

PAID AS EARNED/NO ADVANCE

AGENCY GUIDELINES

When a policy comes back with an IPNSF/insufficient funds, the agency will request a NOPRD to be added to that policy. This is done every Thursday and we take it directly from ICM. When a NOPRD request originates from the agency, it cannot be removed. So, in the case of insufficient funds, even if the redraft goes through and its NPP, home office will not remove the NOPRD. This is only in regard to insufficient funds. We do not apply NOPRDs weekly to invalid account. If a policy that initially came back with a IPNSF and is attempted to be rewritten, the new policy will be sent with a NOPRD.

THE PURPOSE

Per Home Office, any policy that initially comes back with an IPNSF code and is redrafted successfully only has a 38% 4-month retention rate. The 13-month rate is considerably lower. For those that do happen to redraft successfully, they will be PAID AS EARNED via the NOPRD tag.

PAID AS EARNED

1. **Production credit** - **YES**, which means you receive a WGB (bonus) like any other application.
2. **Timing of WGB (bonus)**- One week hold on all business that is sent PAID AS EARNED. You will see it initially in the "hold queue" section on your ICM report, then the following week it will be adjusted into your net production for the month.
3. **Time of commission being paid** - This is where the term PAID AS EARNED comes from. Every month the client pays, the agent will be credited the monthly commission directly to the agent's back end. See below for an example.
4. **Pros** - There is no liability for an agent. If the client cancels at any time in the first year of the policy, the agent will never receive a chargeback because they were never pre-paid on any commission. This will also help pay down any pre-paid debt at a quicker rate, which means faster and larger release checks.
5. **Cons** - **First** one could be a con depending on their situation, but you don't receive a pre-paid advance. The reason this isn't a con for some people, there's a lot of tenured people with AIL that don't take paid advances on any business which allows their accounts to clear out faster and avoid collecting any debt with the company. For a new agent, they don't want to hear that in the short term and I could understand why. **Second**, since you receive production credit, if they cancel in the first 4 months, it can still impact your 4-month retention.

NO PRODUCTION

EVERYTHING IS THE SAME AS ABOVE. The only difference is that you don't receive production credit, which means you will not receive a WGB (bonus).

Example Based On 60% Contract:

$2500 \text{ alp} \times 60\% = \1500 owed for that specific deal.

$\$1500 / 12 \text{ months} = \125 will be credited to the agent's account monthly every month it stays on the book in the first year.