



## **2020 MARKETING ALLOWANCE GUIDELINES**

NALP Advisors in good standing with NALP are eligible for a Marketing Allowance, based on first-year, new 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, 2020 or later. Any production paid to NALP prior to January 1, 2020 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.
- If a New Advisor has not moved all their carrier appointments to NALP, they may be classified as an “Associate Advisor”. The Marketing Allowance for Associate Advisors will be capped at \$500, regardless of production totals.
- 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.
- The MEC, ACA Plans 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, Life Excess premium, and Group Self –Funded Plans:
  - 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



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- Life Excess premium is credited at 6% of total excess premium
  - Short Term Medical will be credited based on the coverage term, not to exceed a total of 12 months.
  - Group Self-Funded Medical premium is credited at 25% of annual premium
- 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 30<sup>th</sup> of a month, but it will not show up on the agent statement until the 15<sup>th</sup> 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:
    - \$6,000 allowance: \$120,000+ in paid, annualized premium
    - \$3,000 allowance: \$60,000 - \$119,999 in paid, annualized premium
    - \$1,000 allowance: \$30,000 - \$59,999 in paid, annualized premium
    - \$500 allowance: \$20,000 - \$29,999 in paid, annualized premium
    - \$250 allowance: \$10,000 - \$19,999 in paid, annualized premium
    - \$100 allowance: \$2,500 - \$9,999 in paid annualized premium
    - No allowance: \$2,499 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 processed.
    - 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



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- New, innovative ideas that lead directly to increased sales
- 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](mailto:adastur@lifeplansllc.com)) for approval
  - Plan must include:
    - Marketing Plan/Tactics
    - Projected Cost
    - Projected Results
    - Resources Needed
  - Implement Plan
  - Submit receipts for reimbursement
- Marketing Allowance receipts must be submitted through the agent's Paycom portal
  - Receipts (either scans or photos) for each activity should be uploaded to the Paycom site
  - All receipts must be submitted at one time. For example, an agent spends the monthly allowance on three items: social media marketing, leads, and a print ad. All three of these receipts must be submitted through the Paycom expense portal at one time, rather than three times a week apart. If only one receipt is submitted, the agent will only be reimbursed for that expense.
  - The portal allows for addition of details and notes to describe activity
  - 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, only the full allowance amount will be paid.
- Reimbursements will be via Direct Deposit only
  - The reimbursements will be paid through Paycom
  - The reimbursements will be synced with NALP pay days and will pay on the 15<sup>th</sup>/31<sup>st</sup> or preceding business days



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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.