

## **Production Rules and Credits**

### **PAP-R (Net Paid Annualized Premium for Recognition)**

Qualification amounts are made up of the following components:

- 100 percent of paid annualized premium, up to target for JPF individual and survivorship fixed life products.
- 5 percent of excess premium for JPF individual and survivorship fixed life products.
- 5 percent of JPF fixed annuity premium.
- Representatives of Jefferson Pilot Securities Corporation will also receive credit for 100 percent of paid annualized premium up to target, plus 5 percent of excess premium on all proprietary and non-proprietary individual and survivorship variable universal life products sold through Jefferson Pilot Securities Corporation. The production period for non-proprietary variable life production credits is December 1, 2005 - November 30, 2006.
- If you are with a broker dealer other than Jefferson Pilot Securities Corporation, you may only qualify for the Broadmoor Incentive based on JPF individual and survivorship fixed life and JPF individual fixed annuity products only.
- No credit is given for proprietary or non-proprietary variable annuity products.

### **Production Rules and Credits**

The qualifying production credits must accrue from net paid individual life insurance premium (the annualized premium or paid premium up to the target premium) between January 1 and December 31, 2006, based on the following criteria:

1. All sales must be paid in our system before the incentive qualification deadline.
2. 100 percent credit is given for all fixed individual and survivorship life insurance target premiums.
3. For proprietary variable life and fixed universal life plans, initial premium credits are the annualized billed premium or the target premium, whichever is less. Credits are increased where first-year collected premium exceeds the initial credit, up to the target premium. Also, credits are decreased at the end of the first policy year when collected premium is less than the initial credited premium.
4. Credits are decreased by any cancellation or lapse, regardless of placement date.
5. No credit is given for temporary term (including preliminary term) or temporary sub-standard premiums. Neither is credit given for Benefit Partners or marketing alliances.
6. Although compensation is paid on second-year target premium for products that feature rolling targets, convention credit is applicable only on first-year target.
7. No credit is allowed for personal policies on any agent or on his or her immediate family (spouse and children).
8. Credits are combined for producers who access JP through more than one distribution channel. The channel in which the agent has produced the majority of convention credits will extend an invitation. Double qualification is not allowed.

### **Representatives of Jefferson Pilot Securities**

Representatives of Jefferson Pilot Securities Corporation will also receive credit for 100 percent of net paid annualized premium up to target, plus 5 percent of excess premium on all proprietary and non-proprietary individual and survivorship variable universal life products sold through Jefferson Pilot Securities Corporation.

### **Representatives of Non-Affiliated Broker Dealers**

If you are with a broker dealer other than Jefferson Pilot Securities Corporation, you may only qualify for conventions based on JPF individual and survivorship fixed life and JPF individual fixed annuity products only.

### **Conversions and Exchanges**

## Qualification Requirements

### Producer Qualification

As a producer you have the opportunity to qualify for the 2007 Broadmoor Incentive by achieving a minimum of \$125,000 of net paid annualized premium for recognition ("PAP-R") by December 31, 2006.

### Regional (RSMs) and Associate (ASMs) Sales Manager Qualification

RSMs and ASMs have the opportunity to qualify for the 2007 Broadmoor Incentive by achieving a minimum of \$750,000 of PAP-R by December 31, 2006.

### Independent Marketing Organizations (IMOs) Qualification

IMOs have the opportunity to qualify for the 2007 Broadmoor Incentive by achieving a minimum of \$1,500,000 of net PAP-R credits by December 31, 2006.

### PLUS QUALIFICATION

Premier Partners who qualify at the Gold Personal level (and higher) and Platinum Manager level are also rewarded with a *Plus* qualification.

Plus qualification provides you with an extra level of incentive to your trip by rewarding you with \$1,000 of cash spending money to enhance your Broadmoor Incentive adventure. Cash incentive awards can be used to upgrade transportation or room accommodations, add extra nights to your trip or provide a surprise-shopping spree.

To receive this benefit, qualifiers must attend the 2007 Broadmoor Incentive.

Refer to the Premier Partner section of My JPF or the Premier Partner brochure (SP-00412) for full details on Premier Partner program qualification information.

### NEWLY CONTRACTED PRODUCER REQUIREMENT

Producers who are newly contracted to Jefferson Pilot Financial after April 1st or later of the current calendar year will only need to obtain \$90,000 of PAP-R credits by the qualification deadline to qualify for Broadmoor Incentive attendance.

This guideline does not extend past the calendar year in which the producer was first contracted.

Reduced qualification levels are not available for IMOs, RSMs or ASMs.

### SENIOR AGENT

The Senior Agent designation is reserved for a very select group of individuals who combine loyal long-term service with consistently high production. To qualify for Senior Agent status, producers must meet the following criteria:

- Attain age 60.
- Be under contract with Jefferson Pilot Financial for 10 years.
- Qualify for seven of the past 10 conventions.

Senior Agents are granted the privilege of qualifying for the Broadmoor Incentive at special production requirements, based on the number of years since earning this designation. This reduction in production requirements does not apply to Broadmoor Incentive *Plus*, Summit Club or Summit Club *Plus*.

The special qualifying levels for the Broadmoor Incentive are as follows:

Years as a Senior Agent	Reduction in Qualification Requirements
2	5%
3	10%
4	15%
5	20%
6+	25%

The dedicated service and valued contributions that Senior Agents bring to Jefferson Pilot Financial have enabled us to become the premier company we are today and are vital to our continued success.

1. Credit for conversions or exchanges of one permanent policy to any other permanent policy is the ratio of change in target between the old policy to the target of the new policy. The minimum ratio is 10 percent.
2. Values transferred from the old policy to the new policy are not counted as premiums.
3. If all values are not transferred from the old policy, the ratios calculated in items above are reduced.
4. If a policy is converted or exchanged in its first 12 months, a sales adjustment is made so that sales for that policy are counted only for the fraction of the year the policy was in force. Sales credit for the new policy is as described above in items 1 through 3.
5. All policies within the Jefferson Pilot Financial family are considered internal exchanges.

#### **2007 Broadmoor Incentive Attendance**

Qualification includes attendance of qualifying management, general agent, agent or broker and one other person (spouse, child or guest). Additional guests are welcome at the qualifier's expense (airfare, hotel and land transportation package), provided hotel accommodations are available.

1. Attendance at the 2007 Broadmoor Incentive is non-transferable.
2. Compensation will not be paid in lieu of 2007 Broadmoor Incentive attendance.
3. Production credits may not be transferred to another producer or to another qualifying year.
4. All travel arrangements must be made by or through Jefferson Pilot Financial's corporate travel department or its designated travel agency.
5. Qualifiers must attend the 2007 Broadmoor Incentive to be eligible to receive *Plus* benefits.

#### **Financial Responsibility**

The cost of these incentives, for the qualifier and guest, is treated as taxable income and reported on a 1099 in the year awarded.

Any costs incurred outside of the 2007 Broadmoor Incentive program (i.e. additional guest travel and related packages, personal incidentals, additional stay, side trips and tours not provided by JPF) are the responsibility of the qualifier.