

TRAIL COMMISSION OPTIONS

FREQUENTLY ASKED QUESTIONS



Which products offer trail commissions?

All EquiTrust Index Annuities feature trail-commission options. In addition to upfront commissions (Option A), EquiTrust offers two trail commission options: Upfront plus Trail (Option B) and Trail Only (Option C). These commission options are available on the following products:

- MarketEdge Bonus Index™
- MarketPower Bonus Index®
- MarketTen Bonus Index®
- MarketValue Index®
- MarketSeven Index®
- MarketFive Index™
- MarketEarly Income Index™
- MarketFuture Income Index™
- Bridge®
- SmartBoost™ Index

How are the commission options structured?

Option A is full commission paid upfront. For flexible premium products, half the first-year commission is 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, and payable for as long as the contract has an accumulation value and remains inforce. For flexible premium products, half the first-year commission is 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, and payable for as long as the contract has an accumulation value and remains inforce. For flexible premium products, .50% is paid on any premium received years 2-5.

What form is required to elect trail commissions?

The Index Annuity Commission Election form (ET-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. The form is included automatically with app packets on AppBuilder and E-Apps for Index Annuity Applications.

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

Yes, however all agents must elect the same commission option on a split case.

Can I select different commission options for different contracts?

Yes. The Index Annuity Commission Election form (ET-COMMELECT) must be completed with each Index Annuity Application to elect a trail option. If the form is not received, commission payout method will default to Option A—upfront commission.

Can I change my commission option?

The commission option can be changed if the contract is still pending. Once a contract is issued, the commission option cannot be changed.

If I'm a Licensed Only (LO) agent, can I select trail commissions Options B or C?

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

Will I continue to receive trail commissions if I am no longer the servicing agent on a contract?

Yes. Trail commissions will continue to be paid to the writing agent when the servicing agent is changed.

What happens to my trail commissions in the event of a chargeback?

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.

Can I assign my commission?

No, at this time, assignment of commission is not allowed.

What happens to my trail commissions if I change marketing organizations?

Your trail commission options will remain the same.

What will my 1099 look like? How will taxes be reported?

Your 1099 will reflect only the commission amounts paid to you in the current year.

Will I be paid trail commissions if I am terminated?

In most cases, EquiTrust will pay trail commissions to terminated agents as long as they have not been terminated for cause.

What happens to my trail commissions if I die?

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 out to date. If the commission paid to date is greater than the Option A commission, the amount payable 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 submitted and will be applicable to the agent's entire block of business. Submit subsequent Beneficiary Designation forms only when updating your beneficiary.