PHILADELPHIA AMERICAN LIFE INSURANCE CO.

PERSISTENCY BONUS

Rewarding you for the block of business that you maintain with PALIC.

EARNING A PERSISTENCY BONUS

◊ HCS & HSP Series Policies written in 2019 will be evaluated semi-annually for a 13th month persistency period; meaning that a policy pays the 13th month premium.

◊ An agent must have a mininum of 20 policies submitted (during 2019) and issued to be considered for the bonus.

◊ Additionally, writing agents will also be evaluated on the policy's 25th month persistency, allowing them to earn an additional bonus in 2021. To receive the 25th month persistency bonus, agent must qualify for the 13th month persistency bonus.

REQUIRED PERSISTENCY LEVEL

◊ An agent must have a 13th month persistency ratio of at least 75% to earn the bonus in 2020.

◊ Additionally, an agent must have a 25th month persistency ratio of at least 75% (measured from the 13th month persistency) to earn the additional bonus in 2021.

PERSISTENCY INCENTIVE

◊ The bonus will be 3% of the initial premium collected (during the first 12 months) from the policies that meet the 13th month (and 25th month) persistency requirement. Please see example below.

EVALUATION PERIOD SCHEDULE

	Policies Issued	Evaluation Date	Bonus Paid if Qualified
13th Month Persistency	Between January 1, 2019 - June 30, 2019	August 1, 2020	End of August 2020
	Between July 1, 2019 - December 31, 2019	February 1, 2021	End of February 2021
25th Month Persistency	Between January 1, 2019 - June 30, 2019	August 1, 2021	End of August 2021
	Between July 1, 2019 - December 31, 2019	February 1, 2022	End of February 2022

PERSISTENCY BONUS ILLUSTRATION

13TH MONTH PERSISTENCY

◊ Assume the agent writes 120 new HCS or HSP policies that are issued between 1/1/2019 and 6/30/2019.

◊ The new HCS or HSP policies have a monthly initial premium of $200 each.

◊ Assume 90 policies pay the 13th month premium during 2020.

AGENTS 13TH MONTH PERSISTENCY RATIO:

90 / 120 = 75% ⇢ Qualifies for Persistency Bonus

AGENTS 13TH MONTH PERSISTENCY BONUS:

90 x $200 x 12 = $216,000

$216,000 x 3% = $6,480

25TH MONTH PERSISTENCY

◊ Now, assume that 72 (out of the 90 remaining in-force policies written in 2019) pay the 25th month premium during 2021.

AGENTS 25TH MONTH PERSISTENCY RATIO:

72 / 90 = 80% ⇢ Qualifies for Persistency Bonus

AGENTS 25TH MONTH PERSISTENCY BONUS:

72 x $200 x 12 = $172,800

$172,800 x 3% = $5,184

PERSISTENCY BONUS EARNINGS

13th Month Persistency Bonus ⇢ $6,480

25th Month Persistency Bonus ⇢ $5,184

Total Persistency Bonus Earnings ⇢ $11,664

Applications must be issued and paid for by the specified dates above. At minimum, 75% of policies must remain in-force throughout the Evaluation Period to receive the Persistency Bonus. Only new business HCS or HSP Series Policies that are issued will be evaluated and will count towards the Persistency Bonus. Producers must be in good standing with New Era Life Insurance Company ("The Company"), and its subsidiary companies, during the entirety of the incentive. The Company reserves the right to withhold the bonus if persistency and production levels do not meet a minimum acceptable level. The Company, at its sole discretion, reserves the right to modify or change any of the qualifications or offerings at any time. The decision of the Company on any interpretation of these rules shall be final and conclusive.