



2019 MARKETING ALLOWANCE GUIDELINES

NALP Advisors in good standing with NALP are eligible for a Marketing Allowance, based on first-year, paid, annualized production. The Allowance is on a reimbursement basis only, is not taxable income, and is not convertible to cash. This Allowance is in lieu of lead co-op programs; however, there may be special programs facilitated by the insurance carriers which could provide extra allowance dollars or extra production credit for their sales. The Allowance must be used within 90 days of award, cannot be used for expenses prior to award, and cannot be carried forward.

The guidelines in this document will apply only to new production paid to NALP on January 1, 2019 or later. Any production paid to NALP prior to January 1, 2019 will fall under previously issued Marketing Allowance Guidelines.

ALLOWANCE QUALIFICATION

- To be eligible, New Advisors must have completed their contracting and moved their carrier appointments to NALP.
- An agent must be an Advisor for the full calendar month in order to qualify for the Allowance. For New Advisors who were previously brokers, eligibility will begin in their first full month as an Advisor.
- The Marketing Allowance will be determined each month. In order to qualify for the Marketing Allowance, the agent must have new, paid premium in that month.
- The premium is recorded at the time NALP receives the commission or override on the policy.
- The annualized premium amount is included on agent commission statements, if the agent is being paid on the policy by NALP.
- Premiums above target, the MEC, and all ancillary products do not count towards the premium total.
- The premium is annualized by calculating 12 months' worth of premium at the time the commission is received by NALP for all Long Term Care, Medicare Supplement, Life, Health and Supplemental Health products.
- The annualized premium is calculated as follows for Annuities, Medicare Advantage products, Short Term Medical, and Life Excess premium:
 - Annualized Annuity premium is credited at 6% of annuity total premium
 - Medicare Advantage is credited at the industry standard of \$1500/policy
 - Part D policies are credited at \$200 each
 - Life Excess premium is credited at 6% of total excess premium



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- Short Term Medical will be credited based on the initial coverage term plus auto-renew periods, not to exceed a total of 12 months. If the client does not renew, the credit will be reversed.
- Policies which chargeback within the first 30 days of payment will be deducted from the Annualized Premium total
- The annualized premium totals are based on all new, paid premiums received by NALP during a calendar month. This may not correspond to the date of the agent statement on which the annualized premium is included. For example, NALP may receive a commission on the 30th of a month, but it will not show up on the agent statement until the 15th of the following month. However, the premium will be counted during the month NALP receives payment.
- The amount of the marketing allowance is based on the following monthly totals:
 - \$5,000 allowance: \$100,000+ in paid, annualized premium
 - \$2,500 allowance: \$50,000 - \$99,999 in paid, annualized premium
 - \$1,000 allowance: \$20,000 - \$49,999 in paid, annualized premium
 - \$500 allowance: \$15,000 - \$19,999 in paid, annualized premium
 - \$250 allowance: \$10,000 - \$14,999 in paid, annualized premium
 - No allowance: \$9,999 or less in paid annualized premium
- The marketing allowance is calculated after the mid-month pay day, when all commissions from the previous month have been totaled.
 - The Marketing Allowance list will be posted on the NALP Advisor website
 - The Marketing Allowance list will also be emailed to all Advisors

ALLOWANCE ADMINISTRATION

- The Marketing Allowance will not be paid directly to the agent, but will serve as reimbursement for marketing activities. The following is a list of approved marketing activities:
 - Social Media Marketing
 - Advertising
 - Telemarketing Leads
 - Lead Mailings
 - Print
 - News Releases
 - Search Engine Optimization
 - Radio
 - Billboards
 - Seminars
 - Association Marketing
 - New, innovative ideas that lead directly to increased sales



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- The Marketing Allowance can NOT be used for:
 - Travel/Hotel/Transportation
 - Meals/Food/Drink/Entertainment
 - Staff/Consulting
 - Rent/Office Supplies/Equipment
 - Gifts/Gift Cards
 - Memberships/Dues/Fees
 - Business cards (NALP will pay for first order)
 - Any expense when vendor represents a conflict of interest
 - Christmas cards, birthday cards, etc.
 - No client retention mailings to existing clients

- NALP must pre-approve all expenses and reserves the right to make final decisions. The approval process is as follows:
 - Submit a Marketing Plan to Andy Dastur via email (adastur@lifeplansllc.com) for approval
 - Plan must include:
 - Marketing Plan/Tactics
 - Projected Cost
 - Projected Results
 - Resources Needed
 - Implement Plan

- The agent must submit an expense report and all receipts for marketing activities to Tammy Gendics at NALP. The report will be accepted via email only. All expenses and receipts must be submitted at one time.
 - The expense report should include:
 - Date of each transaction
 - Description, name of vendor, location, etc
 - Amount of each transaction in correct columns
 - Scanned, legible receipts
 - Email expense report/receipts to tgendics@lifeplansllc.com

- If the total of the receipts is less than the Marketing Allowance amount, only the total of the receipts will be paid. If the total of the receipts is greater than the total of the allowance, the full allowance will be paid.

- The turnaround time for a reimbursement check is 10 business days once the expense report has been received by the Frisco office.



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All marketing activities must be completed within 90 days of award of the allowance. Unused Marketing Allowance dollars will not roll over. They will expire if not used within the 90 days described above.

The Marketing Allowance program will be reviewed annually. NALP reserves the right to change the program as necessary.

Signature and Date