



## **New commission terms for AXA and AC&L insurance products**

Effective from 15 March 2004

AC&L



# New commission terms for AXA and AC&L insurance products

With the introduction of a new financial services licensing regime AXA and AC&L's commission rates and terms for insurance products have been reviewed to offer one highly competitive commission rate to all Licensees.

The new commission terms deliver:

- Equality** The same commission terms and rates for anyone selling AXA products.  
Equality to all Licensees under the AXA Agreement. AXA recognises that you own the relationship with your client and we will continue to make payments to a Licensee, who holds a valid Licence.
- Growth** Growth of your business through remuneration options.
- Flexibility** Four commission styles to cater for all client relationships.  
Support of fee for service clients.  
Electronic AXA Statements to Licensees.
- Protection** AXA respects our previous arrangements, by paying the renewal commission on in-force policies that applied at the time of sale.
- Incentive** Highly competitive commission rates.  
Incentive bonus is available to all Authorised Representatives selling insurance.

## Key changes

How are we changing our commission terms?		
	Pre 15 March 2004	Post 15 March 2004
<b>Commission payments</b>	Commission payments sent direct to Multi Agents, Managing Agencies, Brokers and Dealer Groups.	Commission payments sent only to the Australian Financial Services Licensee holder.
<b>Commission statements</b>	Majority of commission statements are hard copy in varying formats.	One commission statement format sent electronically to the Australian Financial Services Licensee holder. (AXA in March 2004, AC&L later 2004)
<b>Commission rates and terms</b>	Multiple commission offers based on agreement type.	One commission offer for all Licensees.

## Generic example of insurance commission styles

To build the value of your business you can select from the Hybrid or Flat commission styles, which will deliver a higher recurring remuneration.

### 1. Upfront

Maintaining current value of earnings

### 2. Hybrid

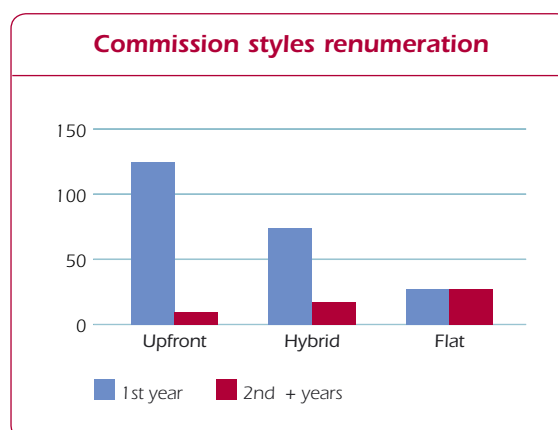
Flexibility to grow a recurring and sustainable remuneration

### 3. Flat

Increasing the on-going value of your business

### 4. Dial Down (not illustrated in the graph)

Catering for all client relationships – the facility to tailor commission and premiums to suit you and the client.





**AXA and AC&L insurance rate table**  
GST inclusive

	Income Protection 1st year	Income Protection 2nd + years	Term Trauma 1st year	Term Trauma 2nd + years
Upfront	115.5%	12.1%	123.75%	8.25%
Hybrid	77%	19.8%	77%	19.8%
Flat	30.25%	30.25%	30.25%	30.25%

**AXA and AC&L insurance High Value Adviser bonus** GST inclusive

AXA recognises the importance of rewarding excellence in sales and supporting the AXA brands. A High Value Adviser (HVA) commission bonus will reward individuals who achieve exceptional sales in insurance.

	Qualifying sales	1st year	2nd + years
HVA Bonus	Over \$75K	2.75%	0.55%
<b>+</b>			
Additional HVA Bonus	Over \$200K	2.75%	1.1%

Note: The full terms and conditions governing the commission we pay you are set out in the Product Schedules available on the AXA and AC&L websites. This brochure summarises certain aspects of the Product Schedules. The Product Schedules will prevail:  
(a) if there is any inconsistency between the Product Schedules and this brochure; or  
(b) if any terms or conditions in the Product Schedules are not included in this brochure

**Demonstration of Commission Earnings**

The following table outlines the commission earnings inclusive of the High Value Adviser Bonus. For ease of illustrative purposes, the example is modelled on the following assumptions:

- Adviser sells \$80,000 in AXA/AC&L Term and Trauma business in 2004
- 10% new business sales growth per annum
- 95% persistency

Commission Earnings		%	2004	2005	2006	2007	2008
New Business	Upfront Style	123.75%	\$99,000	\$108,900	\$119,790	\$131,769	\$144,946
Renewal Business	Upfront Style	8.25%	\$0	\$6,270	\$12,854	\$19,798	\$27,153
New Business	HVA Bonus	2.75%	\$2,200	\$2,420	\$2,662	\$2,928	\$3,221
Renewal Business	HVA Bonus	0.55%	\$0	\$418	\$857	\$1,320	\$1,810
Commission Earnings Total			\$101,200	\$118,008	\$136,163	\$155,815	\$177,130

**GST Inclusive**

All commission payments are made direct to the Licensee.

The figures in this model are for illustrative purpose only. Although AXA has made every attempt to model the commission earnings accurately, the figures in this illustration should not be relied upon as an exact representation of commission earnings. Please refer to the product schedules.

## Where can I get help on the new AXA commission terms?

- AXA commission schedules are available on [www.axaadvantage.com.au](http://www.axaadvantage.com.au) from 2 February 2004.
- AC&L commission schedules are available on [www.acladvantage.com.au](http://www.acladvantage.com.au) from 2 February 2004.
- The new AXA AFSL Agreement is available from your Business Development Manager.

This communication excludes the Group Insurance product line however the changes being made are in line with the approach taken for all other parts of the business. Feel free to refer any questions you may have to [RiskProductTeam@axa.com.au](mailto:RiskProductTeam@axa.com.au)

