



Supplement to Agreement Of Agency or Brokerage Agreement Schedules of Group Level Scale Commissions

Document Updated: April 2014

This supplement contains the standard Schedules of Group Level Scale commissions effective April 2014.

This supersedes the commissions illustrated in all former supplements or in any other form.

When permissible, the Company and the Producer may mutually agree upon a commission rate for a group policy that differs from the standard commission rate contained in the Supplement.

Commission scales reflect applicable regulatory requirements and may be subject to regulatory approval.

This Supplement is subject to change or termination at any time by the Company.

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Accident

Accident - Contributory and Non-Contributory

Annual Premium	Accident
On the first \$15,000	15.0%
On the next \$5,000	12.5%
On the next \$5,000	10.0%
On the next \$25,000	5.0%
Excess over \$50,000	0.5%

Accident – Voluntary

Option 1 (Two-tier)

1st Year = 20%

Years 2+ = 13%

Option 2 (Two-tier)

1st Year = 40%

Years 2+ = 15%

Option 3 (Three-tier)

1st Year = 75%

Years 2 – 5 = 10%

Years 6+ = 5%

Option 4 (Four-tier)

1st Year = 65%

Years 2 – 5 = 10%

Years 6 – 10 = 5%

Years 11+ = 2.5%

Cancer

Cancer - Contributory and Non-Contributory

Annual Premium	Cancer
On the first \$15,000	15.0%
On the next \$5,000	12.5%
On the next \$5,000	10.0%
On the next \$25,000	5.0%
Excess over \$50,000	0.5%

Cancer – Voluntary

Option 1 (Two-tier)

1st Year = 20%

Years 2+ = 13%

Option 2 (Two-tier)

1st Year = 40%

Years 2+ = 15%

Option 3 (Three-tier)

1st Year = 75%

Years 2 – 5 = 10%

Years 6+ = 5%

Option 4 (Four-tier)

1st Year = 65%

Years 2 – 5 = 10%

Years 6 – 10 = 5%

Years 11+ = 2.5%

Critical Illness

Critical Illness - Contributory / Non-Contributory

The Critical Illness commission schedule varies by state.

- **Connecticut and New York:** 10% for all policy years (for new coverages effective 9/1/12 and thereafter)
- **New Jersey, Maryland and Washington:** 10% for all policy years (for new coverages effective 6/1/12 and thereafter)
- **All other states (please refer the following chart):**

Annual Premium	Critical Illness
On the first \$15,000	15.0%
On the next \$5,000	12.5%
On the next \$5,000	10.0%
On the next \$25,000	5.0%
Excess over \$50,000	0.5%

Critical Illness - Voluntary

The Voluntary Critical Illness commission schedule varies by state.

- **Colorado, Minnesota and Wyoming:** 13% for all policy year.
- **Connecticut and New York:** 10% for all policy years (for new coverages effective 9/1/12 and thereafter)
- **New Jersey, Maryland and Washington:** 10% for all policy years (for new coverages effective 6/1/12 and thereafter)
- **All other states:** 20% for the first policy year and 13% for the second and later policy years.

Dental

Dental - Contributory / Non-Contributory

Annual Premium	Dental
On the first \$10,000	10.0%
On the next \$10,000	7.5%
On the next \$10,000	5.0%
On the next \$20,000	2.5%
On the next \$450,000	1.5%
On the next \$2,000,000	1.0%
Excess over \$2,500,000	0.5%

Dental - Voluntary

Same as 'Dental – Contributory / Non-Contributory'

Dental Subsidiaries

Managed Dental Guard (MDG) - New York and New Jersey

If the benefit is Voluntary and has 1,000 or more eligible Employees – OR – if the benefit is Contributory

Annual Premium	MDG
On the first \$10,000	10.0%
On the next \$10,000	7.5%
On the next \$10,000	5.0%
On the next \$20,000	2.5%
On the next \$450,000	1.5%
On the next \$2,000,000	1.0%
Excess over \$2,500,000	0.5%

If the benefit is Voluntary and has fewer than 1,000 Employees and sold with Community Rate Sheets

Annual Premium	MDG
All Premium	7.0%

Dental Subsidiaries (continued)

Managed Dental Guard (MDG) – Florida and Texas

Annual Premium	MDG
On the first \$10,000	10.0%
On the next \$10,000	7.5%
On the next \$10,000	5.0%
On the next \$20,000	2.5%
On the next \$450,000	1.5%
On the next \$2,000,000	1.0%
Excess over \$2,500,000	0.5%

Managed Dental Care (MDC) - California

Annual Premium	MDC
On the first \$10,000	10.0%
On the next \$10,000	7.5%
On the next \$10,000	5.0%
On the next \$20,000	2.5%
On the next \$450,000	1.5%
On the next \$2,000,000	1.0%
Excess over \$2,500,000	0.5%

Dental Subsidiaries (continued)

First Common Wealth (FCW)

For DHMO only plans

Annual Premium	FCW
All Premium	10.0%

For plans with both DHMO and PPO benefits

Annual Premium	FCW
All Premium	7.0%

Group Universal Life (GUL)

Commissions are payable at the Certificate Level

	Premiums less than or equal to the target premium*	Premiums greater than the target premium
First Certificate Year	15.0%	2.0%
Second through tenth certificate year	6.0%	2.0%
Eleventh or greater certificate year	2.0%	2.0%

*As specified in each insured's certificate

Life / Accidental Death & Dismemberment

Life / Accidental Death & Dismemberment - Contributory / Non-Contributory

Annual Premium	Life, AD&D*
On the first \$15,000	10.0%
On the next \$10,000	7.0%
On the next \$25,000	5.0%
On the next \$50,000	1.0%
Excess over \$100,000	0.5%

*The total Group Life and Group AD&D premium will be used to determine commissions.

Life / Accidental Death & Dismemberment - Voluntary

Annual Premium	Life, AD&D*
All Premium	13.0%

*The total Group Life and Group AD&D premium will be used to determine commissions.

Long Term Disability

Long Term Disability - Contributory / Non-Contributory

Annual Premium	Long Term Disability
On the first \$15,000	15.0%
On the next \$5,000	12.5%
On the next \$5,000	10.0%
On the next \$25,000	5.0%
Excess over \$50,000	0.5%

Long Term Disability - Voluntary

Annual Premium	Long Term Disability
All Premium	13.0%

Short Term Disability

Short Term Disability - Contributory / Non-Contributory

Annual Premium	Short Term Disability
On the first \$10,000	10.0%
On the next \$10,000	7.5%
On the next \$10,000	5.0%
On the next \$20,000	2.5%
On the next \$450,000	1.5%
On the next \$2,000,000	1.0%
Excess over \$2,500,000	0.5%

Short Term Disability - Voluntary

Annual Premium	Short Term Disability
All Premium	13.0%

State Mandated Disability (SMD)

New York DBL and New Jersey TDB

All Policy Years

On the first \$5,000	20.0%
On the next \$5,000	10.0%
On the next \$40,000	7.0%
On the next \$200,000	4.0%
On the next \$250,000	3.0%
On the next \$1,500,000	2.0%
On the next \$2,000,000	1.0%
Excess over \$4,000,000	0.5%

Hawaii TDI

Options for plans with fewer than 50 Employees

Net / No Commission

Flat 10%

Flat 15%

Options for plans with 50 or more Employees

Net / No Commission

Flat 5%

Flat 10%

Flat 15%

Stop Loss

Stop Loss

Annual
Premium

Stop Loss

All Premium

10.0%

Vision

Vision - Contributory / Non-Contributory

Annual Premium	Vision
On the first \$10,000	10.0%
On the next \$10,000	7.5%
On the next \$10,000	5.0%
On the next \$20,000	2.5%
On the next \$450,000	1.5%
On the next \$2,000,000	1.0%
Excess over \$2,500,000	0.5%

Vision - Voluntary

Same as 'Vision - Contributory / Non-Contributory'

Additional New Business

In the event that at least six (6) months after the effective date of any plan, a group coverage(s) is increased, producing additional annualized premium of at least (a) \$10,000 for Dental, (b) \$5,000 for Vision, (c) \$5,000 for Life and ADD, (d) \$5,000 for Optional/Voluntary Life and Optional AD&D, (e) \$5,000 for Long Term Disability, (f) \$5,000 for Short Term Disability, (g) \$5,000 for Accident, (h) \$5,000 for Cancer, or (i) \$5,000 for Critical Illness, the commissions payable on account of such increased coverage shall be determined by the Company in accordance with its rules and regulations applicable at the time such commission is payable. If any additional coverage is effective under such policy or plan within six months of the effective date of previously effective coverage, the premiums for the previously effective coverage and for such additional coverage will be combined in applying the Schedule of Commissions above.

Group Commission Payment Rules

To receive commissions, among other things, a producer must be recognized as the planholder's 'agent of record'. The agent of record is the producer recognized as the agent of record by both the planholder and Guardian.

A producer must possess the proper credentials (i.e. licensed to sell the product by the applicable state and/or appointed by Guardian, as required by applicable law) in order to be eligible to receive commission payments.

Guardian pays its commissions on a monthly basis.

Group Commission Payments are generated at the conclusion of each calendar month, based on premium paid and posted within Guardian's systems during the preceding calendar month.

In most instances, Guardian utilizes graded scales to calculate Group commissions. Graded scales generate compensation payments that at the beginning of each policy year start at the top of the graded scale. As premium is paid and subsequently posted for each coverage, the compensation moves down the graded scale.

Each employer plan of insurance written under a group policy issued to an industry-wide multiple employer trust fund under an arrangement where the employees are individually solicited for participation in the plan by the Agent shall each be treated as a separate policy for all purposes of commission and wherever the term “policy” is used in this Agreement it shall be deemed to mean the insurance plan of each employer.

Commissions on premiums refunded by the Company shall be refunded by the Agent.

No commissions are payable on premiums waived on account of disability.

In the event a policy or plan is issued in replacement of an existing policy or plan or if a policy or plan is issued to provide coverage for a group of persons substantially all of whom were previously insured under an existing policy or plan, such new policy or plan shall be deemed to have been issued as of the original effective date of the policy(s) or plan(s) it replaced for the purposes of determining the rates of commissions payable and the period for which commissions shall be vested. The term “existing policy or plan” will be deemed to include any policy or plan which has cancelled with the Guardian within six (6) months of the effective date of the new policy or plan.

In the event the Agent submits an application for additional business to an existing policy or plan for which the Agent was not the original writing agent on the effective date of such policy or plan, the commission payment rules apply as if the Agent were the original writing agent indicated in the original preliminary application for such policy or plan.

If a plan or policy is amended because state or federal law mandates that an insurer provide specified benefits for its policyholders or requires than an employer provide additional benefits to his employees, the amendment is not considered a new sale unless the additional benefits meet the criteria for a productive add-issue.

The rules and regulations of the Company in effect on the date a commission payment is due shall apply in any case not covered by the terms of this Supplement.

The applicable commissions referred to above shall be determined based upon commissionable premium. With respect to Group insurance policies (both conventionally funded and alternatively funded) and Group annuity contracts, whether or not such Group annuity contract is an employee welfare benefit plan subject to the Employee Retirement Income Security Act (ERISA), notwithstanding any provision herein to the contrary, the Company reserves the right change to this supplement, where a change in ERISA, applicable regulations or administrative order or directive, in the Company's sole discretion, necessitates a change to this supplement.

Scales shown do not apply in certain states in respect to statutory small employee plans or to certain community rated plans.

In the event this Supplement is attached to a Brokerage Agreement form, the word "Agent" used herein shall mean and refer to the broker and shall not in any way change the capacity of the broker to that of an agent.

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