



Better benefits at work.

2016

Broker Compensation Program

Building business together

At Unum, our team of more than 7,000 dedicated employees shares a commitment to integrity, innovation and service.

Our 36 field offices nationwide provide a local connection to help build lasting relationships with you and your clients — and they are backed by our home office support team.

Unum carries a strong financial foundation and stable outlook into 2016, offering strategies you and your customers can rely on throughout a challenging business environment.

Our benefit solutions are aligned with market trends, including:

- Greater employee involvement in selecting and funding benefits
- Employers offering more benefit choices to a diverse workforce
- The need for excellent education and enrollment capabilities
- Developing benefit strategies for the post-health care reform era

For 2016, Unum is prepared to help you offer your clients the valuable group, individual and voluntary benefits they need with thorough, timely claims service and simpler administration.

This brochure outlines our 2016 Broker Compensation Program and is based on your broker contract compensation schedules.

We value your support and confidence in our performance and thank you for your business. As always, we encourage you to share our compensation information with your clients.



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Group Program

Eligible products include*:

- Long Term Disability Insurance (LTD)
- Short Term Disability Insurance (STD)
- Group Voluntary Life, Short Term Disability and Long Term Disability Insurance
- Life/Accidental Death & Dismemberment (AD&D)
- Dental Insurance
- Employer-paid Group Critical Illness

Payment:

In addition to the scales, standard base commissions will include a first-year, one-time payment as follows:

- For eligible group policies with 10 lives or greater, written on or after March 1, 2016, a \$200 payment will be made for all new group business for each new line of coverage submitted. This is not payable on the Dental product or upon renewal of an existing inforce group line of coverage.
- For each new line of eligible group coverage written prior to March 1, 2016, an additional 5% base commission will be paid on received first-year paid premium over \$75,000 up to a maximum commission payment of \$5,000 per line. This is not payable on the Dental product or any policies written on or after March 1, 2016.

Group Offerings

Product					
Premium	Long Term Disability Insurance (LTD) ¹ and Employer-Paid Group Critical Illness ⁶	Life with Accidental Death & Dismemberment (AD&D) and Short Term Disability Insurance (STD) ²	Voluntary Life with AD&D, Simply Unum (SU) Voluntary LTD, SU Voluntary STD, and Select Products ³	Long Term Care Insurance (GLTC) ⁴	Dental ⁵
Commission rates					
First \$15,000	15%	10%	15%	20%	10%
Next \$10,000	10%	7%			
Next \$25,000	5%	5%			
Next \$50,000	1%	1%			
\$100,000+	1%	0.5%			

* Pending approval in NY.

1,2 Includes traditional, flex, voluntary reduced participation (non-Simply Unum), and Benefit Advantage (small business employee benefits products).

3 Except FL, where 10% applies.

4 Except PA, where 10% applies and FL, where 15% applies.

5 Subject to state approval. See your Unum sales representative for Dental compensation information.

6 For all states except MD, NJ, NY and WA

Educator Select Disability

Product	Commission rate
Educator Select Income Protection Plan	15%

General Agent Compensation

Eligible products include:

- Group Long Term Disability Insurance (LTD)
- Group Short Term Disability Insurance (STD)
- Group Voluntary Life, Short Term Disability and Long Term Disability Insurance
- Group Life/Accidental Death & Dismemberment (AD&D)
- Dental Insurance

A broker acting in the capacity of a general agent who has a signed general agent addendum¹ on file with Unum prior to the time of sale will be eligible to receive the following compensation payment:²

Case Size	Payment Rate
< 500 eligible lives	5%
≥ 500 eligible lives	Determined at time of quote ³

1 Addendum requirement is in addition to a signed Unum broker contract.

2 For all states except NY. See your Unum sales representative for additional information.

3 Compensation other than the standard 5% set forth above is subject to further disclosure in accordance with the company's then existing disclosure requirements.

Payment:

- Payment is equal to quoted percentage multiplied by eligible products first-year (new-sales) and renewal premium received by the company.
- Net of commission cases are excluded from payment.
- Only payable to the general agent of record at the time premium is processed by the company.

Voluntary Benefits Program
Individual Voluntary Benefits Offerings

Product	First-year base commissions	Renewals and service fees		Flat equivalent ¹
	First year	Year 2-10	Years 11+ service fees	All years
Whole Life Insurance (WL) ³	90%	5%	2.5%	or ² 21%
Voluntary Individual Life Insurance (VIUL) ⁴	90%	5%	2.5%	
Renewable Term Life Insurance	60%	5%	2.5%	
Individual Short Term Disability Insurance (ISTD) ⁵	60%	5%	2.5%	
Specified Critical Illness Insurance ⁶	70%	10%	10%	
Accident Insurance ⁷	65%	5%	2.5%	
MedSupport Insurance ⁸	60%	5%	2.5%	
Cancer Insurance ⁹ issue age 0-54	70%	10%	10%	
Cancer Insurance ¹⁰ issue age 55+	40%	10%	10%	

1,3,4 Flat equivalent commission option is subject to state approval where required.

2 Commissions will be paid to you at the rate(s) selected by you in accordance with the company’s then-current policies and procedures.

5,6,8 For ISTD05, CI05, and MedSupport policies with coverage effective based on application sign date, commissions will be paid at a 10-point rate reduction to the first-year commission rate in the table above. See your Unum sales representative for broker compensation information on ISTD policies in the state of NH. Specified critical illness policies in the states of FL and OR, and MedSupport policies in the states of NH, OR, and SD. Not applicable for flat equivalent rates.

7 For Accident Insurance policies with coverage effective based on application sign date, commissions will be paid at a five-point rate reduction to the first-year commission rate in the table above. For the states of CO and NH, see your Unum sales representative for broker compensation information. Not applicable for flat equivalent rates.

9,10 See your Unum sales representative for broker compensation information on Cancer Insurance policies in the states of FL, MD, NH, SD, WA and WY.

Group Voluntary Benefits Offerings

For replacements of Voluntary Individual Critical Illness, Accident and Hospital Indemnity products with employee-paid GCI, GA and GHI plans with issue-age rates and composite rates, the base commissions will be paid at the standard GCI, GA and GHI high/low rates for years 2+. This is based on the applicable funding method and state-specific rates.

Rules for broker of record changes on employee-paid plans with issue-age rates: Commissions will be paid to the original broker for the first five years the insurance coverage is in force. The new broker will receive commissions on business placed after the change was made.

Group Critical Illness (GCI)

Funding method			
Employee paid with step rates	Employee-paid with issue-age rates		
	High/Low ¹	or	Flat equivalent ²
Commission rates ³			
15%	First year: 70% Years 2-10: 10% Years 11+: 2.5%	or	22%

1,2 Commissions will be paid to you at the rate(s) selected by you in accordance with the company's then-current policies and procedures.

3 For all states except FL, MD, MN, NJ, NY and WA.

Group Accident (GA)

Funding method			
Employee-paid with composite rates			
High/Low ¹	or	Flat equivalent ²	
Commission rates ³			
65%-Year 1 5%-Years 2-10 2.5%-Years 11+	or	20%	

1,2 Commissions will be paid to you at the rate(s) selected by you in accordance with the company's then-current policies and procedures.

3 For all states except CO, FL, MD, MN, NH, NY, and WA.

Group Hospital Indemnity (GHI)

Funding method			
Employee-paid with issue-age rates			
High/Low ¹	or	Flat equivalent ²	
Commission rates ³			
55%-Year 1 5%-Years 2-4 2.5%-Years 5+	or	15%	

1,2 Commissions will be paid to you at the rate(s) selected by you in accordance with the company's then-current policies and procedures.

3 For all states except CO, CT, FL, MD, MN, NH, NJ, NY, ND, RI, VT and WA.

Individual Program

Product		First-year commission rate	Years 2-5	Years 6-10	Service fees years 11+
Individual Disability Insurance (IDI)		50%	5%	2.5%	2%
Multi-Life discount	Level A	30%	5%	2.5%	2%
	Level B	25%	3.5%	1%	2%
	Level C	20%	2.5%	0%	2%

Product	Additional renewals			
	Annualized new premium	Years 2-5	Years 6-10	Service fees years 11+
Individual Disability Insurance (IDI)	\$1-14,999	0%	0%	0%
	\$15,000-29,999	5%	2.5%	0%
	\$30,000-59,999	10%	7.5%	3%
	\$60,000+	12.5%	10%	3%

Product	First-year commission rate	Annualized new premium	Commission rates		
			Years 2-5	Years 6-10	Service fees years 11+
Individual Long Term Care Insurance (ILTC) ¹	Age < 75: 50%	\$1-9,999	5%	5%	2%
		\$10,000-19,999	7.5%	5%	2%
	Age ≥ 75: 40%	\$20,000-39,999	7.5%	7.5%	5%
		\$40,000+	10%	10%	5%

¹ For the states of DE, IN, MI, and WI, see your Unum sales representative for ILTC compensation information. For premiums paid on policies with an accelerated payment option (APO) rider, commission will be paid as follows:

- One-pay: Fifteen percent (15%) of standard commission percentages in the table above.
- Five-pay: Thirty percent (30%) of standard commission percentages in the table above.
- Ten-pay and to age 65: Sixty percent (60%) of standard commission percentages in the table above.

ILTC included only as part of Lifetime Continuation or Long Term Care Exchange from Customax, LDP, Income Series or California Income Series individual disability policies.

Group Program

Group supplemental commissions are paid as a percentage of premium received by the company.

Eligible products include:

- Long Term Disability Insurance (LTD)
- Short Term Disability Insurance (STD)
- Group Voluntary Life, Short Term Disability Insurance and Long Term Disability Insurance
- Life/AD&D Insurance
- Flex products
- Reduced participation products
- Benefit Advantage: small business employee benefits, 2-9 lives
- Employer-paid Group Critical Illness Insurance (GCI)
- Dental

In order to qualify for the 2016 Group Supplemental Commissions program¹, you must meet the following requirements between October 1, 2014 and September 30, 2015.

Qualification requirements		
\$25,000 group new-sales premium and 3 new group coverages	or	\$100,000 group new-sales premium

Group supplemental commissions chart					
Group*, GCI, GA, GHI & Voluntary Benefits inforce premium		Group inforce coverage credits	Tier level	New-sales premium payment rate	Renewal premium payment rate
≥ \$15,000,000	or	≥ 300	1	5.00%	2.00%
\$10,000,000 – \$14,999,999		200–299	2	4.00%	1.75%
\$5,000,000 – \$9,999,999		100–199	3	2.50%	1.25%
\$2,000,000 – \$4,999,999		40–99	4	2.00%	0.75%
< \$2,000,000	and	< 40	none	0%	0%

*Group LTC premium is calculated as part of the total Group inforce premium, but is excluded from supplemental payment.

Group Program cont.

Payment:

- Tier-levels, effective January 1, 2016², are based on total group and voluntary benefit inforce premium or group inforce coverage credits as of September 30, 2015.
- Payment is equal to the tier-level percentage multiplied by group products first-year (new-sales) premium and renewal commissionable premiums received by the company.
- Voluntary benefit first-year and renewal premium is excluded from the group supplemental commissions payment calculation.
- Benefit Advantage products will count as one-third of a coverage credit per line of coverage toward tier-level determination. Premium for Benefit Advantage/small business employee benefits products will be included for tier-level determination and payment.
- ASO fees will count toward the inforce premium used in tier-level determination but will be excluded from tier-level payments. ASO coverage credit will also count toward tier-level determination.
- Reserve buy-out disability and retiree life reserves are excluded from tier-level qualification and payment.
- Premiums from policies structured to support captive arrangements are excluded from tier-level qualification and payment.
- Supplemental premiums or payments due to Unum upon termination of alternate funding arrangements are excluded from qualification and payment under the group supplemental commissions program.
- Net of commission cases will be excluded from tier-level qualification and payment unless proper written authorization is received from the customer and provided to Unum.
- The new-sales premium payment rate will be applied on a maximum of \$5,000,000 of received and earned premium per group coverage per year. Renewal premium payment rate will not be applied until the policy enters its renewal year.
- The renewal premium payment rate will be applied on a maximum of \$10,000,000 of received and earned premium per group coverage per year.

^{1,2} 2016 Group Supplemental Commissions program is subject to state approval where required.

Voluntary Benefits Program

Voluntary benefit supplemental commissions are paid as a percentage of voluntary benefit first-year premium received by the company.

Eligible products include:

- Group Critical Illness
- Group Accident
- Group Hospital Indemnity
- Voluntary Individual Universal Life Insurance (VIUL)
- Whole Life Insurance (WL)
- Renewable Term Life Insurance
- Individual Short Term Disability Insurance (ISTD)
- Individual Specified Critical Illness Insurance
- Individual Accident Insurance
- Cancer Insurance

Premium Qualification

Tier levels will be determined for the 2016 calendar year based on the total dollar amount of all VB premiums the broker sold or had inforce as of September 30, 2015.

VB supplemental commissions chart				
New VB, GCI, GA and GHI sales premium		VB, GCI, GA and GHI inforce premium	Tier level	Payment rate
\$10,000,000 and greater	or	\$25,000,000 and greater	Tier 1	11.5%
\$2,000,000–\$9,999,999		\$10,000,000–\$24,999,999	Tier 2	9%
\$500,000–\$1,999,999		\$2,000,000–\$9,999,999	Tier 3	6%
\$200,000–\$499,999		\$1,000,000–\$1,999,999	Tier 4	3%
Less than \$200,000	and	Less than \$1,000,000	None	0%

Persistency Qualification

- A persistency multiplier will be applied to all brokers and enrollment firms that qualify for the 2016 VB Supplemental Compensation Program and have at least \$1,000,000 of inforce VB business as of September 30, 2015.
- Persistency will be measured for the 12 months prior to that date, and the result will be used to calculate the multiplier.
- The calculated multiplier percentage will be applied to the VB Supplemental Compensation rate determined by premium qualification to determine the final VB Supplemental Compensation payment rate.

2016 persistency multiplier chart	
12 months inforce persistency as of 09/30/2015	2016 persistency multiplier
84%+	120%
80%–83.9%	110%
76%–79.9%	100%
72%–75.9%	95%
<72%	90%

Payment:

- Voluntary benefit supplemental commissions are paid as a percentage of voluntary benefit first-year premium received by the company.
- Payments on individual voluntary benefit products are calculated as a percentage of new net annualized first-year individual voluntary benefit commissionable premium received by the company.
- Payments on group voluntary benefit products are calculated as a percentage of first-year (non-annualized) group voluntary benefit commissionable premium received by the company.
- Net of commission cases will be excluded from tier-level qualification and payment unless proper written authorization is received from the customer and provided to Unum.
- For replacements of Voluntary Individual Critical Illness, Accident and Hospital Indemnity products with employee-paid GCI, GA and GHI plans with issue-age rates and composite rates, no voluntary benefit supplemental commissions will be paid.

Individual Program

New Business

New-business compensation payments on individual products are a percentage of the new net paid annualized individual premium. Payments are retroactive to January 1, 2016, and there are no payment caps.

Eligible products include:

- Individual Disability Insurance (IDI)
- IDI with multi-life discount

New Business commissions chart		
New net paid annualized Individual Disability benefits premium	Qualification level	Payment rate
\$90,000 and greater	1	20%
\$60,000–89,999	2	15%
\$30,000–59,999	3	10%
\$15,000–29,999	4	5%
Less than \$15,000	none	0%

Inforce Business

Eligible products:

- Individual Disability Insurance (IDI) — Provident IDI policies placed prior to January 1, 1987 are included for eligibility and qualification, but excluded from payment.

Payment:

- Individual Disability Insurance (IDI) — The payment percentage multiplied by qualified IDI renewal collected commissionable premium received during the production year.

Individual schedule

Minimum eligibility: \$200,000 of inforce Individual Disability products premium.

Inforce Business commissions chart			
New net paid annualized Individual Disability premium (within the production year)	Payment percentages based on inforce Individual Disability premium (as of the end of the prior production year)		
	At least \$200,000	At least \$750,000	At least \$1,250,000
\$175,000 and greater	2%	3%	5%
\$90,000–174,999	1.5%	2%	3%
\$60,000–89,999	1%	1.5%	2%
Less than \$60,000	0%	0%	0%

Compliance helps protect you

As we prepare for another productive partnership year, this is a good time to review your broker contract to make sure you are up to date on the following important points.

Please remember that:

- Unum is responsible for all advertising and marketing material that references our products. Our pre-approved forms contain detailed and accurate product information and also satisfy legal and regulatory requirements. This material is available to you at <https://services.unum.com/>. If you need to create your own marketing materials, you must submit them through your Unum representative for our approval before you distribute them.
- When marketing Unum products, you and your representatives must have the necessary state licenses and appointments with Unum companies. **To become appointed with Unum, log on to www.unum.com/brokers/directappt.aspx and complete the online application.**

At Unum, it's important to us that our customers truly understand the benefits they are buying and how each one protects against a certain type of risk. We are always available to help you learn more about our products and services, and we can provide additional training materials to meet your needs.

Payment Schedule Information

Our standard practice is to deliver compensation payments and statements directly to qualifying brokers on a bi-weekly basis. The compensation payments for the programs listed below are excluded from the standard delivery cycle. For these programs, compensation payments and statements will be mailed to the appropriate Unum sales representative for delivery to qualifying brokers on the following dates.

Voluntary Benefits Supplemental Compensation (Individual VB)^{1,2} & Individual Disability (IDI) New Business Supplemental Compensation

1st Quarter	04/29/2016
2nd Quarter	07/29/2016
3rd Quarter	10/29/2016
4th Quarter	02/28/2017

Individual Disability (IDI) Inforce Business Compensation

Individual	02/28/2017
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¹ Payments attributable to additional individual voluntary benefits supplemental compensation earned as a result of qualifying for a 2016 persistency multiplier of above 100% will be included as part of the 2017 first quarter individual voluntary benefits supplemental compensation payment.

² The Individual VB portion of the Voluntary Benefits Supplemental Compensation program will appear under the New Business line of the commission statement.

If you have questions about any of our compensation programs, please call **Ask Unum** or your Unum sales representative.

Broker Compensation Contact Information	
Phone	1-800-Ask-Unum
Fax	1-423-209-3729
Email	AskUnum@unum.com

For sales partner services, visit unum.com/salespartners.



The compensation program outlined in this brochure is subject to change. This brochure is not to be construed as a contract between you and Unum. Please refer to your broker contract and compensation schedules for specific details. Unum reserves the right to alter the compensation program at any time, subject to contract limitations.

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