



**TO:** West Coast Life Agents  
**FROM:** Barry Brown, 2<sup>nd</sup> Vice President, Contracting & Compensation  
**DATE:** January 4, 2010  
**SUBJECT:** Updates to First Year Policy Terminations & Commission Chargeback Rules

Effective with policies issued January 1, 2010 and later, West Coast Life will modify certain compensation procedures in order to gain more consistency with industry practices and maintain competitive positioning. These changes affect chargebacks and commissions on permanent flat extra ratings.

**Effective January 1, 2010 your West Coast Life Insurance Company Independent Agent's Agreement is amended as follows:**

- The section entitled "**Net Paid Annualized Life Production**" is replaced in its entirety with:

**"Commission Chargebacks** – In the event a life insurance policy shall terminate within six months from the date of issue, the full compensation paid thereon will be charged back. In the event a termination takes place after the sixth month and before the thirteenth month after the date of issue, fifty percent of the compensation will be charged back.

If the face amount or rider benefit is decreased or discontinued within six months from the date of issue or increase, 100% of the commissions attributable to that decrease or discontinuance will be charged back. If a face amount or rider benefit is decreased or discontinued after the sixth month and before the thirteenth month from the date of issue or increase, 50% of the commissions attributable to that decrease or discontinuation will be charged back."

- The section entitled "**Temporary Flat Extra Ratings**" is replaced in its entirety with:

**"Permanent or Temporary Flat Extra Ratings** - These ratings are non-commissionable."

If you have any questions regarding commissions, please contact your West Coast Life BGA.