



SECURITY MUTUAL LIFE  
INSURANCE COMPANY OF NEW YORK  
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*Security Mutual... Your Partner for Life.<sup>SM</sup>*

## COMPARISON OF WRITING AGENT CONTRACTS

### CAREER AGENT CONTRACT

#### ■ ADVANTAGES

1. **FICA:** A Career Agent is deemed a “statutory employee” for FICA purposes, and Security Mutual pays the “employer” FICA contribution. The Career Agent’s FICA contribution is deducted from his/her commission earnings.
2. **Profit Sharing Plan:** A Career Agent is eligible to join the Career Agent’s Profit Sharing Plan after one year’s service with the company (entry dates are January 1 and July 1). Participants who earn at least \$25,000 in first-year commissions will receive a contribution of 5 percent of compensation up to the Social Security taxable wage base and 10 percent compensation in excess of the Social Security taxable wage base. Career agents are eligible to defer a portion of their earnings (up to IRS published limits) into their self-directed 401(k) plan account.
3. **Annualized Commission Plan:** Career Agents are eligible to participate, subject to recommendation by their General Agent. *By the General Agent’s recommendation, a General Agent is obligated to guarantee repayment of any annualized commission, should the Writing Agent default.*
4. **Company-Sponsored Errors and Omissions Insurance Coverage is subsidized.**
5. **Career Agents are eligible to qualify for Company Club recognition, i.e., President’s Cabinet.**

#### ■ CONSIDERATIONS

1. There is a service requirement for vested commissions as follows:
  - A. First-year commissions are vested.
  - B. Second-year commissions are vested when a Career Agent has been with the Company for three full years.
  - C. Third- and fourth-year commissions are vested when a Career Agent has been with the Company for five full years.
  - D. Fifth- and sixth-year commissions are vested when a Career Agent has been with the Company for ten full years.
2. Career Agent is to be a full-time life insurance agent whose principal business activity is selling life insurance and annuity contracts for Security Mutual.
3. There is a maintenance requirement to continue the Career Agent’s contract as follows:
  - A. Must have total first-year commissions earned during the contract year of **\$15,000**.
4. Service Fees are not vested.

*This presentation is for your information only and is not a contract or benefit plan document, nor should it be construed as a contract or benefit plan document. Please refer to your contract for specific information.*

## BROKER CONTRACT

### ■ ADVANTAGES

1. Commissions Vested from Day ONE.
2. Brokers are eligible to qualify for Company Club recognition, i.e., President's Cabinet.

### ■ CONSIDERATIONS

1. **NO** fringe benefits available, such as:
  - A. No Profit Sharing Plan
  - B. No 401(k) Commission Deferrals
  - C. No Annualized Commission Plan
  - D. No E&O Subsidy
2. Service Fees are not vested.

## AGENT and ASSOCIATE AGENT CONTRACT

### ■ ADVANTAGES

1. Commissions Vested from Day ONE.
2. Any number of Associate Agents can write business under the Agent Contract. Each Associate Agent does not need to be a part of the corporation (if Agent is a corporation).

### ■ CONSIDERATIONS

1. All compensation is payable to the Agent.
2. Agent is eligible to qualify for Company Club recognition, i.e., President's Cabinet.
3. Associate Agents do not receive any compensation and are not eligible for any Company-sponsored clubs or promotions.

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