



# Supplement to Agreement Of Agency or Brokerage Agreement

## Schedules of Group Level Scale Commissions

Document Updated: January 2020

This supplement contains the standard Schedules of Group Level Scale commissions effective January 2020. This supersedes the commissions illustrated in all former supplements or in any other form. When permissible, the Company and the Producer may mutually agree, in advance, upon a commission rate for a group policy that differs from the standard commission rate contained in the Supplement.

The use of alternative commission scales/schedules may impact the premium rates and/or fees charged to customers.

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.

# Dental

## Contributory, Non-Contributory and Voluntary

Annual Premium	Percentage
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%

## First Commonwealth (FCW)

For Managed Dental Care (DHMO) only plans

Annual Premium	Percentage
All Premium	10.0%

For plans with both Managed Dental Care (DHMO) and PPO benefits

Annual Premium	Percentage
All Premium	7.0%

## Managed Dental Care (MDC) and Managed Dental Guard (MDG)

Annual Premium	Percentage
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%



# Life and Accidental Death & Dismemberment

## Contributory and Non-Contributory

Annual Premium	Percentage*
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 combined Group Life and Group AD&D premium is used to determine commissions.

## Voluntary

Annual Premium	Percentage*
All Premium	13.0%

\*The total combined Group Life and Group AD&D premium is used to determine commissions.

## Voluntary Permanent Life (VPL)

Heaped Option**	Semi-Heaped	Level Employer Paid
Year 1 – 90%	Years 1 thru 3 – 37%	All Years - 20%
Years 2 thru 10 – 5%	Years 4 thru 10 – 5%	
Years 11+ - 2%	Years 11+ - 2%	

\*\* Requires underwriting approval.



# Short Term Disability

## Contributory and Non-Contributory

Annual Premium	Percentage*
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%

## Voluntary

Annual Premium	Percentage*
All Premium	13.0%

# State Mandated Disability

## Hawaii TDI

Options for plans with fewer than 50 employees	Options for plans with 50 or more employees
Net / No Commissions	Net / No Commissions
Flat 10%	Flat 5%
Flat 15%	Flat 10%
	Flat 15%

## New Jersey TDB

Annual Premium	Percentage
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%



## New York DBL - Other than Welfare Funds and Unions

Annual Premium	Max DBL Benefit less than \$200/week AND not sold with another Guardian coverage	Max DBL Benefit greater than or equal to \$200/week OR sold with another Guardian coverage
On the first \$5,000	15.0%	20.0%
On the next \$5,000	7.5%	10.0%
On the next \$40,000	5.5%	7.0%
On the next \$200,000	3.0%	4.0%
On the next \$250,000	2.5%	3.0%
On the next \$1,500,000	1.5%	2.0%
On the next \$2,000,000	1.0%	1.0%
Excess over \$4,000,000	0.5%	0.5%

## New York DBL - Welfare Funds and Unions

Annual Premium	Max DBL Benefit less than \$200/week AND not sold with another Guardian coverage
On the first \$1,000	7.5%
On the next \$4,000	5.0%
On the next \$5,000	4.0%
On the next \$10,000	3.25%
On the next \$10,000	3.0%
On the next \$20,000	2.25%
On the next \$50,000	1.5%
On the next \$150,000	1.25%
On the next \$250,000	0.7%
On the next \$500,000	0.4%
Excess over \$1,000,000	0.25%



## New York Paid Family Leave (PFL)

Max DBL Benefit greater than or equal to \$200/week OR sold with another Guardian coverage			
Annual Premium	Max DBL Benefit less than \$200/week AND not sold with another Guardian coverage	Plan's DBL coverage effective prior to 1/1/2018	Plan's DBL coverage effective 1/1/2018 or later
On the first \$5,000	4.0%	2.0%	0%
On the next \$5,000	3.0%	2.0%	0%
On the next \$40,000	2.0%	2.0%	0%
On the next \$200,000	1.5%	1.5%	0%
On the next \$1,750,000	1.0%	1.0%	0%
Excess over \$2,000,000	0.5%	0.5%	0%

# Long Term Disability

## Contributory and Non-Contributory

Annual Premium	Percentage*
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%

## Voluntary

Annual Premium	Percentage*
All Premium	13.0%



## Supplemental Health Coverages and Worksite DI

Product	Group Size	Level Schedule Employer Paid	Level Schedule Employee Paid	Heaped Schedule Employee Paid
Accident	< 25 lives	15%	20%	n/a
	25 – 49 lives	15%	20%	60% year 1, 10% years 2+
	50+ lives	15%	20%	65% year 1, 10% years 2+
Cancer	< 25 lives	15%	20%	n/a
	25 + lives	15%	20%	60% year 1, 10% years 2+
Critical Illness	< 25 lives	15%	20%	n/a
	25 – 49 lives	15%	20%	60% year 1, 10% years 2+
	50+ lives	15%	20%	65% year 1, 10% years 2+
Hospital Indemnity	< 25 lives	15%	15%	n/a
	25 + lives	15%	15%	55% year 1, 5% years 2+
Worksite DI (DI Select)	< 25 lives	13%	13%	n/a
	25 + lives	13%	13%	40% year 1, 10% years 2+

**Group Size** based on total eligible lives

**Heaped Schedule** availability determined by enrollment strategy - prior approval required. Not available for employer paid coverages

**State Limitations Apply.** Commission limitations exist for the following states: CO, CT, DE, FL, IN, MD, MN, ND, NJ, NM, NY, OH, VA, VT, WA. Schedules may vary from those shown above and state limitations may vary by product.

# Supplemental Health Coverages and Worksite DI - Select States

Product	States	Level Schedule Employer Paid	Level Schedule Employee Paid	Heaped Schedule Employee Paid Group Size > 25
Accident	DE, FL, IN, ND, OH, VA, VT, WA	15%	20%	60% year 1, 10% years 2+
	CO	15%	15%	55% year 1, 5% years 2+
	MN, NM, NY	10%	10%	30% year 1, 5% years 2+
Cancer	FL, ND, OH	15%	20%	60% year 1, 10% years 2+
	CO	15%	15%	55% year 1, 5% years 2+
	MD, WA	10%	10%	30% year 1, 5% years 2+
Critical Illness	FL, IN, OH	15%	20%	60% year 1, 10% years 2+
	CO, ND	15%	15%	55% year 1, 5% years 2+
	CT, MD, MN, NJ, NY, WA	10%	10%	30% year 1, 5% years 2+
Hospital Indemnity	CO, DE, FL, IN, MD, ND, OH	15%	15%	55% year 1, 5% years 2+
	NY	12%	12%	30% year 1, 5% years 2+
	MN	10%	10%	30% year 1, 5% years 2+
	WA	5%	5%	n/a
Worksite DI (DI Select)	FL, NY, WA	13%	13%	n/a

Group Size based on total eligible lives

Heaped Schedule availability determined by enrollment strategy - prior approval required. Not available for employer paid coverage

## Vision

### Contributory, Non-Contributory and Voluntary

Annual Premium	Percentage*
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%



### **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, (i) \$5,000 for Hospital Indemnity, or (j) \$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 policyholder or requires that 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 to change 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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