

HSP & HCS SERIES PERSISTENCY CASH BONUS

EARN 3% OF HSP & HCS SERIES PREMIUM BACK.



How can I earn the Persistency Bonus?

Meet the persistency and loss ratio requirements outlined below.

Month Effective	Persistency Ratio Requirement	Loss Ratio Requirement	HSP and HCS Bonus Earnings
13th Month	70% or higher ²	60% or lower ³	3% of original premium ⁴
OPPORTUNITY TO STACK EARNINGS YEAR AFTER YEAR!			
25th Month ¹	56% or higher ²	60% or lower ³	3% of original premium ⁴
37th Month ¹	45% or higher ²	60% or lower ³	3% of original premium ⁴

Which policies qualify towards this bonus?

HSP and HCS Series Policies written with an effective date on or after 1/1/2019. Policy must be effective for at least 13 months - with no lapse in coverage - and pay the 13th month premium.

Is there a minimum production requirement?

A minimum of 10 HSP or HCS Series Policies must be effective during each calendar year.

When is the bonus paid?

Bonus is paid twice a year at the end of February and at the end of August. See back for details.

Does this bonus replace the former persistency bonus?

This bonus is the same as the former Persistency Bonus except that a 60% or lower loss ratio is now required.

¹To earn a 25th month bonus, agent must have earned the 13th month bonus. To earn the 37th month bonus, agent must have earned both the 13th month and the 25th month bonus.

²Measured against the original HSP and HCS Series Policies evaluated for the 13th month bonus.

³Measured against the agent's U65 Health book of business.

⁴Agent receives 3% of original premium during the first 12 months of the HSP and HCS Series Policies that pay 13 months of consecutive premium. Replacement/conversion policies will be evaluated based on their effective date.

SEE BACK FOR MORE DETAILS.

Payment Frequency and Details

Policy Effective Date

Evaluation Date

Bonus Payout if Qualified

The following year of the policy's effective date

The following year of the policy's effective date

January 1 - June 30
July 1 - December 31

August 1
February 1

End of August
End of February

Stack Earnings Year After Year With No Limit!

Below is only a sample of what you can earn during the first three years of this bonus. The more policies you write, and the longer your policies stay in-force, the higher your earnings will be!

2023 Earning Example

\$2,808
= **\$2,808**

2024 Earning Example

\$2,808 + \$2,340 + \$3,276
= **\$8,424**

2025 Earning Example

\$2,340 + \$1,872 + \$3,276 + \$2,808 +
\$3,744 = **\$14,040**

2022 Policies Effective

- Agent writes 80 HCS/HSP Series Policies with effective dates between 1/1/2022 - 12/31/2022 (original policies)
- Assume the premium for each policy is \$260 per month (\$3,120 annually)

2023 Policies Effective

- Agent writes 90 HCS/HSP Series Policies with effective dates between 1/1/2023 - 12/31/2023 (original policies)
- Assume the premium for each policy is \$260 per month (\$3,120 annually)

2024 Policies Effective

- Agent writes 100 HCS/HSP Series Policies with effective dates between 1/1/2024 - 12/31/2024 (original policies)
- Assume the premium for each policy is \$260 per month (\$3,120 annually)

13th Month

- Assume 30 out of 40 policies effective 1/1/2022 - 6/30/2022 pay the 13th month premium. Bonus pays August 2023.
- Assume 30 out of 40 policies effective 7/1/2022 - 12/31/2022 pay the 13th month premium. Bonus pays February 2024.
- Assume loss ratio is 50%

13th Month

- Assume 35 out of 45 policies effective 1/1/2023 - 6/30/2023 pay the 13th month premium. Bonus pays August 2024.
- Assume 35 out of 45 policies effective 7/1/2023 - 12/31/2023 pay the 13th month premium. Bonus pays February 2025.
- Assume loss ratio is 50%

13th Month

- Assume 40 out of 50 policies effective 1/1/2024 - 6/30/2024 pay the 13th month premium. Bonus pays August 2025.
- Assume 40 out of 50 policies effective 7/1/2024 - 12/31/2024 pay the 13th month premium. Bonus pays February 2026.
- Assume loss ratio is 50%

Persistency Ratio = 30/40 = 75%
Premium of Active Policies = \$3,120(30) = \$93,600
Bonus Earned = \$93,600(3%) = \$2,808

Persistency Ratio = 35/45 = 77.8%
Premium of Active Policies = \$3,120(35) = \$109,200
Bonus Earned = \$109,200(3%) = \$3,276

Persistency Ratio = 40/50 = 80%
Premium of Active Policies = \$3,120(40) = \$124,800
Bonus Earned = \$124,800(3%) = \$3,744

Paid August 2023 = \$2,808

Paid February 2024 = \$2,808

Paid August 2024 = \$3,276

Paid February 2025 = \$3,276

Paid August 2025 = \$3,744

Paid February 2026 = \$3,744

25th Month

- Assume 25 out of 40 original policies effective 1/1/2022 - 6/30/2022 pay the 25th month premium. Bonus pays August 2024.
- Assume 25 out of 40 original policies effective 7/1/2022 - 12/31/2022 pay the 25th month premium. Bonus pays February 2025.
- Assume loss ratio is 50%

25th Month

- Assume 30 out of 45 original policies effective 1/1/2023 - 6/30/2023 pay the 25th month premium. Bonus pays August 2025.
- Assume 30 out of 45 original policies effective 7/1/2023 - 12/31/2023 pay the 25th month premium. Bonus pays February 2026.
- Assume loss ratio is 50%

25th Month

- Assume 35 out of 50 original policies effective 1/1/2024 - 6/30/2024 pay the 25th month premium. Bonus pays August 2026.
- Assume 35 out of 50 original policies effective 7/1/2024 - 12/31/2024 pay the 25th month premium. Bonus pays February 2027.
- Assume loss ratio is 50%

Persistency Ratio = 25/40 = 62.5%
Premium of Active Policies = \$3,120(25) = \$78,000
Bonus Earned = \$78,000(3%) = \$2,340

Persistency Ratio = 30/45 = 66.7%
Premium of Active Policies = \$3,120(30) = \$93,600
Bonus Earned = \$93,600(3%) = \$2,808

Persistency Ratio = 35/50 = 70%
Premium of Active Policies = \$3,120(35) = \$109,200
Bonus Earned = \$109,200(3%) = \$3,276

Paid August 2024 = \$2,340

Paid February 2025 = \$2,340

Paid August 2025 = \$2,808

Paid February 2026 = \$2,808

Paid August 2026 = \$3,276

Paid February 2027 = \$3,276

37th Month

- Assume 20 out of 40 original policies effective 1/1/2022 - 6/30/2022 pay the 37th month premium. Bonus pays August 2025.
- Assume 20 out of 40 original policies effective 7/1/2022 - 12/31/2022 pay the 37th month premium. Bonus pays February 2026.
- Assume loss ratio is 50%

37th Month

- Assume 25 out of 45 original policies effective 1/1/2023 - 6/30/2023 pay the 37th month premium. Bonus pays August 2026.
- Assume 25 out of 45 original policies effective 7/1/2023 - 12/31/2023 pay the 37th month premium. Bonus pays February 2027.
- Assume loss ratio is 50%

37th Month

- Assume 30 out of 50 original policies effective 1/1/2024 - 6/30/2024 pay the 37th month premium. Bonus pays August 2027.
- Assume 30 out of 50 original policies effective 7/1/2024 - 12/31/2024 pay the 37th month premium. Bonus pays February 2028.
- Assume loss ratio is 50%

Persistency Ratio = 20/40 = 50%
Premium of Active Policies = \$3,120(20) = \$62,400
Bonus Earned = \$62,400(3%) = \$1,872

Persistency Ratio = 25/45 = 55.5%
Premium of Active Policies = \$3,120(25) = \$78,000
Bonus Earned = \$78,000(3%) = \$2,340

Persistency Ratio = 30/50 = 60%
Premium of Active Policies = \$3,120(30) = \$93,600
Bonus Earned = \$93,600(3%) = \$2,808

Paid August 2025 = \$1,872

Paid February 2026 = \$1,872

Paid August 2026 = \$2,340

Paid February 2027 = \$2,340

Paid August 2027 = \$2,808

Paid February 2028 = \$2,808

At minimum, 70% of qualifying policies must remain issued and paid for by the Evaluation Date to receive the 13th month bonus. The minimum Persistency Ratio to receive a 25th month bonus is 56% and the minimum Persistency Ratio for a 37th month bonus is 45%. All Health Choice Series and Health Saver Plus Series policies that are issued and paid for will be evaluated and will count towards the bonus based on the effective date of the policy. Replacement/Conversion policies will be evaluated for the bonus based on the effective date of the Replacement/Conversion Policy. To qualify for bonus, writing agent's loss ratio must be no higher than 60%. Producers must be in good standing with Philadelphia American Life Insurance Company (The Company) at the time of a payout to receive a bonus. The bonus is an ongoing unless determined otherwise by The Company. The Company reserves the right to modify or change any of the qualifications or offerings at anytime. The decision of The Company on any interpretation of these rules shall be final and conclusive.