



SECURITY MUTUAL LIFE  
INSURANCE COMPANY OF NEW YORK  
SECURITY MUTUAL BUILDING • 100 COURT ST.  
P.O. BOX 1625 • BINGHAMTON, NY 13902-1625  
607-723-3551 • [www.smlny.com](http://www.smlny.com)

*Security Mutual ... Your Partner for Life.<sup>SM</sup>*

## Understanding Security Mutual Life Insurance Company of New York's Agent Contracts (for General Agents Only)

**NOTE: THIS IS NOT A CONTRACT**

❖ **Is a General Agent Contract the most senior level contract with Security Mutual?**

Yes. All production done by Career Agents, Brokers and Agents must be written through a General Agent.

❖ **Does the General Agent have to hold a Writing Agent Contract (in addition to the General Agent Contract)?**

Yes. You may choose either a Career Agent I, Broker I or Agent I Contract. The Roman numeral "I" is an indication of your General Agent Status.

❖ **What type of writing agent contracts are available to producers submitting business through my agency?**

- **Career Agent Contracts** in an Individual's name. **NOTE:** *Corporate Career Agent Contracts are not available.*
- **Broker Contracts** in either an Individual's name or a Corporation's name. If Corporate contract is chosen, the agent must be listed as a Sub-Licensee of the Corporation on the license (in New York State), or recognized as a Designated Responsible Person (DRP) outside New York.
- **Agent Contracts** for corporate entities in conjunction with Associate Agent Contract. All commissions are paid to the Agent by the Company.
  - › **Associate Agent Agreements** in the Individual's name only. All compensation is paid to the Agent. No income is reported to the Associate Agent by the Company.

❖ **What's the process for contracting producers under my General Agent Contract?**

Once approved as a General Agent of the Company, you will be provided a set of writing agent contracting codes to contract producers under your General Agent Contract. *You may then provide the chosen code and the link to Application Station to your prospective producer, indicating the Contracting Code to be used.* Each producer will complete his or her contracting on-line. Once the producer has completed the contracting steps through Application Station, you will receive an e-mail from the *Business Information Group*. Enter their web site [www.mybig.net](http://www.mybig.net) to review and approve the producer's submitted contracting information on-line. **NOTE:** *The contracting of any producer is subject to Security Mutual's discretion.*

❖ **As the GA, I want to receive the entire GA Expense Allowance and GA Override on the business that producers submit through my agency. Do I need to execute anything regarding the producers' contracts in order for this to occur?**

No.

❖ **Is there a procedure for a producer to receive a portion of the GA Expense Allowance to defer expenses?**

Yes. We offer a **District Agent Contract**. The District Agent Contract offers Six Levels. Level 1 provides 100 percent of the GA Expense Allowance to the District Agent. Level 6, provides 30 percent of the GA Expense Allowance to the District Agent. And of course the variations in between. (View the last column on the Highlights of Compensation for the GA Expense Allowance on a particular product, available from Agency Administration.) District Agent contract codes will be provided with the other codes referenced above. When you enter the [www.mybig.net](http://www.mybig.net) to review and approve the producer's submitted contracting information, you will be able to indicate the appropriate District Agent Contract Level.

❖ **As the General Agent, I want all commissions generated by producers submitting business through my agency to be paid directly to the General Agency, whether the GA Contract is in my name or my corporation's name. I have my own agreements with producers that determine the percentage of the commissions that I am paying to the producers, and I have my own internal accounting system to pay producers the agreed-upon percentage accordingly. What contract should be used in this circumstance?**

An Agent Contract. As the GA, you will sign an Agent Contract and an Associate Agent Agreement. The producer writing under your General Agent Contract will sign only an Associate Agent Agreement.

❖ **As the General Agent, I have a Producer who wants to have his commissions paid to the Corporation that he is associated with, but this particular producer does not appear as a Sub-Licensee on that Corporation's license, nor is he recognized as a DRP.**

An Agent/Associate Agent Contract should be used in this situation.

❖ **As a General Agent, I have a producer unit with multiple producers. Is it possible for expense allowance to be paid to the producer unit on the business written by those producers?**

Yes. This is accomplished through the use of a District Agent Contract. Please note that only an expense allowance can be paid to a District Agent; overrides can only be paid to a General Agent.

## **Reminders:**

- ◆ We annualize only commissions for Career Agents with the General Agent's approval (not for Brokers or Agent/Associate Agent Contracts).
- ◆ We never annualize General Agents' commissions.

*For a detailed comparison of our Career Agent, Broker and Agent/Associate Agent Contract, please refer to "Comparison of Writing Agent Contracts" (Form No. 0010101XX) which can be obtained from our Agency Administration Department.*

**This is presented as a guide 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. This document is not a substitute for a complete review of the applicable contract(s).**

**For General Agent Use Only.**