



2025 Supplemental Commission Program Overview

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The Supplemental Commission Program (SCP) for 2025 from The Prudential Insurance Company of America (Prudential) gives the Producer and its affiliated companies the opportunity to earn supplemental commissions in addition to standard commissions. Supplemental Commission provides additional commission to producers based on annual aggregate premium for new business and inforce Prudential Group Insurance cases. Prudential will administer this program based on the guidelines in this document. Prudential has sole discretion to interpret the terms of this program based on the information provided. Participation in this program precludes participation by the Producer in other 2025 supplemental commissions programs offered by Prudential.

Program Qualification and Payment Schedule

New Business Program Qualification and Payment Schedule

The Producer's 2025 new business qualification level will be based on eligible book of business and new business premium. Eligible Book of Business premium is defined as aggregate annualized eligible inforce and new business due premium. Inforce business is defined as eligible coverages insured by Prudential prior to 1/1/2025. Eligible new business is defined as new clients, new coverages, new groups, and additional premium generated from enrollment campaigns and plan changes placed from 1/1/2025 through 12/31/2025. The producer can be paid under only one level per program year.

New Business Premium Requirement	New Business: All Products
New business premium placed with effective dates between 1/1/2025 and 12/31/2025	0% to 6.0%

Medical Stop Loss (MSL) premium will be eligible for determining Producer's New Business qualification level, but payment for MSL will be based the MSL payment schedule.

Inforce Program Qualification and Payment Schedule

The Producer's 2025 inforce qualification level will be based on the Producer's eligible book of business premium on 12/31/2025 and Persistency achieved. The Producer must qualify under the New Business Payment schedule in order to be eligible for an Inforce payment. The SCP% on inforce premium will be applied to eligible inforce premium only. New Business premiums will be paid according to the New Business payment schedule above. The Producer's inforce premiums can be paid under only one level per program year.

New Business Requirement	SCP % on Inforce Premium	Minimum Persistency
Minimum of \$250,000 in new premium placed with effective dates between 1/1/2025 and 12/31/2025	1.0% to 4.0%	75%

Medical Stop Loss (MSL) premium will be eligible for determining Producer's Inforce qualification level and persistency, but payment for MSL will be based the MSL payment schedule.

Medical Stop Loss Qualification and Payment Schedule

The Producer's 2025 Medical Stop Loss qualification level will be based on Producer's eligible book of business on 12/31/2025. The SCP% on MSL premium will be applied to eligible premium only. The Producer's Medical Stop loss premiums can be paid under only one level per program year.

Book of Business Premium Requirement	SCP % on MSL Premium
None	3.0% to 5.0%

Association Qualification and Payment Schedule

The SCP% on Association premium will be applied to eligible premium only. Association premium is not eligible for qualification or payment under any other parts of the SCP program.

Case Premium Requirement	Minimum Growth Requirement	SCP % on Association Premium
\$1,000,000	0.5%	1.0% to 3.0%

General Provisions

- For qualification purposes, buyout premium sold during the qualification period will be included at 100%. For payment purposes, buyout premium will be included at 30% of the buyout premium, subject to the caps as defined under the Maximum Commissions section.
- Prudential will issue only a supplemental commission payment to a Producer who is properly licensed and appointed in accordance with applicable producer licensing laws and Prudential's licensing and appointment to Prudential on the date of payment
- Producers who do not wish to participate in the SCP for 2025 are required to submit in writing their desire to opt out of the program by e-mailing gicompsservices@prudential.com. A producer who elects not to participate will be excluded from this program until written notification is received by Prudential to opt back in.
- Producers who have elected to not participate in the 2024 SCP must opt into the 2025 SCP in writing by December 31, 2024, to participate in the 2025 program
- If a client has previously opted out of participating in the SCP, the Producer must provide to Prudential a written communication from the client agreeing to have its case included in the 2025 program
- An eligible case is defined as any case, except any portion of a case related to the excluded products identified below:
 - All securities products are excluded with the exception of Group Variable Universal Life Insurance cost of insurance placed after September 30, 2008, and premium deposits from Variable Insurance Continuation Funds
 - Group Universal Life (GUL) Insurance Side Funds (GUL cost of insurance is eligible)
 - Long Term Care Insurance
 - Asset transfers
 - Administrative Services Only arrangements
 - Family Medical Leave Administration fees
 - Paid Family Leave
 - Ceded insurance premium on any eligible case (including premium ceded to a captive reinsurer)
 - The portion of the premium retained by Prudential will remain eligible

- The premium collected for the purpose of underwriting a special/unusual hazard or risk that would not be covered under the normal premium rating process
- Excluded cases also include:
 - Any case in which Prudential has received written notification from the client 1) to exclude their case from the SCP or 2) otherwise objecting to the payment of supplemental commissions for their case under the terms of this program
 - Any case the Producer has expressed in writing to Prudential to exclude from the SCP with the exception of cases for which the Producer received payment under the 2024 SCP with an effective lapse date from 1/2/2025 through 1/1/2026
- The program is subject to obtaining approval by the New York State Department of Financial Services and other regulatory bodies
- Prudential reserves the right to terminate or modify any of the terms of the SCP at any time

Disclosure Policy

As part of our Request for Group Insurance process, we will disclose to the client any commissions and/or fees that will be payable to a Producer. The client and the Producer must sign the Request for Group Insurance form before any payment will be made under the program.

A general notification is sent annually to existing clients in which Prudential will disclose the SCP and request that any questions or concerns be forwarded to the Producer's account representative.

A disclosure will also be required upon acknowledgment of a Producer of Record change, as well as at the time of a renewal.

In addition, in accordance with U.S. Department of Labor requirements, the ERISA report information that is produced by Prudential will include disclosure of any and all commissions and fees paid to the Producer or other third-party expenses attributable to that client's account.