

New Business Advantage Compensation Plan

Group, Voluntary & Worksite Benefits

Overview

MetLife is pleased to present the New Business Advantage Compensation Plan. This plan allows brokers to earn compensation as they work to build their book of business with MetLife. The New Business Advantage Compensation is paid in addition to any other type of compensation paid by MetLife.

Eligible Brokers

Brokers with less than \$10,000,000 of annualized inforce premium with MetLife as of October 1, 2017¹.

Plan Summary

A broker may qualify for New Business Advantage Compensation based on one or more of the following criteria²:

- (1) New Business (Annualized New Business Premium or New Business Coverage Groupings) with effective dates between 1/1/2018 through 12/31/2018 (the "Qualification Period"),
- (2) Premium Growth

| How it Works | Compensation Amount ³ |
|--------------------------------------|---|
| New Business Advantage Qualification | \$250,000 to \$749,999 Annualized New Business Premium AND 3 to 14 New Business Coverage Groupings \$ 5,000 |
| | \$750,000 to \$1,499,999 Annualized New Business Premium OR 15 to 24 New Business Coverage Groupings \$ 10,000 |
| | \$1,500,000 or more of Annualized New Business Premiums OR 25 or more New Business Coverage Groupings \$ 20,000 |
| | \$1,500,000 or more of Annualized New Business Premiums AND 100% Premium Growth Current Year vs Prior Year \$ 40,000 |

1. Excludes new business with an October 1, 2017 effective date.

2. MetLife may in its discretion aggregate Tax ID's for qualification while applying payment to the individual Tax ID's, if requested to do so by the broker. A request to aggregate must be submitted no later than December 31, 2017.

3. Compensation amounts shown are not cumulative. For example a broker who has \$1,000,000 of new business premium can only qualify for \$10,000 in compensation.

Premium Growth Calculation

“Premium Growth” is calculated by dividing the Inforce Premium as of 12/31/2018 for customer coverages for which a broker is Broker of Record **between 1/1/2018 and 12/31/2018**, plus any qualifying new business sold during the Qualification Period where the broker was the Broker of Record at the effective date of the coverage, by the **Inforce Premium as of 12/31/2017**,⁴ minus 1, times 100. The 100% Premium Growth requirement will be waived for new entities⁵ with zero Inforce Premium before 1/1/2018.

Example 1

| | Effective Date of Sale | Premium 12/31/2017 | Premium 12/31/2018 | Type of Business |
|----------------|--|--------------------|--------------------|------------------|
| Customer A | 1/1/2017 | \$0.5M | \$0.5M | Inforce |
| Customer B | 1/1/2016 | \$0.5M | \$0M | Inforce |
| Customer C | 1/1/2018 | \$0M | \$1M | New |
| Customer D | 7/1/2018 | \$0M | \$0.5M | New |
| Total | | \$1M | \$2M | |
| Premium Growth | = $((\$2M)/\$1M) - 1$ *100 equates to 100% Premium Growth | | | |

Example 2

Coverage(s) for which there was a Broker of Record change on Inforce Business during the qualification period, where MetLife retained the customer, will be excluded from the calculation.

| | Effective Date of Sale | Premium 12/31/2017 | Premium 12/31/2018 | Type of Business | |
|----------------|--|--------------------|--------------------|------------------|--|
| Customer A | 1/1/2017 | \$1M | \$1M | Inforce | |
| Customer B | 1/1/2016 | \$0M | \$0.5M | Inforce | Broker of Record Change on Inforce Business is excluded from Qualification |
| Customer C | 1/1/2018 | \$0M | \$1M | New | |
| Customer D | 7/1/2018 | \$0M | \$0.5M | New | |
| Total | | \$1M | \$2.5M | | |
| Premium Growth | = $((\$2.5M)/\$1M) - 1$ *100 equates to 150% Premium Growth | | | | |

4. Customers inforce on 12/31/2017 must still be inforce on 1/1/2018 to be included in the Premium Growth calculation.

5. For purposes of the Premium Growth calculation, MetLife defines a new entity as a broker with no MetLife business that is inforce before 1/1/2018, and is not affiliated with an existing brokerage firm. Notwithstanding any of the provisions in this section, MetLife reserves the right to determine, in its sole discretion, when brokers are deemed to be affiliated or under common ownership.

Eligible group products and services

Qualification and Payment

There are a number of different group products and services marketed by MetLife that a broker can sell to qualify for the New Business Advantage Compensation Plan. For qualification and payment purposes, coverages must have a minimum number of two eligible lives. The products fall into the following Coverage Groupings:

Coverage Grouping 1

- Basic Life, Core Life, Dependent Life, Accidental Death & Dismemberment (“AD&D”) both personal and dependent

Coverage Grouping 2

- Optional Group Term (Supplemental Life), Voluntary AD&D both personal and dependent, Optional Life/AD&D, Buy-Up Life, Buy-Up AD&D, Survivor Income Benefit

Coverage Grouping 3

- Group Variable Universal Life – cost of insurance only†

Coverage Grouping 4

- Group Universal Life – cost of insurance only†

Coverage Grouping 5

- Dental benefits products*

Coverage Grouping 6

- Short Term Disability (“STD”)*, Voluntary STD, Mandated State Disability Plans

Coverage Grouping 7

- Long Term Disability (“LTD”)*, Voluntary LTD

Coverage Grouping 8

- Accident Insurance, Critical Illness Insurance, Cancer Insurance, Hospital Indemnity Insurance, MetLaw,⁶ Worksite STD

Coverage Grouping 9

- Vision⁷

† Only a registered broker-dealer may receive qualification credit and New Business Advantage payment for the sale of Group Variable Universal Life.

* Administrative Services Only (“ASO”) business will be included only in Coverage Groupings 5, 6 and 7.

Excluded Products

Any products or services not specifically included in the above section are excluded from the New Business Advantage Compensation Plan, and therefore will not be counted for qualification purposes. A broker will not receive New Business Advantage Compensation on the premium or fees relating to those products. Products or services sold to customers whose situs is outside the United States or its territories are excluded.

6. MetLaw is excluded for qualification and payment for customers with less than 100 employees.

7. Safeguard Vision cases are excluded from New Business Advantage Compensation for qualification and payment.

Guidelines

General Program Guidelines

Amendments

The terms and conditions set forth in this brochure govern the New Business Advantage Compensation Plan. MetLife reserves the right to change the terms of the New Business Advantage Compensation Plan and discontinue the sale of any product. There will be no changes to the New Business Advantage Compensation Plan unless set forth in a writing signed by an Executive Vice President. Changes to the New Business Advantage Compensation Plan will be posted on www.metlife.com/brokercompensation.

Contacting MetLife

Your representative is available to answer any questions. Brokers may also contact the dedicated Broker Service Center at the number below.

When contacting MetLife by fax or e-mail, please state the topic of your request in the subject line and include pertinent details in the body of the message. Information needed to respond to your request may include the broker's name, address, e-mail address, phone number, broker number, customer name and coverages.

Phone: (866) 796-1800

Fax: (800) 556-9430

E-mail: ins_compensation_inquiries@metlife.com

Mail to: MetLife
P.O. Box 30160
Tampa, FL 33630

Disclosure

MetLife reserves the right to notify its customers of a broker's eligibility to receive compensation under the New Business Advantage Compensation Plan and the amount of any payment made or to be made, and to obtain written customer authorization prior to making any payment. Certain customer and prospect communications will include a compensation notice explaining to customers and prospects how brokers are compensated. MetLife will send to all group insurance customers an annual statement indicating all compensation paid to the customer's Broker of Record in the prior year. Working with MetLife, you can be assured of its commitment to disclosure of information about its compensation plans to customers and potential customers.

Important Dates

Qualification Period

New business with effective dates between January 1, 2018 and December 31, 2018.

Inforce Premium as of December 31, 2018, and Inforce Premium as of December 31, 2017 will be used as part of Premium Growth Calculation.

Customer Authorization Form

Must be completed, and received by MetLife by January 15, 2019 for qualification and payment purposes.

Payment and Timing

MetLife intends to pay New Business Advantage Compensation as a lump sum payment made in the 1st quarter of 2019.

Notification of Qualification

Qualifying brokers will receive a notice of qualification in December 2018. Requests for corrections regarding qualification must be received by January 15, 2019.

Licensing and Appointment

In order to be eligible for qualification and payment under the New Business Advantage Compensation Plan, the broker must be appropriately licensed and appointed and comply with all applicable laws and regulations, including, without limitation, those that apply to disclosure of compensation.

Pricing

The cost of the New Business Advantage Compensation Plan is not directly charged to the price of our Products except as an allocation of overhead expense, which is applied to all eligible group insurance products, whether or not the New Business Advantage Compensation Plan is paid in relation to a particular sale or renewal.

Guidelines

Qualification Guidelines

ASO/PARTICIPATING (“PAR”)

For ASO and PAR customers/coverages, MetLife will apply the full ASO fee or the PAR premium amount towards qualification.

Broker of Record

The Broker of Record on the effective date of qualifying new business sold during the Qualification Period will receive qualification credit for Annualized New Business Premium and Coverage Grouping counts.

Where there is a Broker of Record change on inforce business, such business is excluded from qualification for Premium Growth. A customer’s coverage must be inforce on December 31, 2018 in order for it to be counted towards qualification.

Brokers Splitting/Deal %

If two or more brokers split base compensation, the New Business Premium will be apportioned. This apportionment will be the same as the base compensation apportionment. Each of the brokers splitting the compensation will receive full credit for the number of the customer’s Coverage Grouping(s) sold during the qualification period.

Coverage Grouping Count

Coverage Grouping counts are determined at the customer number level. For a given customer number, a broker will receive a single coverage grouping count for each new coverage grouping.

Opting Out

All premium on qualifying business is counted for qualification purposes. However, if a customer chooses to Opt-out of the New Business Advantage Compensation Plan, no New Business Advantage Compensation will be paid in relation to that customer’s premium. If a customer chooses to Opt-out of the 2018 Broker Supplemental Compensation Plan then the customer will automatically opt-out of the New Business Advantage Compensation Plan.

Payment Guidelines

Advances

No New Business Advantage Compensation payments shall be made in advance of when they are due under the New Business Advantage Compensation Plan.

Brokers Splitting/Deal %

Received and Earned Premium shall follow the apportionment designated on the brokers’ commission agreements.

Broker of Record

New Business Advantage Compensation shall be earned by the Broker of Record as of the effective date for the new business coverage sold during the qualification period, provided the customer coverage remains inforce on December 31, 2018.

Customer Authorization

MetLife reserves the right to obtain written customer authorization before making any New Business Advantage Compensation payment.

Overpayments

The broker shall immediately return any overpayment of New Business Advantage Compensation. Any New Business Advantage Compensation paid to a broker that is not earned by the broker shall be immediately returned and MetLife reserves the right to offset any funds payable by a broker against any funds payable to the broker. By cashing any check or otherwise accepting any payment, including any New Business Advantage Compensation payment, the broker thereby agrees that MetLife may offset any funds payable to the broker in order to recover an overpayment or any other funds payable by the broker.

Primary Payee

In instances where multiple payee codes exist for a single Tax ID, MetLife will require a duly authorized representative of the broker to designate in writing a primary payee. When a primary payee is designated, it will remain in effect until MetLife receives and approves a written change request.

Definitions

In addition to the defined terms below, some terms may be defined where they first appear in this brochure.

1. **“Annualized Billed Premium”**– the last billed premium earned and received in good order at the end of the qualification period is then used to calculate an annual premium amount.
2. **“Broker of Record”**– the broker recognized, by both the customer and MetLife, to service the customer’s eligible group insurance coverage.
3. **“New Business Coverage Grouping”**– one or more coverages or group products or services marketed by MetLife that are eligible for qualification and payment under the New Business Advantage Compensation Plan.
4. **“Division Number” and “Experience Number”**– terms used internally. A Division Number or Experience Number may be used to identify sub-groups within a customer. For example, a customer may choose to have one sub-group of its employees covered for basic life insurance benefits under one Experience Number and another sub-group of its employees covered for basic life insurance benefits under a different Experience Number. MetLife reserves the right to determine in its sole discretion whether to permit multiple Division Numbers or Experience Numbers under one customer.
5. **“Inforce Premium”**– the Annualized Billed Premium for customers whose group coverages are inforce as of the calculation date. For purposes of determining inforce premium, MetLife includes all customers of the Broker, including customers with Zero Commission Coverages and Opt-Out customers.
6. **“New Business Premium”**– For qualification purposes, New Business Premium is Annualized Billed Premium for new coverages with an effective date during the Qualification Period. For payment purposes, New Business Premium is Received and Earned Premium credited to a billing cycle that occurs during the first twelve (12) months following the coverage effective date for the New Business Advantage Compensation Plan Year.
7. **“Opt-out”**– the act of electing to exclude a broker’s Tax ID, customer, Division Number, Experience Number and/or Coverage Grouping from participating in the New Business Advantage Compensation Plan. This can be accomplished by contacting the Broker Service Center.
8. **“Received and Earned Premium”**– the premium paid by a customer and allocated by MetLife to loss experience, expense and profit for the customer’s case, and used to calculate base compensation.
9. **“Tax ID”**– an individual’s social security number or a firm’s taxpayer identification number.
10. **“Zero Commission Coverage”** – group coverage where the Broker of Record is not receiving base compensation, whether or not MetLife or the customer pays any amount to that broker. Both the broker and customer must sign the Customer Authorization Form to include a Zero Commission Coverage in the New Business Advantage Compensation Plan for purposes of determining eligibility and New Business Advantage Compensation payable. Once a Customer Authorization Form is completed and submitted for the 2018 New Business Advantage Compensation Plan, it will remain in effect for subsequent New Business Advantage and other supplemental compensation plans unless a customer notifies MetLife in writing of its intention to terminate the authorization.

Customer Authorization Form

MetLife requires customer consent by means of the Customer Authorization Form in order to include a Zero Commission Coverage for qualification and/or payment purposes. New Business Advantage Compensation will only be paid on Zero Commission Coverages provided a Customer Authorization Form is received by December 31, 2018, and the broker is recognized as the Broker of Record as of the effective date of the coverage.

Effective July 1, 2016, MetLife will accept a Customer Authorization Form (and pay supplemental, bridging or New Business Advantage compensation) for coverages with effective dates before January 1, 2010 under the following conditions:

1. A new supplemental compensation-eligible group product for qualification (as defined on page 4) is added; or
2. A MetLife Auto and Home product is added; or
3. A qualifying re-enrollment campaign⁸ for existing coverages is implemented; or
4. A customer converts from ASO to non-participating Dental, STD or LTD insurance.

For previously excluded coverages (as described above) where no base commission had been payable or that had a base commission change, a signed Customer Authorization Form is required in order to be eligible for payment and qualification under the supplemental, bridging and New Business Advantage compensation plans.

Both the broker and customer must sign the Customer Authorization Form. MetLife reserves the right to exclude from its New Business Advantage Compensation Plans any business where a broker may have represented that broker compensation paid under their New Business Advantage Compensation Plans with respect to a customer's coverage will reduce the price or premium rates with respect to the customer's coverage.

If a customer submits a Customer Authorization Form for the 2018 New Business Advantage Compensation Plan, it will remain in effect for current or subsequent supplemental compensation plans and/or bridging compensation plans beginning with 2018 Supplemental Compensation, unless the

customer notifies in writing, of its intention to terminate the authorization. In addition, if a Customer Authorization Form has been received for 2010-2018 Supplemental Compensation plans or 2015-2017 Bridging Compensation Plans, this authorization will also apply to the 2018 New Business Advantage Compensation Plan unless the customer notifies MetLife, in writing of its intention to terminate the authorization. Annual notices may be provided to the customer who have submitted the Customer Authorization Form describing the changes to its supplemental compensation plan from the prior year.

The customer may terminate the authorization at any time. Termination of the authorization will take effect within thirty (30) days after notification is received and no payments in relation to that customer's premium will be made thereafter under bridging compensation plan.

The Customer Authorization Form must be completed and submitted via U.S. Mail, overnight delivery service, fax, or e-mail to one of the following contact points below by January 15, 2019:

Fax: (800) 556-9430

E-mail: ins_compensation_inquiries@metlife.com

Mail to: MetLife
P.O. Box 30160
Tampa, FL 33630

The Customer Authorization Form will not be considered received until it is received at one of the contact points listed above. If the form is submitted to another area (for example, a sales office), the form will not be considered received until it is received at one of the contact points listed above, and the business may not be counted for New Business Advantage Compensation purposes. Any Customer Authorization Forms received at one of the contact points listed above after January 15, 2019 will not count towards the broker's qualification and subsequent payment amount for the New Business Advantage Compensation Plan. In addition to using the Customer Authorization Form in this brochure, you can photocopy the form, or download a PDF version of the form at www.metlife.com/brokercompensation.

8. Your MetLife Account Executive can provide you with specific details around qualifying re-enrollment campaigns.



Customer Authorization Form

Important Information for MetLife Customers:

MetLife requires that this form be completed when a customer obtains MetLife group insurance products through a licensed and appointed insurance intermediary, such as a broker or consultant ("Broker"), where the customer wishes to permit MetLife to include each of the customer's MetLife coverages for determining the Broker's eligibility for payment of New Business Advantage and New Business Advantage Plus compensation ("New Business Advantage Compensation") with respect to the 2018 New Business Advantage Compensation Plans and future MetLife New Business Advantage compensation plans, and where MetLife is not paying the Broker base compensation in connection with the customer's coverages. A customer's signature on this form will permit MetLife to include each of the customer's MetLife coverages for determining the Broker's eligibility for payment of New Business Advantage Compensation with respect to the 2018 New Business Advantage Compensation Plans offered by MetLife, as well as in any future New Business Advantage compensation plan offered by MetLife unless a customer advises MetLife in writing that such authorization is terminated. MetLife may provide to each customer who submits this form an annual notice describing any changes to its New Business Advantage compensation plan from a prior year. MetLife will only accept this form in relation to a coverage that has an effective date before January 1, 2010, and if MetLife recognized the broker as Broker of Record as of the effective date of such coverage. In addition, a customer's signature on this form will permit MetLife to include each of the customer's coverages, for current and future supplemental compensation and bridging compensation plans, beginning with the 2018 Supplemental Compensation Plan.

Effective July 1, 2016, MetLife will accept a Customer Authorization Form (and pay supplemental, bridging or New Business Advantage Compensation) for coverages with effective dates before January 1, 2010 under the following conditions:

1. A new supplemental compensation-eligible group product for qualification is added; or
2. A MetLife Auto and Home product is added; or
3. A qualifying re-enrollment campaign for existing coverages is implemented; or
4. A customer converts from ASO to non-participating Dental, STD or LTD insurance.

For previously excluded coverages (as described above) where no base commission had been payable or that had a base commission change, a signed Customer Authorization Form is required in order to be eligible for payment and qualification under the supplemental, bridging, and New Business Advantage compensation plans.

Sections I and II of this form **MUST** be completed in their entirety and received by MetLife by **January 15, 2019**, at one of the contact points listed below. Any Customer Authorization Forms received by MetLife at one of the contact points listed below after **January 15, 2019**, will not count towards broker's qualification and subsequent payment amount for the New Business Advantage Program.

SECTION I must be completed and signed by the **Broker**. **SECTION II** must be completed and signed by the **customer**.

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Broker Information
(To be completed by Broker)

SECTION I

Printed Name and Tax I.D. of Broker: _____

Address: _____

Broker Code: _____

Name and Tax I.D. of Individual writing agent: _____

Effective date of coverage: _____ Contact Phone Number: _____

E-mail address: _____

Signature of Broker or of a duly authorized representative of Broker, if Broker is a firm:

_____ Date: _____

Customer Information
(To be completed by customer)

SECTION II (Initial where applicable)

On behalf of the MetLife customer identified below, I authorize MetLife to include each MetLife coverage identified below for the purposes of determining the Broker's eligibility for, and payment of, New Business Advantage Compensation with respect to the 2018 New Business Advantage Compensation Plans and future MetLife New Business Advantage compensation plans. I have had the opportunity to review the applicable MetLife New Business Advantage Compensation plan brochure. I understand that my Broker may receive a payment under MetLife's 2018 New Business Advantage Compensation Plans and future New Business Advantage compensation plans for the insurance coverages listed below that are being placed with MetLife. I understand that this form also confirms my intention for MetLife to consider the above Broker to be my Broker of Record.

| MetLife Coverages | MetLife Customer Name and Number | MetLife Division or Experience Number <input type="checkbox"/> Check if all is applicable |
|-------------------|----------------------------------|--|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Authorization of MetLife Customer:

By signing below, I certify that I am duly authorized by the company identified below to execute this document and to authorize MetLife to include the MetLife insurance coverages identified above in the calculation of MetLife's 2018 New Business Advantage Compensation Plans as well as subsequent MetLife New Business Advantage compensation plans. Also, a customer's signature on this form will permit MetLife to include each of the customer's coverages, for current and future supplemental compensation and bridging compensation plans, beginning with the 2018 Supplemental Compensation Plan. In addition, I represent that the broker identified above has not solicited my signature on this form by suggesting that New Business Advantage Compensation will reduce the pricing and/or premium payments for any MetLife coverage listed above. I understand that this form may also authorize payment of supplemental compensation with respect to MetLife's 2018 Supplemental Compensation Plan as well as subsequent MetLife supplemental compensation plans.

Customer's Company Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Printed Name: _____ **Title:** _____

Signature: _____ **Date:** _____

Return by FAX: (800) 556-9430 or **Mail to:** MetLife, P.O. Box 30160, Tampa, FL 33630 or E-mail to: INS_Compensation_Inquiries@metlife.com. You can download a PDF version of the 2018 New Business Advantage Compensation brochures and the Customer Authorization Form at www.metlife.com/brokercompensation.

[metlife.com](https://www.metlife.com)



Metropolitan Life Insurance Company | 200 Park Avenue | New York, NY 10166
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