Trail Commission Options: Frequently Asked Questions

Q: Which products offer trail commissions?

A: In addition to upfront commissions, Option A, EquiTrust offers two trail commission options for both annuities and life insurance products. Option B: Upfront plus Trail and Option C: Trail Only, which will be available on the following products:

**Annuities**
- MarketPower Bonus Index
- MarketTen Bonus Index
- MarketValue Index
- MarketSeven Index

**Life Insurance**
- WealthMax Bonus Life
- WealthHorizon Life

Q: How are commission options structured for Annuity Products?

A: For annuities, the three commission options are structured as follows:

**Option A** is full commission paid upfront. For flexible premium products, half the first-year commission will be paid on any premium received years 2-5.

**Option B** is half of full commission paid on premium received paid upfront and trail commissions of .50% based on the contract Accumulation Value on the anniversary date paid for as long as the contract has an accumulation value and remains in force. For flexible premium products, half the first-year commission will be paid on any premium received years 2-5.

**Option C** is 1% of premium received before any bonus is applied paid upfront and trail commissions of 1% of the contract Accumulation Value on the anniversary date paid for as long as the contract has an accumulation value and remains in force. For flexible premium products, .50% will be paid on any premium received years 2-5.

Commission percentage may vary by state and agent-contract level.
**Q: How are commission options structured for Life Insurance Products?**

A: For life insurance, the three commission options are structured as follows:

**Option A** is full commission paid upfront.

**Option B** is half of full commission paid on premium received paid upfront and trail commissions of .50% based on the policy Accumulation Value on the anniversary date paid for as long as the policy has an accumulation value and remains inforce.

**Option C** is 1.25% of premium received before any bonus is applied paid upfront and trail commissions of 1.25% of the policy Accumulation Value on the anniversary date paid for as long as the policy has an accumulation value and remains inforce.

*Commission percentage may vary by state and agent-contract level.*

**Q: What form is required to elect trail commissions?**

A: The Index Annuity Commission Election form (ET-COMMELECT) or the Life Insurance Commission Election Form (ETL-COMMELECT) must be completed to elect Option B or C. If no form is received or no election made, commission payment method will default to Option A. The Commission Election form is available under Forms on the agent portal and is also included in the app packet on AppBuilder and in the E-App.

**Q: Are trail commission options B or C allowed on split commission cases?**

A: No.

**Q: Can I select different commission options for different contracts?**

A: Yes. The Index Annuity Commission Election form (ET-COMMELECT) or the Life Insurance Commission Election form (ETL-COMMELECT) must be completed for each sale to elect a trail option. If the form is not received, commission payout method will default to Option A-Upfront commission.
**Q: Can I change my commission option?**
A: The commission option can be changed if the contract/policy is still pending. Once a contract/policy is issued, the commission option cannot be changed.

**Q: Will I continue to receive trail commissions if I am no longer the servicing agent on a contract?**
A: Yes. Trail commissions will continue to be paid to the writing agent when the servicing agent is changed.

**Q: What happens to my trail commissions in the event of a chargeback?**
A: Trail commissions will be charged back in the same manner as the normal commission chargeback based on when it is taking place and what the chargeback provision is for the product sold.

**Q: Can I assign my commission?**
A: At this time, assignment of commission is not allowed.

**Q: What happens to my trail commissions if I change marketing organizations?**
A: Your trail commission options will remain the same.

**Q: What will my 1099 look like? How will taxes be reported?**
A: Your 1099 should reflect commissions paid to you in that year.

**Q: Will I be paid trail commissions if I am terminated?**
A: In most cases, EquiTrust will pay trail commissions to terminated agents as long as they have not been terminated for cause.
**Q: What happens to my trail commissions if I die?**

A: Upon the death of the agent, the remaining commission will be paid to the designated beneficiary. If there is no designated beneficiary, the remaining commission will be paid to the agent’s estate. The remaining amount will be equal to the difference between the Option A commission amount and amount of trail commissions paid to date. If the commission paid to date is greater than the Option A commission, the amount paid to the beneficiary is zero.

To designate a beneficiary for trail commissions, complete the Agent Beneficiary Designation form (ET-AGTBENE). Only one form should be completed and will be applicable to the agent’s entire block of business.

**Q: If I’m Licensed Only (LO), can I select trail commissions Options B or C?**

A: A Licensed Only (LO) agent may only select trail commissions Option B or C when they are licensed only to their own corporation.

**Q: If I’m Licensed Only (LO) and I elect trail commissions to be paid to my Corporation, what happens to my trail commissions if I die?**

A: Upon the death of the LO agent, the remaining commission will be paid to the Corporation in a lump sum. The remaining amount will be equal to the difference between the Option A commission amount and amount of trail commissions paid to date. If the commission paid to date is greater than the Option A commission, there will be no additional amount paid to the Corporation.