or amendment to the programs.

Glossary

Agent

An individual producer that is the original Agent of Record on the policy, aka, the writing Agent. An Agent may be an Agent appointed direct and paid by the Company, a General Agent residing in an Agency or sub-Agency's downline that is paid directly by the Company, a Licensed Only Agent (LOA) that resides in and is writing for an individual, an Agency or a sub-Agency's downline and a Single LOA Agency, whose Agent is the Principal and sole writing Agent for the Agency.

Company ("The Company")

The term herein refers to Physicians Mutual, Physicians Mutual Insurance Company, Physicians Life Insurance Company, and Physicians Select Insurance Company.

Good Standing

The status of an Agent who performs up to the requirements and expectations of his/her agreement with the Company. An Agent not in good standing may not be eligible for incentive programs, events or awards.

Guest (of the Agent/Qualifier)

A guest at Company events or incentive meetings may be a spouse, family member or significant other 18 years of age or older. An individual younger than 18 years of age as of the event or meeting may not attend.

New Agent

An Agent in his/her first 12 full months under contract, as measured from his/her Performance Date.

Performance Date (Contract Date)

The date of the first application by the newly contracted Agent. Also referred to as Contract Date.

Persistency

A ratio of the number of issued policies to the number of in-force policies. The two persistency measurements are 0-24 month persistency and assumed.

Service (Years of)

The time period, usually measured in years, from the Agent's Performance Date.

Single LOA Insurance Agency

The Single LOA Insurance Agency is an Agent who has incorporated and established an Agency for the purposes of receiving compensation paid and reported to Agency's Tax ID#. As a single LOA Insurance Agency, the Agent is the Agency owner, Principal and sole writing Agent of the Agency.



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