N9 Compensation & Benefits Book

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Chapter 1: Agent’s Ledger

Introduction

How do I get paid? The Company uses a ledger system to administer Agent compensation. The ledger is credited with compensation payments and debited with compensation reversals, benefit deductions, taxes, and expenses. In general, the Agent is eligible to receive the ledger balance twice a month. The ledger balance is the net of the ledger credits and debits.

1.1. Credits to the Ledger

All the compensation payments generated under the Agent’s Contract are credited to the Agent’s ledger. This includes First Year and Renewal Commissions, Service Fees, Expense Allowance payments, and Persistency Bonus payments. The ledger also tracks Council Credits.

1.2. Debits to the Ledger

Various items appear as debits on the ledger, including, for example:

- **Commission reversals** – Commissions may be reversed for many reasons including policies returned under free-look periods, First Year lapses where commissions have been annualized and rescinded policies.

- **Benefit deductions** – These include group insurance contributions, 401(k) deferrals, and deferred compensation credits. An Agent can also have the premiums on personally owned life insurance policies debited from the ledger.

- **Taxes** – Any applicable taxes appear as debits on the ledger.

- **Authorized expenses** – An Agent can elect to have certain expenses debited from the ledger. For example, an Agent housed in the General Office can have a lease payment debited from the ledger and Professional Liability premiums can be debited from the ledger.

*TAS Agents contracted in a General Office located in California, Illinois, Montana, North Dakota and South Dakota participate in the Expense Reimbursement Program. For more information on the Expense Reimbursement Program, please see the description in Section 12.1 in this booklet or contact your Managing Partner or your recruiter.*
Introduction

Our Company is built on the valuable protection life insurance provides for individuals, families, and businesses. For every policy you provide to your clients, New York Life credits you with a generous First Year Commission payment. The following section describes some of the compensation elements payable under the N9 Agent's Contract for Individual Life products.

2.1. Individual Life Products

Whole Life Products

- Whole Life (WL)
- Value Whole Life (VWL)
- Custom Whole Life (CWL)
- Custom Survivorship Whole Life (CSWL)
- Employee's Whole Life (EWL)

Universal Life Products

- New York Life Universal Life (NYL-UL)
- New York Life Universal Life Protection Up to Age 90 (NYL-UL Protection)
- New York Life Survivorship Universal Life (NYL-SUL)
- New York Life Advantage Universal Life (NYL A-UL)
- New York Life Advantage Universal Life Protection Up to Age 90 (NYL A-UL Protection)
- New York Life Advantage Survivorship Universal Life (NYL A-SUL)
- Variable Universal Life Accumulator Plus (VUL Accumulator Plus)
- New York Life Custom Universal Life Guarantee (NYL UL-CG)
- Asset Preserver (AP)
- Asset Flex (AF)

Term Products

- Level Premium Convertible Term 10 – 20 (LCT)
- Yearly Convertible Term (YCT)
## 2.2. Typical First Year Commission Rates

First Year Commissions for Individual Life products vary by product sold. The following chart shows typical First Year Commission Rates, as well as whether the commissions count toward other allowance programs. See The Commission Rates and Rules Manual on Agency Portal for detailed First Year Commission schedules.

<table>
<thead>
<tr>
<th>Products</th>
<th>First Year Commissions</th>
<th>Additional Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Life (WL)(^1,2)</td>
<td>55%</td>
<td>Yes</td>
</tr>
<tr>
<td>Value Whole Life (VWL)(^1,2)</td>
<td>55%</td>
<td>Yes</td>
</tr>
<tr>
<td>Custom Whole Life (CWL)(^1,2,3)</td>
<td>55%</td>
<td>Yes</td>
</tr>
<tr>
<td>Custom Survivorship Whole Life (CSWL)(^2,3)</td>
<td>55%</td>
<td>Yes</td>
</tr>
<tr>
<td>Employee's Whole Life (EWL)(^2)</td>
<td>55%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Universal Life (NYL-UL)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Universal Life Protection Up to Age 90 (NYL-UL Protection)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Survivorship Universal Life (NYL-SUL)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Advantage Universal Life (NYL A-UL)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Advantage Universal Life Protection Up to Age 90 (NYL A-UL Protection)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Advantage Survivorship Universal Life (NYL A-SUL)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>Variable Universal Life (VUL) Accumulator Plus(^1,4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>New York Life Custom Universal Life Guarantee (NYL UL-CG)(^4)</td>
<td>50%</td>
<td>Yes</td>
</tr>
<tr>
<td>Asset Preserver (AP)(^1)</td>
<td>3.1% to 4.5%(^5)</td>
<td>Yes(^6)</td>
</tr>
<tr>
<td>Asset Flex (AF)(^1)</td>
<td>3.1% to 5.5%(^7)</td>
<td>Yes(^6)</td>
</tr>
<tr>
<td>Level Premium Convertible Term (LCT)</td>
<td>55%</td>
<td>Yes</td>
</tr>
<tr>
<td>Yearly Convertible Term (YCT)</td>
<td>55%</td>
<td>Yes</td>
</tr>
</tbody>
</table>

\(^1\) Rates may be lower at higher issue ages.

\(^2\) 3% on Option to Purchase Paid-up Additions (OPP) Rider (all years).

\(^3\) CWL and CSWL FYC are 55% up to the Commissionable Breakpoint Premium, then 3.5% above

\(^4\) Up to Target Premium; 3% on excess

\(^5\) FYC varies by Choice Compensation Option and issue age.

\(^6\) Additional allowances applicable only if Choice Compensation Option 3 is chosen.

\(^7\) FYC varies by Choice Compensation Option and payment option. Additional allowance applicable only if Single Pay option is chosen.
2.3. Renewal Commissions


<table>
<thead>
<tr>
<th>Policy Year</th>
<th>Whole Life</th>
<th>Universal Life*</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>3</td>
<td>10%**</td>
<td>10%**</td>
<td>5%</td>
</tr>
<tr>
<td>4</td>
<td>15%**</td>
<td>15%**</td>
<td>5%</td>
</tr>
<tr>
<td>5</td>
<td>20%**</td>
<td>20%**</td>
<td>5%</td>
</tr>
<tr>
<td>6</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>7</td>
<td>5%</td>
<td>5%</td>
<td>---</td>
</tr>
<tr>
<td>8</td>
<td>5%</td>
<td>5%</td>
<td>---</td>
</tr>
<tr>
<td>9</td>
<td>5%</td>
<td>5%</td>
<td>---</td>
</tr>
<tr>
<td>10</td>
<td>15%**</td>
<td>15%**</td>
<td>---</td>
</tr>
<tr>
<td>11 - 14</td>
<td>2%</td>
<td>2%</td>
<td>---</td>
</tr>
<tr>
<td>15</td>
<td>5%**</td>
<td>5%**</td>
<td>---</td>
</tr>
</tbody>
</table>

*Rate applies to premium up to target premium for Universal Life, rate applies to premium up to the Commissionable Breakpoint Premium for CWL and CSWL.


Note: In Year 20, Conditional Renewal Commissions of 3% are payable on Whole Life and Universal Life products. (Agent must meet production requirements.)

Note: CSWL, SVUL Accumulator, NYL SUL, NYL A-SUL, NYL NA-SUL, and NYL SUL-CG renewal rates are based on the age of the younger insured.

Note: At older issue ages, the percentages may be lower

For More Information

Please refer to The Commission Rates and Rules Manual on Agency Portal and to new product Field News releases for additional information and updates.

The Company reserves the right to change, revoke or cancel compensation plans, including commissions and service fee schedules, at any time by giving written notice to the Agent. The information provided herein is a brief summary and is subject to the actual terms and provisions of the Agent’s Contract. In the event of a conflict between this summary and the Agent’s Contract, the terms and provisions of the Agent’s Contract will govern.
Introduction

Individual Annuities can be an important component of a client’s overall retirement plan. The compensation for Individual Annuity product sales consists of First Year Commission and, for Variable Annuities only, an asset-based Trail that begins in policy year 2 and continues as long as the policy is in force. Additionally, all Individual Annuity FYC is eligible for an additional expense allowance under the Life & Annuity Expense Allowance Plan. The following section describes the compensation for Individual Annuity products.

3.1. Individual Annuity Products

- **Variable Deferred Annuity (VA) Products**
  - Premier Variable Annuity II
  - Premier Plus Variable Annuity II
  - Flexible Premium Variable Annuity III

- **Fixed Deferred Annuity (FDA) Products**
  - Secure Term Choice Fixed Annuity
  - Secure Term MVA Fixed Annuity

- **Guaranteed Income Annuity (GIA) Products**
  - Guaranteed Lifetime Income Annuity (GLIA)
  - Guaranteed Future Income Annuity (GFIA)
  - Guaranteed Period Income Annuity (GPIA)
  - Lifetime Mutual Income Annuity (LMIA)
  - Future Mutual Income Annuity (FMIA)
  - Clear Income Fixed Annuity
  - Clear Income Fixed Annuity (w/MVA)
3.2. First Year Commission

Below are two charts of First Year Commission rates for Individual Annuity sales. All products listed below are the products currently offered for sale. For a more detailed description of compensation for a specific product, please see The Commission Rates and Rules Manual on Agency Portal. The FYC rates shown in the charts are 0.25% higher for Training Allowance (PTAS and TAS) Agents.

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Product</th>
<th>FIRST YEAR COMMISSION (FYC) RATES</th>
<th>Issue Age 75 and Below</th>
<th>Issue Age 76 and Above</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>New Money</td>
<td>Internal Money</td>
</tr>
<tr>
<td>VA</td>
<td>Premier Plus II</td>
<td>3.25%</td>
<td>2.25%</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Flexible Premium II</td>
<td></td>
<td></td>
<td>2.25%</td>
</tr>
<tr>
<td>FDA</td>
<td>Secure Term Choice / MVA (excluding 3/3, 4/4)</td>
<td>2.50%</td>
<td>1.50%</td>
<td>1.50%</td>
</tr>
<tr>
<td>FDA</td>
<td>Secure Term Choice / MVA (3/3, 4/4)</td>
<td>1.50%</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>GIA</td>
<td>GLI &amp; LMI</td>
<td>3.25%</td>
<td>3.25%</td>
<td>2.25%</td>
</tr>
<tr>
<td>GIA</td>
<td>GPI 10 – 14 Years</td>
<td>2.00%</td>
<td>1.50%</td>
<td>1.50%</td>
</tr>
<tr>
<td>GIA</td>
<td>GPI 7 – 9 Years</td>
<td>1.50%</td>
<td>1.00%</td>
<td></td>
</tr>
<tr>
<td>GIA</td>
<td>GPI 5 – 6 Years</td>
<td>1.00%</td>
<td>0.75%</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** All annuity products listed above are available for purchase with nonqualified and qualified money.

**Note:** All commissions count toward MDRT qualification. All commissions are expense allowance eligible.

**Note:** Any additional premiums after the first policy year credit FYC generally at the same rates as the initial premium payment, although there are some exceptions.

**Note:** Internal Money is defined within the Commission Rates & Rules Manual. Please consult for more details.

**Note:** For dump-ins on products no longer currently for sale, please see the Commission Rates & Rules Manual for applicable commission rates.
3.3. Additional Annuity Compensation Considerations

Additional considerations that affect the compensation for Annuities are:

- **Council Credits** – Council Credits are based on the FYC credited. Annuitization of an existing VA or FDA will award Council Credits at a rate of 3.25% (for Ages 0 – 75) and 2.25% (for Ages 76+).

- **Expense Allowance** – Expense Allowance is credited on all FYC for annuity products sold with an App. Sign Date of 10/1/2016 or later. All amounts credited under Expense Allowance are subject to a “Conditional Check” maximum to ensure compliance with New York State law. For more details, see the Life and Annuity Expense Allowance Plan description.

- **Trails** – Trails are credited on all Variable Annuities with an App Sign Date of 10/1/2016 or later. For all variable annuities except Complete Access VA II, the Trail is 15 bps beginning in policy year 2. The Trail is based on the Accumulation Value of the policy, regardless of whether the M&E fees are account value-based or premium-based. The Trail is credited quarterly, on the policy quarter anniversaries, at a rate of 3.75 bps (15 bps / 4) for as long as the policy is in force. Additional premium payments have a 12-month waiting period before becoming Trail eligible. The Trails can be transferred to a Successor Agent or Permanent Servicing Agent. Agents must have an active status and remain registered to be eligible to continue to be credited trails.

  Complete Access VA II has a Trail of 75 bps (for Issue Ages 0 – 75) or 65 bps (for Issue Ages 76+) beginning in policy year 2. The Trail is based on the Accumulation Value of the policy and is credited quarterly as described above.

**For More Information**

Please refer to The Commission Rates and Rules Manual on Agency Portal and to new product Field News releases for additional information and updates.

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Chapter 4: Long-Term Care Insurance Product Sales

Introduction
The compensation for the Long-Term Care Insurance policies you sell consists of First Year and Renewal Commissions and an Expense Allowance Plan. The following outlines these plans:

4.1. NYL My Care – Commission Rates
Commission rates will vary depending on the year the case was submitted, and if the client has a Multi-Life Discount. The rates will be either Standard or State Specific (due to state regulations, some states require certain percentages for rates).

   a. **Commission Tables for NYL My Care – Without Multi-Life Discount**

Effective August 20, 2018 and subsequent (in approved states). In South Dakota, if a sale is deemed not suitable from the information provided on the personal worksheet, the First Year Commission will be equal to the year 2 renewal rate.

The table below outlines the commission schedule for standard states (all but DE) with no Multi-Life Discount for the NYL My Care product:

**Standard Table** - (All but Delaware)

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Years 2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-59</td>
<td>50%</td>
<td>5%</td>
</tr>
<tr>
<td>60-74</td>
<td>45%</td>
<td>5%</td>
</tr>
<tr>
<td>75-79</td>
<td>40%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The table below outlines the commission schedule for the state of Delaware with no Multi-Life Discount for the NYL My Care product:

**Delaware Table**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Years 3+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-79</td>
<td>35%</td>
<td>30%</td>
<td>5%</td>
</tr>
</tbody>
</table>

   b. **Commission Tables for NYL My Care – With Multi-Life Discount**

The table below outlines the commission schedule for standard states (all but DE) **with the Multi-Life Discount** for the NYL My Care product:

**Standard Table** - (All but Delaware)

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Years 2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-59</td>
<td>45%</td>
<td>2%</td>
</tr>
<tr>
<td>60-74</td>
<td>40%</td>
<td>2%</td>
</tr>
<tr>
<td>75-79</td>
<td>35%</td>
<td>2%</td>
</tr>
</tbody>
</table>
The table below outlines the commission schedule for the state of Delaware with the Multi-Life Discount for the NYL My Care product:

**Delaware Table**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Years 3+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-79</td>
<td>30%</td>
<td>30%</td>
<td>2%</td>
</tr>
</tbody>
</table>

4.2. NYL Secure Care – Commission Rates

Commission rates will vary depending on the year the case was submitted, and if the client has a Multi-Life Discount. The rates will be either Standard or State Specific (due to state regulations, some states require certain percentages for rates).

a. **Commission Tables for NYL Secure Care – Without Multi-Life Discount**

Effective March 7, 2016 and subsequent (in approved states). In South Dakota, if a sale is deemed not suitable from the information provided on the personal worksheet, the First Year Commission will be equal to the year 2 renewal rate.

The table below outlines the commission schedule for standard states (all but DE) with no Multi-Life Discount for the NYL Secure Care product:

**Standard Table - (All but Delaware)**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Years 2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-59</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>60-74</td>
<td>45%</td>
<td>0%</td>
</tr>
<tr>
<td>75-79</td>
<td>40%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*AARP schedules are applicable for lead-generated sales only. The Multi-Life Discount is not available for AARP lead-generated sales.*
The table below outlines the commission schedule for the state of Delaware with no Multi-Life Discount for the NYL Secure Care product:

**Delaware Table**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Years 3+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-79</td>
<td>35%</td>
<td>30%</td>
<td>5%</td>
</tr>
</tbody>
</table>

b. **Commission Tables for NYL Secure Care – With Multi-Life Discount**

The table below outlines the commission schedule for standard states (all but DE) with the Multi-Life Discount for the NYL Secure Care product:

**Standard Table - (All but Delaware)**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Years 2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-59</td>
<td>45%</td>
<td>2%</td>
</tr>
<tr>
<td>60-74</td>
<td>40%</td>
<td>2%</td>
</tr>
<tr>
<td>75-79</td>
<td>35%</td>
<td>2%</td>
</tr>
</tbody>
</table>

The table below outlines the commission schedule for the state of Delaware with the Multi-Life Discount for the NYL Secure Care product:

**Delaware Table**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Years 3+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-79</td>
<td>30%</td>
<td>30%</td>
<td>2%</td>
</tr>
</tbody>
</table>

c. **Commission Tables for NYL Secure Care – AARP**

The table below outlines the commission schedule for standard states (all but DE) with no Multi-Life Discount for the NYL Secure Care AARP product:

**Standard Table - (All but Delaware)**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Years 2+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-59</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>60-74</td>
<td>45%</td>
<td>0%</td>
</tr>
<tr>
<td>75-79</td>
<td>40%</td>
<td>0%</td>
</tr>
</tbody>
</table>

The table below outlines the commission schedule for the state of Delaware with no Multi-Life Discount for the NYL Secure Care AARP product:

**Delaware Table**

<table>
<thead>
<tr>
<th>Issue Age</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Years 3+</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-79</td>
<td>35%</td>
<td>30%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*AARP schedules are applicable for lead-generated sales only. The Multi-Life Discount is not available for AARP lead-generated sales.*
4.3. LTCi Expense Allowance Schedule

The LTCi Expense Allowance provides agents with an additional source of payment beyond FYC. The Expense Allowance payout percentage is calculated from the total sum of FYC paid from the past 4 quarters (rolling 4 quarters). The payout percentage is then applied to the most recent quarter’s FYC paid to determine the Expense Allowance earned. The actual payment is spread into 3 equal monthly payments following the end of the quarter. No Expense Allowance is paid on policies issued in Delaware.

<table>
<thead>
<tr>
<th>Minimum FYC Requirement (Rolling 4 Quarters)</th>
<th>Expense Allowance Payout (Applied to Current Quarter FYC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$40,000 and greater</td>
<td>55%</td>
</tr>
<tr>
<td>$30,000</td>
<td>30%</td>
</tr>
<tr>
<td>$20,000</td>
<td>20%</td>
</tr>
<tr>
<td>$10,000</td>
<td>10%</td>
</tr>
<tr>
<td>$5,000</td>
<td>5%</td>
</tr>
<tr>
<td>Less Than $5,000</td>
<td>Not Eligible</td>
</tr>
</tbody>
</table>

Please note that if the agent’s net LTCi FYC is zero or negative in any given quarter, no LTCi expense allowance will be earned for that quarter.

For More Information

Please refer to the LTCi section of Agency Portal and new Field News releases for detailed commission tables including information on Multi-Life LTCi Product sales as well as LTCi Expense Allowance rules and examples. Any questions on the LTCi Expense Allowance can be emailed to LTC_Commmissions@newyorklife.com

The Company reserves the right to change, revoke or cancel compensation plans, including commission and service fee schedules, at any time by giving written notice to the Agent. The information provided herein is a brief summary and is subject to the actual terms and provisions of the Agent’s Contract. In the event of a conflict between the summary and the Agent’s Contract, the terms and provisions of the Agent’s Contract will govern.
Chapter 5: Mutual Funds Product Sales

Introduction
NYLIFE Securities LLC (member FINRA/SIPC), a registered broker-dealer and licensed insurance agency, New York Life’s broker-dealer, is an indirect, wholly owned subsidiary of New York Life Insurance Company. It offers more than 2,000 individual mutual funds – representing more than 40 fund families – including our own MainStay mutual funds. The depth, breadth, and competitiveness of our product portfolio create opportunity and provide the means for financial success for your clients and for you.

5.1. Eligibility for Mutual Fund Sales
Agents must be FINRA-licensed Registered Representatives.
Agents must be securities licensed in the state where they conduct business, in the state where they reside, in the state where their General Office is located, and in the state where the sale is conducted.

5.2. Mutual Fund Compensation
For Mutual Fund sales placed in a NYLIFE Securities brokerage account or directly with a Mutual Fund family, Registered Representative Mutual Fund compensation is calculated as a percentage of the payment NYLIFE Securities receives from the Mutual Fund family, i.e., the gross dealer concession, or GDC. The amount of GDC received by NYLIFE Securities varies depending on the fund family, fund type, class of shares sold, and sales dollar breakpoints.

If you are a retired Registered Representative with 20 or more years of service as a New York Life Agent without an active securities license prior to June 9, 2017, you remain eligible to receive trials. If a client requests a recommendation, then your client will be reassigned to another Registered Representative (unless you have an active successor on file) and your trail payments will cease.

If you are a retired Registered Representative with 20 or more years of service as a New York Life Agent without an active securities license after June 9, 2017, you are not eligible to receive trails unless you have an active successor on file.

5.3. Calculating Mutual Fund Compensation
Compensation for mutual fund sales is based on the GDC NYLIFE Securities receives from the Mutual Fund family, multiplied by the Registered Representative’s payout rate. The final GDC submitted for RR compensation is capped based on the current Available Fund list at 4.75% of the investment amount for Equity/Asset Allocation/Balanced funds and at 4.00% for Fixed Income funds.

5.4. Gross Dealer Concession (GDC)
GDC is derived from a percentage of the client’s total investment (for First Year Commissions), or assets under management that have aged for at least 12 months (for 12b-1 or Trails). The GDC percentage can vary by fund family, fund type, class of shares sold, and sales dollar breakdown.

5.5. Payout Rates
Payout rates for commissions processed by NYLIFE Securities are locked in effective July 1st for the entire Council Year and are based on the GDC grid shown below based on two factors:
5.6. Council

Registered Representatives’ payout rates are determined by the Council level they achieved at the end of the prior Council year.

5.7. Annual GDC

Registered Representatives’ total GDC levels are based on the GDC credited during the prior Council year.

Effective July 1st, 2020

<table>
<thead>
<tr>
<th>NYLIFE Securities Registered Products Gross Dealer Concession</th>
<th>None</th>
<th>Quality Council</th>
<th>Executive Council</th>
<th>President’s Council</th>
<th>Chairman’s Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$26,999</td>
<td>35%</td>
<td>40%</td>
<td>50%</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>$27,000-$53,999</td>
<td>40%</td>
<td>45%</td>
<td>55%</td>
<td>60%</td>
<td>65%</td>
</tr>
<tr>
<td>$54,000-$71,999</td>
<td>45%</td>
<td>50%</td>
<td>60%</td>
<td>65%</td>
<td>70%</td>
</tr>
<tr>
<td>$72,000-$101,999</td>
<td>50%</td>
<td>55%</td>
<td>70%</td>
<td>75%</td>
<td>80%</td>
</tr>
<tr>
<td>$102,000-$155,999</td>
<td>55%</td>
<td>60%</td>
<td>75%</td>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td>$156,000-$249,999</td>
<td>60%</td>
<td>65%</td>
<td>80%</td>
<td>85%</td>
<td>90%</td>
</tr>
<tr>
<td>$250,000-$399,999</td>
<td>65%</td>
<td>70%</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$400,000-$549,999</td>
<td>70%</td>
<td>75%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$550,000-$699,999</td>
<td>75%</td>
<td>80%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$700,000-$849,999</td>
<td>80%</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$850,000-$999,999</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>≥GDC for 90% payout and Eagle AUM &gt; $50M+*</td>
<td>N/A</td>
<td>N/A</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
</tr>
</tbody>
</table>

Additional GDC bands for Agents with 10 or more years of service with New York Life®.

Effective July 1st, 2020

<table>
<thead>
<tr>
<th>NYLIFE Securities Registered Products Gross Dealer Concession</th>
<th>None</th>
<th>Quality Council</th>
<th>Executive Council</th>
<th>President’s Council</th>
<th>Chairman’s Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>$156,000-$249,999</td>
<td>60%</td>
<td>65%</td>
<td>80%</td>
<td>85%</td>
<td>90%</td>
</tr>
<tr>
<td>$250,000-$399,999</td>
<td>65%</td>
<td>70%</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$400,000-$549,999</td>
<td>70%</td>
<td>75%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$550,000-$699,999</td>
<td>75%</td>
<td>80%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$700,000-$849,999</td>
<td>80%</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$850,000-$999,999</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>≥GDC for 90% payout and Eagle AUM &gt; $50M+*</td>
<td>N/A</td>
<td>N/A</td>
<td>93%</td>
<td>93%</td>
<td>93%</td>
</tr>
</tbody>
</table>

* Eagle AUM includes managed assets in an LWP or Brinker Direct Solicitor Program as of the end of the prior Council year.

# Based on New York Life Agent contract date at the end of the prior Council year.
The NYLIFE Securities Gross Dealer Concession Grid applies to the following products:

- Mutual Funds (proprietary and nonproprietary)
- Eagle AUM products (excluding Financial Planning)
- Group Annuities (proprietary and nonproprietary)
- Nonproprietary Variable Annuities and Variable Universal Life
- All trails

5.8. Council Credits

Registered Representatives receive Council Credits at the rate of 3.25% on new investments in approved A Share Mutual Funds. Council Credits are only applied on new investments, not on assets under management. Please refer to the Council Rules for more details.

5.9. Stocks, Bonds, and Options Compensation

Series 7 Registered Representatives can be credited with compensation on trades placed within a NYLIFE Securities brokerage account involving stocks, bonds, and options. Registered Representative compensation is calculated as 21% of the transaction fees received by NYLIFE Securities on each trade.

For More Information

Please call Investor Relations at (800) 884-3874 for more information.

The Company reserves the right to change, revoke or cancel compensation plans, including commission and service fee schedules, at any time by giving written notice to the Agent. The information provided herein is a brief summary and is subject to the actual terms and provisions of the Agent's Contract. In the event of a conflict between the summary and the Agent's Contract, the terms and provisions of the Agent's Contract will govern.
Chapter 6: Advisory Services Compensation

Introduction
Financial Advisers (Advisers) with Eagle Strategies LLC (Eagle), an indirect, wholly owned subsidiary of New York Life Insurance Company, can offer their clients fee-based financial planning (if approved) and/or investment advisory services. Advisers may also conduct compliance-approved financial planning seminars.

6.1. Financial Planning Fees
A fee-based financial plan may be prepared using any, or a combination, of the following approved software applications:

- **eMoneyAdvisor:** Offers three different versions of their software at varying cost depending on software offering. A summary is provided below:

<table>
<thead>
<tr>
<th>eMoney</th>
<th>Standard (Level 1)</th>
<th>Plus (Level 2)</th>
<th>Advanced (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Planning</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Goal Based Planning</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Client Site</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Client Education</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Data Aggregation - All Institutions</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Data Aggregation - Eagle Accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Cost Per Year</strong></td>
<td>$500</td>
<td>$2,400</td>
<td>$3,300</td>
</tr>
<tr>
<td>Marketing Available</td>
<td>Yes ($100/month)</td>
<td>Yes ($100/month)</td>
<td>Yes ($100/month)</td>
</tr>
</tbody>
</table>

- **SunGard Advisor Series:** Eagle Adviser produces the entire plan (modular or comprehensive) depending on the terms of the engagement. Adviser purchases the software at an annual cost of $400.

Payout rates on Financial Planning Fees will be credited as noted below and are based on the amount of the GDC charged throughout the current Council year and the Adviser’s Council level at the end of the prior Council year:

<table>
<thead>
<tr>
<th>GDC</th>
<th>None</th>
<th>Quality</th>
<th>Executive</th>
<th>President’s</th>
<th>Chairman’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$30,000</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td>$30,001-$100,000</td>
<td>75%</td>
<td>75%</td>
<td>80%</td>
<td>85%</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;$100,000</td>
<td>75%</td>
<td>80%</td>
<td>85%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

*Note: Financial planning fees count towards Council Credit @ 50% of check received.*
6.2. Investment Advisory Program Fees

Eagle offers several "assets under management" programs. Compensation to the Adviser is based on the fee the Adviser receives for managing the asset. Eagle and the Adviser will split the fee based on the Advisers NYLIFE Securities GDC grid payout. Please see the below example that assumes a GDC payout of 80%:

**Compensation for Assets Under Management Fees**

- The Adviser selects the Adviser Fee between 0.00% – 1.50% based on the following blended asset tiers:
  - 1.50% max up to $1 million
  - 1.25% max between $1 million - $2 million
  - 1.00% max greater than $2 million
- The Sponsor Fee varies depending on the investment program and is fully described in the Eagle Policies and Procedures Manual (EPPM) and ADV. The Sponsor Fee may be comprised of the Manager Fee, Platform Fee, Custody Fee, Administrative Fee, etc.
- The Total Client Fee is the sum of the Adviser Fee and the Sponsor Fee.

**Example**

- Prior Year’s Council level: PC
- Adviser’s Prior Year GDC: $110,000
- Payout: 80%
- Initial Investment Amount: $100,000
- Adviser Fee: 1.00% (100 bps)
- Sponsor Fee: 0.55% (55 bps)
- Adviser Payout: 100bps (Adviser Fee) x 80% (payout) = $800 annually
- Client Fee: 1.00% (Adviser Fee) + 0.55% (Sponsor Fee) = 1.55%, 1.55% x $100,000 (initial investment amount) = $1,550 annually

**Council Credits for Eagle Fees**

- Eagle Advisers receive Council Credits at the rate of 3.25% of new contributions into Eagle advisory accounts. New contributions refer to any initial or additional deposit into an account for which an Adviser has not already received Eagle Council Credits. Internal transfers between Eagle accounts will not receive new Council Credits.
- In addition, Eagle Strategies Financial Advisers will receive ½ Council Credits for each dollar of Financial Planning Fees. For example, a fee of $1,000 will result in 500 Council Credits.
- All Eagle Council Credits listed above are classified as Supplemental Investment Solutions credits and are subject to the one-for-one standard. Please refer to the Council Rules for more details.

6.3. Financial Planning Seminars

Advisers may hold financial planning seminars as a prospecting tool and may charge an attendance fee. Eagle Strategies offers compliance-approved presentations from Emerald (800) 233-2834.

**For More Information**

Please call Investor Relations at (800) 884-3874 for more information.

The Company reserves the right to change, revoke or cancel compensation plans, including commission and service fee schedules, at any time by giving written notice to the Agent. The information provided herein is a brief summary and is subject to the actual terms and provisions of the Agent’s Contract. In the event of a conflict between the summary and the Agent’s Contract, the terms and provisions of the Agent’s Contract will govern.
Chapter 7: Premium Drawing Nylic

Introduction

If you sell a traditional life insurance policy in your first contract year, you may be eligible to be credited with additional monthly income credits on that sale starting in your third contract year. That’s the beauty of Premium Drawing Nylic and building a long-term relationship with your clients and with New York Life.

Premium Drawing Nylic (PDN) and Conditional Premium Drawing Nylic are credited monthly on the last day of each month, usually starting in the Agent’s third PDN Year (as defined below). PDN is credited on Whole Life, Modified Premium Whole Life, Custom Whole Life, Survivorship Whole Life, Custom Survivorship Whole Life and Employee’s Whole Life policies and is based on business sold during the second, third, fourth, ninth and fourteenth prior PDN years. Qualifying business must be persistent on a premium-paying basis as of the last day of the preceding PDN year. In addition to PDN, Conditional PDN will be credited on eligible policies if you satisfy certain First Year Commission production standards during a measurement period established and announced by the Company.

7.1. Conditions of PDN Eligibility

To qualify for and be credited with PDN, you must satisfy the following requirements:

- Be the original writing Agent, operating under the N9 Agent’s Contract when the business is sold and either:
  - Operate under the N9 Agent’s Contract or Retired Agent’s 1SN/2SN Contract when the PDN payment is to be credited, OR
  - Have entered a management position within 48 months of when the PDN payment is to be credited

The terms PDN Year, PDN Eligible Insurance, and Persisting PDN Premium are described below. These terms are used in the following sections to describe the calculation of PDN Income.

7.2. PDN Year

A PDN Year consists of 12 consecutive calendar months beginning on the first day of the month following the month in which the N9 Agent’s Contract became effective. An Agent’s first PDN Year begins on the first day of the month after the Agent’s N9 Agent’s Contract becomes effective and ends 12 months later, on the last day of that month. Each PDN Year thereafter consists of the next 12 consecutive calendar months.

7.3. PDN Eligible Insurance

PDN Eligible Insurance consists of Whole Life, Modified Premium Whole Life, Custom Whole Life, Survivorship Whole Life, Custom Survivorship Whole Life and Employee’s Whole Life policies.

7.4. Persisting PDN Premium

Persisting PDN Premium at the end of any PDN Year is the Annualized Basic Renewal Premium due on the next policy anniversary. This pertains to each policy of PDN Eligible Insurance remaining in force at the end of that PDN Year.
7.5. Annualized Basic Renewal Premium

Annualized Basic Renewal Premium is the basic modal premium times the number of premium payments per policy year. This includes any supplemental benefits and excludes all riders.

7.6. PDN Income

PDN Income is credited monthly (on the last business day of the month), usually starting in your third PDN Year. PDN Income will cease with the last monthly credits due immediately prior to the time the Agent’s Contract terminates. Conditional PDN, which is in addition to PDN, will be credited on eligible policies if the Agent satisfies certain First Year Commission production standards during a period established and announced by the Company. Conditional PDN also ceases when PDN ceases.

7.7. PDN Eligible Insurance – Additional Rules

The definition of PDN Eligible Insurance will be subject to the following additional rules:

- **Rescission** - Rescinded policies will not be considered PDN Eligible Insurance.

- **Lapse and Reinstatement** - In future PDN calculations, policies that lapse and are later reinstated will be treated as if there had been no lapse.

- **Shared Commissions** - If an Agent shares commissions on a policy with another Agent, the amount of any PDN Eligible Insurance and any persisting PDN Premium must be shared in the same proportion as are the commissions.

7.8. PDN Year in Which PDN Eligible Insurance is Obtained

The policy issue date determines the PDN Year in which PDN Eligible Insurance is considered to have been obtained.

7.9. Assignment of PDN

Although the right to PDN Income may be assigned without the written consent of the Company, the Company must receive reasonable proof of such assignment before commencing payment. Regardless of any assignment, no further PDN Income is due or credited when the Agent’s Contract is terminated.

7.10. Agent’s Indebtedness

The Company has a paramount and prior hold upon all PDN Income. To satisfy any indebtedness of the Agent to the Company, PDN credits may be applied to the debt. The Company’s failure to apply sums will not impair its right to do so or affect any lien on other sums becoming due.
7.11. Premium Drawing Nylic Rates*

<table>
<thead>
<tr>
<th>PDN Year</th>
<th>PDN Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2\textsuperscript{nd} Prior</td>
<td>Regular</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Conditional</td>
<td>5%</td>
</tr>
<tr>
<td>3\textsuperscript{rd} Prior</td>
<td>Regular</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Conditional</td>
<td>10%</td>
</tr>
<tr>
<td>4\textsuperscript{th} Prior</td>
<td>Regular</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Conditional</td>
<td>15%</td>
</tr>
<tr>
<td>9\textsuperscript{th} Prior</td>
<td>Regular</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Conditional</td>
<td>10%</td>
</tr>
<tr>
<td>14\textsuperscript{th} Prior</td>
<td>Regular</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Conditional</td>
<td>3%</td>
</tr>
</tbody>
</table>

* For CWL and CSWL, rates in table apply up to the Commissionable Breakpoint Premium and generally, 3.5\% is credited above the Commissionable Breakpoint Premium. Conditional PDN does not apply above the Commissionable Breakpoint Premium.
### Table 1: Method of Calculating Monthly PDN Income

*(For an Agent who qualifies for Conditional PDN)*

<table>
<thead>
<tr>
<th>I</th>
<th>II</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PDN Income Base</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(A)</td>
<td>(B)</td>
</tr>
<tr>
<td>Amount of Monthly PDN Income Credited in PDN Year</td>
<td>= Amount of PDN Eligible Insurance Obtained in PDN Year</td>
<td>That is Persisting PDN Premium at End of PDN Year</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>5</td>
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</tr>
<tr>
<td>15</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>

For each of the succeeding PDN Years, the pattern established above continues.

Monthly PDN Income (including Conditional PDN Income) credited during PDN Year in Column I equals the amount of PDN Income Base in Column II multiplied by the PDN Income Rate (including Conditional PDN Rate) in Column III.
Table 2: Method of Calculating Monthly PDN Income

(For an Agent who does not qualify for Conditional PDN)

<table>
<thead>
<tr>
<th>I</th>
<th>II PDN Income Base</th>
<th>III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(A)</td>
<td>(B)</td>
</tr>
<tr>
<td>Amount of Monthly PDN Income Credited in PDN Year</td>
<td>= Amount of PDN Eligible Insurance Obtained in PDN Year</td>
<td>That is Persisting PDN Premium at End of PDN Year</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>3</td>
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<td>15</td>
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<td>14</td>
</tr>
</tbody>
</table>

For each of the succeeding PDN Years, the pattern established above continues.

Monthly PDN Income credited during PDN Year in Column I equals the amount of PDN Income Base in Column II multiplied by the PDN Income Rate in Column III.
7.12. Illustrations of PDN Income

The illustrations that follow are solely for the purpose of showing the method of calculating monthly PDN Income. They are based on the indicated assumptions for yearly amounts of PDN Eligible Insurance – as well as the persistency of such insurance. In actual practice, the amounts of PDN Eligible Insurance and the persistency could vary for each Agent. The illustrations assume issue ages 0-80.

Example 1: Calculation of Premium Drawing Nylic (PDN) for an N9 Agent in PDN Year 6 who has qualified for Conditional PDN

Business Obtained in PDN Year 2

1. Annualized PDN Premium on Business Sold in PDN Year 2 $50,000
2. Assumed Persistency Rate 0.788
3. Persisting Annualized PDN Premium at the end of PDN Yr. 5 = (1) x (2) $39,400
4. Monthly rate applied to persisting PDN Premium* 1.66%
5. Monthly Amount credited in PDN Year 6 = (3) x (4) $654.04

Business Obtained in PDN Year 3

6. Annualized PDN Premium on Business Sold in PDN Year 3 $60,000
7. Assumed Persistency Rate 0.835
8. Persisting Annualized PDN Premium at the end of PDN Yr. 5 = (6) x (7) $50,100
9. Monthly rate applied to persisting PDN Premium* 1.25%
10. Monthly Amount credited in PDN Year 6 = (8) x (9) $626.25

Business Obtained in PDN Year 4

11. Annualized PDN Premium on Business Sold in PDN Year 4 $70,000
12. Assumed Persistency Rate 0.894
13. Persisting Annualized PDN Premium at the end of PDN Yr. 5 = (11) x (12) $62,580
14. Monthly rate applied to persisting PDN Premium* 0.833%
15. Monthly Amount credited in PDN Year 6 = (13) x (14) $521.29

Monthly PDN Amount in PDN Year 6 = (5) + (10) + (15) $1,801.58

* Lower Rates apply at higher issue ages
**Example 2:** Calculation of Premium Drawing Nylic (PDN) for an N9 Agent in PDN Year 6 who has not qualified for Conditional PDN

### Business Obtained in PDN Year 2
1. Annualized PDN Premium on Business Sold in PDN Year 2 $10,000
2. Assumed Persistency Rate 0.788
3. Persisting Annualized PDN Premium at the end of PDN Yr. 5 = (1) x (2) $7,880
4. Monthly rate applied to persisting PDN Premium* 0.416%
5. Monthly Amount credited in PDN Year 6 = (3) x (4) $32.78

### Business Obtained in PDN Year 3
6. Annualized PDN Premium on Business Sold in PDN Year 3 $15,000
7. Assumed Persistency Rate 0.835
8. Persisting Annualized PDN Premium at the end of PDN Yr. 5 = (6) x (7) $12,525
9. Monthly rate applied to persisting PDN Premium* 0.416%
10. Monthly Amount credited in PDN Year 6 = (8) x (9) $52.10

### Business Obtained in PDN Year 4
11. Annualized PDN Premium on Business Sold in PDN Year 4 $20,000
12. Assumed Persistency Rate 0.894
13. Persisting Annualized PDN Premium at the end of PDN Yr. 5 = (11) x (12) $17,880
14. Monthly rate applied to persisting PDN Premium* 0.416%
15. Monthly Amount credited in PDN Year 6 = (13) x (14) $74.38

**Monthly PDN Amount in PDN Year 6 = (5) + (10) + (15) $159.26**

* Lower Rates apply at higher issue ages

### For More Information
Please refer to the Premium Drawing Nylic information on Agency Portal and new Field News releases for additional information and updates or call the Agent Compensation Hotline at (212) 576-8282.

The Company reserves the right to amend or terminate Premium Drawing Nylic and/or Conditional Premium Drawing Nylic (collectively, “Plan”), in whole or in part, at any time by giving written notice to the Agent. The information provided herein is a brief summary of the Plan and is subject to the actual terms and provisions of the Plan and applicable Field News releases. In the event of a conflict between this summary and the Plan and Field News releases, the terms and provisions of the Plan and Field News releases will govern.
Chapter 8: Life and Annuity Expense Allowance Plan

Introduction
Maximizing your income potential is a goal of New York Life’s, and our Life and Annuity Expense Allowance Plan will help you do just that. Whether you’re a top producer today, or will be one tomorrow, the Life and Annuity Expense Allowance Plan will help you reach that potential. Included in this section is information on Expense Allowance through the following programs:

- Sales Incentive, Council Incentive, and Top Producer Expense Allowance Production Factor
- Special recruiting programs (PEA, TEA, and MTEA)
- Professional Incentive Expense Reimbursement (PIER)
- Special incentive programs (i.e., Show Me the Money, Shared Success), Customer Commitment
- Special marketing subsidy programs (Tampa Lead Generation, Co-op programs)
- Successor Agent Allowance

8.1. Eligibility
Agents who join the Company as Non-TAS Agents (e.g., PEA and TEA Agents) must participate in the Life and Annuity Expense Allowance Plan from their contract date. Participation and Acknowledgment forms are needed and should be completed during contracting and submitted in the month of contract.

TAS Agents may or may not participate in the Plan. They will be given the option to elect to participate with the approval of their Managing Partner. By enrolling in the Life and Annuity Expense Allowance Plan prior to three years of completed service, the TAS Agent becomes eligible to receive expense allowance credits on a prospective basis, but the Agent also becomes responsible for paying certain additional business expenses. If the TAS Agent elects to participate, they will be required to submit to the Company a completed Request to Participate Form and an Acknowledgment Form. TAS Agents in California, Illinois, Montana, North Dakota and South Dakota must terminate their TAS Agreement if they elect to participate in the Plan.

If an Agent has completed three years of service and is not in the Plan, he or she is required to participate and will automatically be enrolled in the Plan at that time.

Any Agent participating in the Plan is responsible for most of his or her own business expenses.
8.2. Calculating Quarterly Expense Allowance

The Life and Annuity Expense Allowance Plan consists of a Sales Incentive, a Council Incentive, and a Top Producer Production Factor. These are calculated on a quarterly basis and credited to your ledger monthly.

To calculate your Life and Annuity Expense Allowance, the following information is obtained from the appropriate Company records:

- your rolling four quarters Eligible Life and Annuity First Year Commissions (defined below)
- your Council status and whether a Lifetime Member of Council
- your years of service
- your age as of December 31 of the prior year
- your Pro-Rata Council status as of December 31 of the prior year, or March 31 of the current year

8.3. Eligible Life and Annuity First Year Commissions

Eligible Life and Annuity First Year Commissions (Eligible Life & Annuity FYC) is the sum of Eligible Life First Year Commissions (Eligible Life FYC) and Eligible Annuity First Year Commissions (Eligible Annuity FYC).

**Eligible Life FYC**

Eligible Life FYC generally include First Year Commissions on Traditional Life (including Term policies and riders), which includes Whole Life, Value Whole Life, Custom Whole Life, Custom Survivorship Whole Life, Employee’s Whole Life, Yearly Convertible Term, and Level Convertible Term policies.


**Eligible Annuity FYC**


All FYC for the Annuity products listed above with an Application Sign Date of October 1, 2016 or later are Eligible Annuity FYC. FYC from annuities with an Application Sign Date prior to October 1, 2016, including additional premium payments into these contracts, only count as Eligible Annuity FYC if Choice Compensation Option 3 was originally selected.
8.4. Sales Incentive

To qualify for the Sales Incentive, where override rates from 6% to 57% are applied to your Eligible Life & Annuity FYC, you must have produced at least $34,000 of rolling four quarters Eligible Life & Annuity FYC.

If you have met this requirement, you can determine your Sales Incentive Rate from the Sales Incentive Table based on your rolling four quarters Eligible Life & Annuity FYC. Your Sales Incentive for the quarter is determined by multiplying the Sales Incentive Rate by your actual Eligible Life & Annuity FYC for the current quarter. Only Eligible Life & Annuity FYC credited while you were participating in the Expense Allowance Plan will be included in this calculation.

Sales Incentive Table

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Rate</th>
<th>From</th>
<th>To</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$33,999</td>
<td>0%</td>
<td>$230,000</td>
<td>$259,999</td>
<td>32%</td>
</tr>
<tr>
<td>34,000</td>
<td>41,999</td>
<td>6%</td>
<td>260,000</td>
<td>299,999</td>
<td>34%</td>
</tr>
<tr>
<td>42,000</td>
<td>46,999</td>
<td>8%</td>
<td>300,000</td>
<td>339,999</td>
<td>36%</td>
</tr>
<tr>
<td>47,000</td>
<td>56,999</td>
<td>10%</td>
<td>340,000</td>
<td>379,999</td>
<td>38%</td>
</tr>
<tr>
<td>57,000</td>
<td>63,999</td>
<td>12%</td>
<td>380,000</td>
<td>419,999</td>
<td>40%</td>
</tr>
<tr>
<td>64,000</td>
<td>73,999</td>
<td>14%</td>
<td>420,000</td>
<td>459,999</td>
<td>42%</td>
</tr>
<tr>
<td>74,000</td>
<td>86,999</td>
<td>16%</td>
<td>460,000</td>
<td>499,999</td>
<td>44%</td>
</tr>
<tr>
<td>87,000</td>
<td>99,999</td>
<td>18%</td>
<td>500,000</td>
<td>539,999</td>
<td>46%</td>
</tr>
<tr>
<td>100,000</td>
<td>119,999</td>
<td>20%</td>
<td>540,000</td>
<td>579,999</td>
<td>48%</td>
</tr>
<tr>
<td>120,000</td>
<td>138,999</td>
<td>22%</td>
<td>580,000</td>
<td>619,999</td>
<td>50%</td>
</tr>
<tr>
<td>139,000</td>
<td>154,999</td>
<td>24%</td>
<td>620,000</td>
<td>659,999</td>
<td>52%</td>
</tr>
<tr>
<td>155,000</td>
<td>179,999</td>
<td>26%</td>
<td>660,000</td>
<td>749,999</td>
<td>54%</td>
</tr>
<tr>
<td>180,000</td>
<td>204,999</td>
<td>28%</td>
<td>750,000</td>
<td>and over</td>
<td>57%</td>
</tr>
<tr>
<td>205,000</td>
<td>229,999</td>
<td>30%</td>
<td></td>
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</tr>
</tbody>
</table>

For example, assume we are calculating the Expense Allowance for the first quarter and the Agent was participating in the Plan during the entire first quarter. If the Agent's Eligible Life & Annuity FYC from April of the previous year through March 31st of the current year is $100,000, then the Agent would qualify for a Sales Incentive rate of 20%. If the Agent's Eligible Life & Annuity FYC from January 1st through March 31st are $25,000, the Expense Allowance for first quarter would be $5,000 (20% x $25,000).
### 8.5. Council Incentive

To qualify for the Council Incentive, you must have produced at least $34,000 of rolling four quarters Eligible Life & Annuity FYC. If you have met this requirement, you can determine your Council Incentive based on your rolling four quarters Eligible Life and Annuity FYC.

You may also qualify by producing:

At least $29,000 of rolling four quarters Eligible Life & Annuity FYC if you have 20 years of service at the end of the current quarter, or at least $26,000 of rolling four quarters Eligible Life & Annuity FYC if you were at least age 65 or you were a Lifetime Member of Council as of December 31 of the prior calendar year. The Council Incentive is based on your current Council status. However, for calculations in calendar quarters one and two (that is credited to your ledger in calendar quarters two and three), the Council Incentive amount is based on the better of your Current Council status or your Pro-Rata Council status as of year-end (for the First-Quarter calculation) and March 31 (for the Second-Quarter calculation).

Your Council Incentive for the quarter is determined by multiplying the Council Incentive Rate by your actual Eligible Life & Annuity FYC for the current quarter. Only Eligible Life & Annuity FYC credited while you were participating in the Plan will be included in this calculation.

<table>
<thead>
<tr>
<th>Council Status</th>
<th>Council %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman’s Council</td>
<td>8%</td>
</tr>
<tr>
<td>President’s Council</td>
<td>6%</td>
</tr>
<tr>
<td>Executive Council</td>
<td>4%</td>
</tr>
<tr>
<td>Quality Council</td>
<td>2%</td>
</tr>
<tr>
<td>No Council</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Credited in Quarter</th>
<th>Council Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>Better of Actual and Pro-Rata as of 12/31</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Better of Actual and Pro-Rata as of 3/31</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Actual</td>
</tr>
<tr>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>Actual</td>
</tr>
</tbody>
</table>

Using the same example as in the Sales Incentive Section, assume the Agent has $25,000 Eligible Life & Annuity FYC in the First-Quarter, was an Executive Council Agent at the end of the prior Council year and is pro-rata for President Council at year-end; then the additional Expense Allowance for the First-Quarter (credited in the Second-Quarter) would be $1,500 (6% x $25,000).
8.6. Top Producer Expense Allowance Production Factor

To qualify for the Top Producer Production factor, you must have at least $1,500,000 in rolling four quarters Eligible Life & Annuity FYC. This means you must have a total of $1,500,000 in Eligible Life & Annuity FYC in the current calendar quarter and the three previous calendar quarters combined. If this trigger is met, you will be credited with an additional 11% on your Universal Life First Year Commissions in the current quarter, which includes the following products: NYL UL, NYL UL Protection, NYL SUL, UL-CG, VUL Accumulator Plus, Advantage UL, Advantage UL Protection, and Advantage SUL.

As is the case with the Sales and Council Incentives under the Life and Annuity Expense Allowance Plan, this factor will be calculated quarterly and credited monthly. If you are not a NYLIFE Securities Registered Representative, we will apply this production factor only to NYLIAC fixed products.

8.7. Manager’s Temporary Expense Allowance (MTEA)

The Manager’s Temporary Expense Allowance Plan is designed for Managers returning as Agents. This Program credits an additional expense allowance to management personnel when they become Agents. To be credited with MTEA, a manager returning as an Agent must be participating in the Life and Annuity Expense Allowance Plan.

8.8. Professional Incentive Expense Reimbursement (PIER)

The PIER factor was added to the Life and Annuity Expense Allowance Plan to encourage participation in the Million Dollar Round Table. Under PIER, New York Life will reimburse your membership dues. To be eligible for PIER, you must name New York Life as your official Insurance Company Affiliation, and you must be a member of MDRT.

8.9. Conditional Check

New York State Insurance Law regulates the amount of Expense Allowance payments that can be credited to an Agent’s ledger based on the Agent’s Eligible Life & Annuity FYC. In order to ensure compliance with New York State Law, a Conditional Check formula has been designed. All amounts credited under the Expense Allowance Programs listed in the beginning of this document are subject to Conditional Check. In addition, certain other Company programs, such as the Senior Nylic Watch and the Lifetime Council Ring Award, are subject to Conditional Check.

The Conditional Check will be calculated monthly on a cumulative calendar-year basis. The credits under the Expense Allowance Programs are credited monthly and must, therefore, be compared monthly with, and possibly limited by, the Conditional Check maximum. In addition, before the quarterly Sales and Council Incentives, and the Top Producer Production Factor can be released and credited, they must be compared with, and possibly limited by, the Conditional Check on a monthly basis. Also, at the end of the calendar year, the Company will do a final Conditional Check calculation, and if you have been credited with Expense Allowance in excess of Conditional Check we will debit your ledger for the amount in excess of the Conditional Check. Your Eligible Life & Annuity FYC are collected and then grouped by the Lines of Business shown in the table below. The appropriate percentages are applied to the Eligible Life & Annuity FYC to determine the Conditional Check maximum.

First year compensation (FYC and Expense Allowance) from Annuities with an Application Sign Date of October 1, 2016 and later will never exceed 5%. This will be accomplished by using the Conditional Check percentages for these sales as listed below. A Conditional Check calculation will be done only including these products and a separate Conditional Check calculation will be done
combining Eligible Life FYC and Eligible Annuity FYC from policies with an Application Sign Date prior to October 1, 2016.

The percentages are as follows:

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>% of FYC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Life (WL, VWL, MPWL, CWL, SWL, CSWL, EWL)</td>
<td>65%</td>
</tr>
<tr>
<td>Term (YCT, LCT, FPI)</td>
<td>65%</td>
</tr>
<tr>
<td>Universal Life (UL, UL Protection, SUL, UL-CG, VUL Accumulator Plus, Advantage UL Protection, and Advantage SUL)</td>
<td>82%</td>
</tr>
<tr>
<td>Single Premium Life(^) (Asset Preserver, Asset Flex)</td>
<td>75%</td>
</tr>
<tr>
<td>OPP/PUA Riders</td>
<td>100%</td>
</tr>
<tr>
<td>Fixed Deferred Annuities(^*) (ST Choice, Preferred Choice, ST MVA, FPFA) with an Application Sign Date prior to October 1, 2016</td>
<td>133%</td>
</tr>
<tr>
<td>Variable Annuities(^*) (Premier AV-based fee, Premier Plus (I &amp; II), Flexible Premium (I, II &amp; III), Access, Essentials, Prem. Plus, Prem. Plus Elite, Premier II) with an Application Sign Date prior to October 1, 2016</td>
<td>100%</td>
</tr>
<tr>
<td>Premier Premium-based fee(^<em>), Elite Variable Annuity(^</em>), Income Plus VA(^*) with an Application Sign Date prior to October 1, 2016</td>
<td>94%</td>
</tr>
<tr>
<td>Guaranteed Income Annuities(^*) (GLIA, GPIA, LMIA, FMIA) with an Application Sign Date prior to October 1, 2016</td>
<td>100%</td>
</tr>
<tr>
<td>Guaranteed Future Income Annuity(^*), Clear Income Fixed Annuity with an Application Sign Date prior to October 1, 2016</td>
<td>115%</td>
</tr>
<tr>
<td>All Annuities with an Application Sign Date October 1, 2016 or later (non-TAS Agents)</td>
<td>53%</td>
</tr>
<tr>
<td>All Annuities with an Application Sign Date October 1, 2016 or later (TAS Agents)</td>
<td>42%</td>
</tr>
</tbody>
</table>

\(^{\wedge}\) Eligible Life FYC on these products only includes FYC where choice compensation Option 3 is chosen

\(^{*}\) Eligible Annuity FYC only includes FYC where choice compensation Option 3 was chosen on Annuities with an Application Sign Date prior to October 1, 2016

These percentage rates have been established to ensure compliance with New York State law. We will use only those Eligible Life & Annuity FYC credited to your ledger while you are a participant in the Life and Annuity Expense Allowance Plan.
8.10. Carryover

The Carryover provision is used when Expense Allowance cannot be credited because an Agent has reached the legal maximum under the Conditional Check formula. In this instance, the Company holds the balance until it can be credited. The Expense Allowance system tries to release Carryover amounts at the end of each month throughout the remainder of the calendar year. Any amount of Carryover is credited if Conditional Check permits at that point in time. Any Carryover that cannot be credited based on final calendar year results will be forfeited.

Example #1: One of the reasons an Agent may have Expense Allowance held back because of the “Conditional Check” is due to a substantial reversal of Eligible Life & Annuity FYC. For this example, we will assume an Agent only produced Eligible Life FYC from Traditional Life and Term products and therefore had a 65% Conditional Check factor. This Agent has $75,000 in Eligible Life FYC in the third and fourth quarters. Then, assume the Agent has a large reversal in the First-Quarter of the following year, resulting in -$40,000 in Eligible Life FYC in the First-Quarter of the following year. The Agent is not eligible for first- quarter Expense Allowance because the First-Quarter Eligible Life FYC is negative. Now assume the Agent has $30,000 in Eligible Life FYC in the Second-Quarter of the year. The Agent is eligible for an Expense Allowance credit of $4,200 (14% x $30,000). However, the year-to-date Conditional Check maximum is -$6,500 (YTD Eligible Life FYC x Factor or -$10,000 x 65%), so the $4,200 cannot be released and credited. The $4,200 of unreleased Expense Allowance will become a Carryover amount.

This table illustrates the above example:

<table>
<thead>
<tr>
<th></th>
<th>Eligible Life &amp; Annuity FYC (1)</th>
<th>Sales Incentive Expense Allowance (2)</th>
<th>Year-to-Date Eligible Life &amp; Annuity FYC (3)</th>
<th>Year-to-date Maximum Expense Allowance (“Conditional Check” (4) = 65% x (3))</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>-$40,000</td>
<td>0</td>
<td>-$40,000</td>
<td>-$26,000</td>
</tr>
<tr>
<td>2Q</td>
<td>$30,000</td>
<td>14% x $30,000 = $4,200</td>
<td>-$10,000</td>
<td>-$6,500</td>
</tr>
<tr>
<td>July</td>
<td>$16,462</td>
<td>$6,462</td>
<td></td>
<td>$4,200</td>
</tr>
</tbody>
</table>

In this example, the Agent will have to produce $16,462 in Eligible Life FYC in the remaining calendar months of the year to have the Carryover amount released and credited. Assuming the Agent produced $16,462 in Eligible Life FYC in July, as per the table above, the first $10,000 offsets the -$10,000 year-to-date amount through the Second-Quarter and the remaining $6,462 is such that when multiplied by the 65% factor creates a Conditional Check amount of $4,200. The Conditional Check amount is now large enough to release and credit the $4,200 amount calculated in the Second-Quarter. In this example, the $4,200 would be released and credited at the end of August. If the Eligible Life & Annuity FYC came from other product lines than assumed in this example, the Conditional Check impact would be different.
Example #2: Another reason an Agent may have Expense Allowance held back because of the “Conditional Check” is due to a special incentive Expense Allowance Program. This example assumes the Company has a future Show Me the Money or Shared Success type Expense Allowance Program. Once again, we will assume an Agent only produced Eligible Life FYC from Traditional Life and Term products and therefore had a 65% Conditional Check factor. Assume the Agent has $6,000 of Eligible Life FYC. The maximum Expense Allowance is 65% times $6,000, which equals $3,900. If the Agent qualified for a $4,000 in Show Me the Money or Shared Success type Expense Allowance, he/she would receive a $3,900 ledger credit and $100 would be held back. In the remaining calendar months of the year, the Agent needs another $154 of Eligible Life FYC to receive a ledger credit for the remaining $100 bonus. The $154 amount is such that 65% times $154 equals the $100 of bonus that was held back. If the Eligible Life & Annuity FYC came from other product lines than assumed in this example, the Conditional Check impact would be different.

Example #3: An Agent may also have Expense Allowance held back because the combination of his/her Sales and Council Incentives is greater than the “Conditional Check” factor. In this example, we will assume a non-TAS Agent only produced Eligible Annuity FYC with Application Sign Dates of October 1, 2016 and later and therefore had a 53% Conditional Check factor. Assume the Agent is a Chairman’s Council Agent with $500,000 of rolling four quarters Eligible Annuity FYC, with $100,000 of Eligible Annuity FYC in the current quarter. The Agent would have a sales incentive rate of 46% and an 8% council incentive rate totaling 54%. Applying this rate to the $100,000 of Eligible Annuity FYC in the current quarter produces Expense Allowance of $54,000. But, the maximum Expense Allowance is 53% times $100,000, which equals $53,000. $1,000 cannot be released and will become a Carryover amount. This amount would only be able to be released by the Agent producing additional Eligible Annuity FYC in the remaining calendar months of the year. If the Eligible Life & Annuity FYC came from other product lines than assumed in this example, the Conditional Check impact would be different.

8.11. Additional Information

Method of Payment

All Life and Annuity Expense Allowance payments will be credited in accordance with the rules of the Plan as published through Field News releases. A current description of the rules is available on Agency Portal. Your Life and Annuity Expense Allowance will be posted to your ledger in three level installments. Postings will be at the end of each of the three months following the calendar quarter during which the production generating quarterly Sales and Council Incentives was credited. However, the Company will deduct from your ledger any amounts that you are not entitled to under the terms of the Expense Allowance Plan. Total Expense Allowance under this Plan is subject to the Conditional Check Maximums permitted by New York State law.

Taxability

All Agents, except retired Agents, will have Expense Allowance reported as wages on Form W-2, a copy of which is sent to the IRS. FICA tax will be withheld from Expense Allowance and reported on Form W-2. It will be your responsibility to make all necessary adjustments on your income tax return to reflect your business expenses and reimbursements.

If you are a retired Agent, all Expense Allowance will be reported on Form 1099, a copy of which is sent to the IRS. The Company will withhold no taxes, but Expense Allowance may be subject to Self-Employment Tax. It will be your responsibility to make all necessary adjustments on your income tax return to reflect your business expenses and reimbursements.
**Appointment as Partner**

If you are appointed as a Partner, any Expense Allowance will be credited to your ledger based on your production through your last completed calendar quarter as an Agent.

**Partner Returning to Field**

When you return to the field you will participate in the Life and Annuity Expense Allowance Plan. As with any other Agent, you will be credited with quarterly Expense Allowance based on your current Eligible Life & Annuity FYC, if you have at least $32,000 of rolling four quarters Eligible Life & Annuity FYC.

**Termination**

If you do not have an active Agent’s Contract at the end of a calendar quarter or are not an employee of the Company at the time any installment on the Sales and Council Incentives for that calendar quarter would otherwise be credited, no further Expense Allowance will be credited.

**For More Information**

Please refer to the Life and Annuity Expense Allowance Plan, the Life and Annuity Persistency Bonus Plan and the Customer Commitment Program information on Agency Portal and new Field News releases for additional information and updates, or call the Agent Compensation Hotline at (212) 576-8282.

The Company reserves the right to amend or terminate the Life and Annuity Expense Allowance Plan, the Life and Annuity Persistency Bonus Plan and the Customer Commitment Program (collectively, "Plans"), in whole or in part, at any time by giving written notice to the Agent. The information provided herein is a brief summary of the Plans, and is subject to the terms and provisions of the Plans and applicable Field News releases. In the event of a conflict between this summary and the Plans and Field News releases, the terms and provisions of the Plans and Field News releases will govern.
Chapter 9: Life and Annuity Persistency Bonus Plan

Introduction

N9 Agents are not eligible for a Life Persistency Bonus on originally written or permanent servicing business. N9 Agents are only eligible for a Life Persistency Bonus on business received through a Succession Agreement where the Life Policy was written by an agent operating under an N6, P7, or N8 Agent’s Contract.

N9 Agents are eligible for the Annuity Persistency Bonus Plan. The Annuity Persistency Bonus Plan provides for Annuity Persistency Bonus payments to your ledger based on Eligible Annuity Assets (defined below).

9.1. Succession Impact on the Life Persistency Bonus

After succession triggers, the Sponsor’s eligible life cases will transfer to the Successor Agent. The Successor Agent may be credited with the Life Persistency Bonus on the eligible succeeded policies as long as he or she meets the annual production requirements.

Agents operating with a N9 Contract do not have the Life Persistency Bonus as part of their compensation. However, Agents who were contracted with the N6, P7, or N8 Agent’s Contract do have the Life Persistency Bonus as a component of their compensation. Upon triggering succession, a N9 Agent may be eligible for the Life Persistency Bonus on business succeeded to him/her from policies that were originally written by a N6, P7 or N8 Agent. The N9 Agent’s role on the succeeded policies must be Successor.

N9 renewal premium inherited via succession is included in an N6, P7 or N8 Agent’s total premium when calculating the Life Persistency Bonus rate as long as the inherited premium was in the Successor Agent’s book of business as of January 1st. Lapses/Surrendered N9 premium inherited via succession will also be included when determining an N6, P7 or N8 Agent’s persistency rate if the policies were in the Successor Agent’s book of business as of January 1st. N6, P7 or N8 Agents are not eligible for a Life Persistency Bonus on business succeeded to him/her from policies that were originally written by a N9 Agent.

The Life Persistency Bonus is credited to eligible Agent’s ledger annually around mid-February.

9.2. Life Persistency Bonus

Eligibility

To be eligible for the Life Persistency Bonus you must meet the production and persistency requirements which are listed below. You must also be under a contract on December 31st of the calculation year and under a contract when the Life Persistency Bonus is credited to your ledger the following February.

Production Requirement

To qualify for the Life Persistency Bonus, you must:

· Have at least $34,000 of Eligible Life and Annuity First Year Commissions during the calendar year, or
· Have at least 20 years of service as of December 31 with at least $29,000 of Eligible Life and Annuity First Year Commissions during the calendar year, or
· Be either age 65 as of December 31 or a Lifetime Member of Council, with at least $26,000 of Eligible Life and Annuity First Year Commissions during the year.
Definitions

Eligible First Year Commissions
Eligible Life and Annuity First Year Commissions generally include First Year Commissions on Traditional Life (including Term policies and riders), which includes Whole Life, Value Whole Life, Custom Whole Life, Custom Survivorship Whole Life, Employee’s Whole Life, Yearly Convertible Term, and Level Premium Convertible Term. Eligible First Year Commissions also include New York Life UL, New York Life UL Protection, New York Life SUL, New York Life UL-CG, Advantage UL, Advantage UL Protection, Advantage SUL, VUL Accumulator Plus, Paid-Up Additions Riders, Asset Preserver Option 3 and Asset Flex Option 3.

Eligible Life and Annuity First Year Commissions include First Year Commissions on the Annuity products listed below. If the Application Sign Date was prior to October 1, 2016 only First Year Commissions where Annuity Choice Compensation Option 3 was selected count as Eligible Annuity First Year Commission. All First Year Commissions from Annuities with Application Sign Dates of October 1, 2016 and subsequent count as Eligible Annuity First Year Commissions.


Annualized Renewal Premium for Traditional Life Policies
For Traditional Life policies, Annualized Renewal Premium is obtained by multiplying the modal renewal premium for the base policy, plus any riders (excluding OPP) and supplementary benefits, by the premium mode. Traditional Life generally means traditional Permanent Life insurance and Endowment policies, and Term insurance policies (excluding BOLI, COLI, and NYLAZ Term to 90).

Collected Renewal Premium for Universal Life

Annualized Renewal Premium for Universal Life

Renewal Premiums Used in Life Persistency Bonus Calculations
The calculation of the Life Persistency Bonus amount uses Annualized Renewal Premium for Traditional Life policies and Collected Renewal Premium for Universal Life policies.
The calculation of the Life Persistency Rate uses Annualized Renewal Premium for Traditional Life policies and Annualized Renewal Premium for Universal Life policies in determining the Previous Year-End Premium.

**Note:** On Custom Whole Life and Custom Survivorship Whole Life, during the premium paying period, the Life Persistency Bonus will be based on total annualized renewal premiums paid, i.e., up to and in excess of the Commissionable Breakpoint Premium. If the premium paying period ends or the policy becomes fully paid up during a calendar year, no Life Persistency Bonus will be credited with respect to that or any subsequent calendar year. Also, no lapse will be charged in determining the Agent’s overall Life Persistency Rate.

**Life Persistency Rate Calculation**

The Life Persistency Rate is calculated by subtracting the current year’s lost case premium from the Previous Year-End Premium and then dividing by the Previous Year-End Premium. This calculation includes business with policy dates before and after April 1, 2001.

Agents can track their Life Persistency Bonus rate, on a monthly basis, in the Lost Case Report on Dashboard under “Prem & Asset.”

**Life Persistency Rate – Special Rules**

An Agent is not charged a lapse when an insured dies or when a policy-owner converts a term policy to a permanent policy.

An Agent is also not charged a lapse when a policy-owner does not renew a term policy at the expiration of the initial guarantee period. For this purpose, the initial guarantee periods are as follows:

<table>
<thead>
<tr>
<th>Term Product</th>
<th>Initial Guarantee Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing Premium Term (IPT) – Prior to AD106</td>
<td>3 Years</td>
</tr>
<tr>
<td>Increasing Premium Term (IPT) – AD106 &amp; later</td>
<td>5 Years</td>
</tr>
<tr>
<td>Yearly Convertible Term (YCT)</td>
<td>5 Years</td>
</tr>
<tr>
<td>Five Year Term</td>
<td>5 Years</td>
</tr>
<tr>
<td>Seven Year Term</td>
<td>7 Years</td>
</tr>
<tr>
<td>Family Protection Term (FPT)</td>
<td>10 Years</td>
</tr>
<tr>
<td>Twenty Year Term – Prior to AD107</td>
<td>10 Years</td>
</tr>
<tr>
<td>Twenty Year Term – AD107 &amp; later</td>
<td>20 Years</td>
</tr>
<tr>
<td>Level Premium Convertible Term (LCT)</td>
<td>Level Premium Period</td>
</tr>
</tbody>
</table>

If a policy lapses and is reinstated in the same calendar year, there is no impact on the Agent’s Life Persistency Rate. If a policy lapses in a calendar year and is reinstated in the following calendar year, the Agent would initially be charged a lapse in the Life Persistency Rate calculation. However, if the Agent notifies us at (212) 576-8282, an adjustment will be made so that the Agent is not charged a lapse.

On conversions of term riders, a partial conversion of a term rider with the base policy remaining in force, would not affect the Life Persistency Rate. On the other hand, if the base policy is no longer
in force, the Agent would be charged with a lapse since the base policy is lapsed and our systems cannot recognize partial term conversions. Therefore, the Agent should notify us and an adjustment will be made so that the Agent is only charged with a partial lapse since a portion of the term rider was converted.

Due to system limitations, when a Target Life I policy is converted to any permanent plan, a lapse is charged to the Agent. However, if the Agent notifies us at (212) 576-8282, an adjustment will be made to avoid the Life Persistency Rate being impacted.

For policies where the face amount decreases, the Life Persistency Rate would not be affected for the year in which the face decrease occurs since the policy remains premium paying.

On shared cases where there is only one active original writing Agent, the sole remaining original writing Agent receives 100% of the renewal premium credit for both the calculation of the bonus amount and in the persistency rate calculation.

**Basis of Calculations**

The Life Persistency Bonus is determined by multiplying your individual renewal premiums (as defined below) by a Bonus Rate. The Bonus Rate is based on your Life Persistency Rate as follows:

Bonus Rate applied to in force renewal premiums from business with **policy dates prior to April 1, 2001**:

<table>
<thead>
<tr>
<th>Persistency Group</th>
<th>Life Persistency Rate</th>
<th>Bonus Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>97% and Over</td>
<td>1.4%</td>
</tr>
<tr>
<td>2</td>
<td>95% to 96.99%</td>
<td>1.2%</td>
</tr>
<tr>
<td>3</td>
<td>93% to 94.99%</td>
<td>1.0%</td>
</tr>
<tr>
<td>4</td>
<td>85% to 92.99%</td>
<td>0.8%</td>
</tr>
<tr>
<td>5</td>
<td>Less than 85%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Bonus Rate applied to in force renewal premiums from business with **policy dates on or after April 1, 2001**:

<table>
<thead>
<tr>
<th>Persistency Group</th>
<th>Life Persistency Rate</th>
<th>Bonus Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>99% and Over</td>
<td>2.0%</td>
</tr>
<tr>
<td>B</td>
<td>98% to 98.99%</td>
<td>1.5%</td>
</tr>
<tr>
<td>C</td>
<td>97% to 97.99%</td>
<td>1.0%</td>
</tr>
<tr>
<td>D</td>
<td>96% to 96.99%</td>
<td>0.5%</td>
</tr>
<tr>
<td>E</td>
<td>Less than 96%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

The renewal premiums that are used as the base for applying the percentage are as follows:

- Your Traditional Life in force Annualized Renewal Premiums or Universal Life Collected Renewal Premiums on business originally sold by you, plus
· Your Traditional Life in force Annualized Renewal Premiums or Universal Life Collected Renewal Premiums on business assigned to you as a Successor Agent, where succession has already taken effect under the Successor Agent Arrangement, plus

· Your Traditional Life in force Annualized Renewal Premiums or Universal Life Collected Renewal Premiums on business assigned to you as a Permanent Servicing Agent, where all original Agents are no longer under contract with the Company, but where succession has not taken effect under the Successor Agent arrangement.

9.3. Life Persistency Bonus Provision (LPBP)

The LPBP of the Successor Agent Program allows Sponsor Agents to continue to be credited with all or a percentage of their Life Persistency Bonus on eligible succeeded policies for up to five years after triggering a full or partial succession. A Sponsor Agent who resigns/terminates from NYL is not eligible for the LPBP.

By engaging in the LPBP, both Sponsor and Successor(s) agree on the percentage splits of future Life Persistency Bonus credits (on eligible policies succeeded from the Sponsor to the Successor) and to the five-year term of the LPBP. Only policies where the Successor Agent(s) role is Successor on the policy are included in the LPBP. Policies where the Successor Agent(s) role is Permanent Servicing Agent are excluded.

The Life Persistency Bonus will be credited to the ledger of the Sponsor and/or Successor, based upon the Successor agent meeting the annual production requirements and based upon the Successor’s persistency rate.

As mentioned above, N9 Agents do not have the Life Persistency Bonus as part of their compensation. However, upon succession, a N9 Successor can inherit Life Persistency Bonus from his or her eligible (N8, P7, N6) Sponsor. If that N9 Agent later becomes a Sponsor, he or she may elect to exercise the LPBP under his or her new Succession Agreement to retain all or a percentage of Life Persistency Bonus he or she previously inherited for a period not to exceed five years.

If the Successor Agent’s Contract changes to ‘inactive’ during term of the LPBP (i.e. Successor dies, terminates, becomes disabled, or fully retires), the Sponsor will no longer be credited with the Life Persistency Bonus from the Successor.

If the Sponsor Agent dies during the term of the LPBP, his or her estate will continue to be credited with the Life Persistency Bonus for the remainder of the five-year period based upon the Successor meeting the production requirements, the Successor’s persistency rate, and the percentages agreed upon by all parties and outline in the LPBP.

The Sponsor may not have stake in the Life Persistency Bonus beyond the five-year term of the LPBP. After the five years, the Life Persistency Bonus will be credited to the Successor Agent based upon the terms and conditions of the Life Persistency Bonus program.
9.4. Annuity Persistency Bonus

There is no minimum production requirement that you must satisfy to qualify for the Annuity Persistency Bonus.

To be eligible for the Annuity Persistency Bonus, you must meet the persistency requirements which are listed below and also be under a contract on December 31st of the calculation year and under a contract when the Annuity Persistency Bonus is credited to your ledger the following February.

The Annuity Persistency Bonus is determined by multiplying Eligible Annuity Assets (defined below) by a bonus percentage. This bonus percentage is based on the asset persistency of your originally written Deferred Annuity business, which had been in force for at least five years on January 1 of the calculation year. If you have fewer than 20 such Deferred Annuity Contracts, you will be placed in Group 3.

Annuities with an Application Sign Date of October 1, 2016 and subsequent are not eligible for Annuity Persistency Bonus.

The bonus percentage is applied to Eligible Annuity Assets eight years old and older as of the end of the calculation year and the bonus is credited in the following calendar year.

The percentages are shown in the table below:

<table>
<thead>
<tr>
<th>Persistency Group</th>
<th>Annuity Asset Persistency Rate</th>
<th>Percentage Applied to Eligible Annuity Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>97.00% to 100.00%</td>
<td>0.40%</td>
</tr>
<tr>
<td>2</td>
<td>90.00% to 96.99%</td>
<td>0.30%</td>
</tr>
<tr>
<td>3*</td>
<td>85.00% to 89.99%</td>
<td>0.25%</td>
</tr>
<tr>
<td>4</td>
<td>Less than 85.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

*Agents with fewer than 20 policies will be placed in Group 3 automatically.
**Eligible Annuity Assets** are defined based upon the following table:

<table>
<thead>
<tr>
<th>Products</th>
<th>Issue Dates</th>
<th>Definition of Eligible Annuity Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old NDA and MFA SPRA policies</td>
<td>All</td>
<td>12/31 value of each deposit that reached its eighth or later anniversary during the calendar year, except for money in any policies that reached their quinquennial (10th, 15th, 20th, etc.) policy anniversary during the calendar year (since those policies generate a Company contribution to APSI on their total policy cash value on 12/31)</td>
</tr>
<tr>
<td>Old NDA and MFA FPRA policies</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>SPRA-2, SPFA, and FPFA policies</td>
<td>Prior to April 1, 1998</td>
<td></td>
</tr>
<tr>
<td>NYLIAC Variable Annuity policies</td>
<td>Prior to October 3, 1994</td>
<td></td>
</tr>
<tr>
<td>SPRA-2 policies</td>
<td>On or after April 1, 1998</td>
<td>12/31 value of each policy that reached its 8th or later anniversary during the calendar year</td>
</tr>
</tbody>
</table>

In order for a policy to be included in the definition of Eligible Annuity Assets, the Eligible Annuity Assets in a policy must meet a minimum amount, currently $10,000.


If there are any questions regarding the definitions above, New York Life’s decision thereon shall be final.

**For More Information**

Please refer to the Annuity Persistency Bonus Plan information on Agency Portal and new Field News releases for additional information and updates, or call the Agent Compensation Hotline at (212) 576-8282.

The Company reserves the right to amend or terminate the Annuity Persistency Bonus Plan ("Plan"), in whole or in part, at any time, by giving written notice to the Agent. The information provided herein is a brief summary of the Plan and applicable Field News releases and is subject to the actual terms and provisions of the Plan and Field News releases. In the event of a conflict between this summary and the Plan and Field News releases, the terms and provisions of the Plan and Field News releases will govern.
Chapter 10: Customer Commitment Program

10.1 Customer Commitment Program
The “Customer Commitment” Program was created to help our Agents increase sales, strengthen client relationships, and ensure the long-term viability of our business. We believe it is important to offer such incentives to reward those Agents who continue to meet strong sales goals, provide consistent quality customer service, and recognize the importance of our industry’s mission.

The “Customer Commitment” Program was developed based on discussions among members of the Agents Advisory Council (AAC), the Advisory Board of Directors (ABD), and Agency Senior Management.

How it Works
To qualify for this incentive, Agents must meet the five criteria listed below. Managing Partners (MP) must sign off on Items C and D to ensure that Agents have fulfilled these requirements.

a. Have qualified for either President’s Council or Chairman’s Council in the prior Council year.
b. Have between $50,000 and $100,000 in Eligible Life FYC AND have experienced at least 5% growth in your Eligible Life FYC from the previous Council year OR have more than $100,000 in Eligible Life FYC during the previous Council year.
c. Have established a mentoring relationship with a Junior Agent in your office (MP approval).
d. Have developed a plan to work your Book of Business to ensure your clients get proper service (MP approval).
e. Have an approved Successor Agreement in place for your business to ensure your clients will continue to receive support and guidance.

Please note:
- The following products are not Eligible Life FYC:
  - One-Year Term
  - Choice compensation Options 1 and 2 on the following products: NYLIAC Asset Preserver, NYLIAC Asset Flex, and NYLIAC Instant Legacy SPUL
  - COLI and BOLI policies
  - Sponsored Marketing Agreements (including nonproprietary variable life) and any other sponsored programs introduced during the year
  - All rules regarding eligibility for the Life & Annuity Expense Allowance Plan and Persistency Bonus Plan will apply. These additional credits, including the Persistency Bonus credit, will be subject to the Conditional Check limit under the Life and Annuity Expense Allowance Plan (see Agency Portal > Benefits and Compensation > Compensation > “your contract type” for additional details).
  - Agents must meet all five criteria before receiving any credits under this Program.
  - This Program is not available to TAS Agents.
What it Offers

a. Council Incentive of 125%: Currently, when Agents achieve a specific Council level, they are credited with an additional Expense Allowance.

<table>
<thead>
<tr>
<th>Council Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman’s Council</td>
<td>8%</td>
</tr>
<tr>
<td>President’s Council</td>
<td>6%</td>
</tr>
</tbody>
</table>

b. Under this Program, we will credit eligible Agents an additional 25% of their Council Incentive factor in the Life and Annuity Expense Allowance Plan based on their Council status at the end of the Council year. We will credit the first payment in the 4Q based on Eligible Life FYCs* in the 3Q. For example, if Agents qualify for Chairman’s Council in June, their Council Incentive will be 10% starting with the calculation for the 4Q credit.

c. Life Persistency Bonus: Currently, we do not credit a Life Persistency Bonus on business written since April 1, 2001, if an Agent’s total persistency level falls below 96% persistency. With this Program, if Agents have a year where their persistency falls between 96% and 90%, we will credit a Life Persistency Bonus to their ledger on business written since April 1, 2001. The credit will be calculated using:

- 0.40% bonus for persistency from 93-95.99%.
- 0.30% bonus for persistency from 90-92.99%.

As mentioned above, although this credit is a Persistency Bonus payment, the credit will be subject to the Conditional Check formula under the Life and Annuity Expense Allowance Plan.

This Persistency Payment does not impact business written prior to April 1, 2001.

Meet the criteria in this Program, and it will be a win for everyone — you, your clients, and the Company.

For More Information

Please refer to the Life and Annuity Expense Allowance Plan, the Life and Annuity Persistency Bonus Plan and the Customer Commitment Program information on Agency Portal and new Field News releases for additional information and updates, or call the Agent Compensation Hotline at (212) 576-8282.

* The Company reserves the right to amend or terminate the Life and Annuity Expense Allowance Plan, the Life and Annuity Persistency Bonus Plan and the Customer Commitment Program (collectively, "Plans"), in whole or in part, at any time by giving written notice to the Agent. The information provided herein is a brief summary of the Plans, and is subject to the terms and provisions of the Plans and applicable Field News releases. In the event of a conflict between this summary and the Plans and Field News releases, the terms and provisions of the Plans and Field News releases will govern.
Chapter 11: Successor Agent Program

Introduction
The Successor Agent Program was designed to provide for stable, consistent, and committed servicing efforts. Succession Planning is arranging ahead of time for the orderly transition of your business after you retire, or if you die or become totally and permanently disabled.

11.1. Eligibility

Sponsor Agent
Any Agent who wishes to establish a Successor Agreement may do so. It is recommended that as soon as an Agent graduates into the Established Agents ranks that he or she set up a basic Successor Agreement, just in case the unforeseen should happen, such as death or full disability.

Successor Agent
You may be eligible to participate as a Successor Agent if you:
1. Have a Compliance Profile of one or two with less than three substantiated customer complaints in the last five years and
2. Completed at least two years of service with the Company.

At the time succession is triggered, in addition to the above mentioned eligibility requirements, the Successor Agent must also be a Council Agent.

11.2. General Rules

A Sponsor Agent may name up to 12 Successor Agents. He or she may customize his or her Book of Business (BOB) by client, household, product type, state, or by individual client name. In addition, the Sponsor Agent’s BOB may be divided among his or her Successor Agents using a simple method of policy distribution that includes Client Round Robin or Policy Split.

If you are a Sponsor Agent and your Successor Agent’s status changes because of termination, resignation, retirement without a contract, death, or total and permanent disability, the arrangement will be invalidated.

The Successor Agreement is not binding. Either Agent may withdraw from the Program prior to actual succession.

11.3. Establishing a Successor Agreement

A Successor Agreement may be established online via Agency Portal. Agents should log on to Agency Portal, click Portal A to Z, click the letter “S”, scroll down to Succession Planning, and click on that selection. Once there, the Agent will be on the Successor Agent Home Page and should click “Successor Agent System” to add an Agreement online.
11.4. Activating a Successor Agreement

Activating or triggering a Successor Agreement will occur automatically upon the Sponsor Agent’s death, termination, full retirement, or disability retirement. At that time, assuming the Successor Agent meets all eligibility requirements, the Sponsor Agent’s BOB will be transferred to the Successor Agent via the Successor Agent Program.

A Sponsor Agent may also elect, at any time while active or retired active (with a Retired Agent’s 1SN/2SN Contract), to trigger succession to his or her Successor Agent. The Sponsor Agent can choose between performing a full manual trigger or a partial trigger of his or her BOB to his or her Successor Agents.

11.5. Successor Agent Allowance

Successor Agents under activated Successor Agreements are, at the Company’s discretion, provided with financial assistance to help with the added expense associated with the move of the BOB. This credit is referred to as the Successor Agent Allowance (SAERSA) and is based on the Life policies that are transferred from the Sponsor Agent’s BOB to the Successor Agent. SAERSA is credited to the Successor Agent’s ledger annually for three years. The Successor Agent must qualify for SAERSA by meeting the applicable Eligible Life and Annuity First Year Commission requirements as published annually in a Field News in early January. This production requirement is waived for the first SAERSA credit.

If the Successor Agent qualifies for SAERSA, the annual SAERSA credits will be calculated as follows:

a. At the time of succession, the SAERSA credit will be seven-tenths of 1% of the Sponsor Agent’s persisting ordinary Life renewal premium (or collected eligible Universal Life premium) in the 12-month period immediately prior to the triggering of succession.

b. One year after succession the SAERSA credit will be one-half of 1% of the Sponsor Agent’s persisting ordinary Life renewal premium (or collected eligible Universal Life renewal premium). This would occur in the 12-month period immediately prior to the first anniversary of succession, and

c. Two years after succession the SAERSA credit will be three-tenths of 1% of the Sponsor Agent’s persisting ordinary renewal premium (or collected eligible Universal Life renewal premium). This would occur in the 12-month period immediately prior to the second anniversary of succession.

SAERSA is credited between 60 to 90 days after succession occurs. The crediting of SAERSA is subject to Conditional Check. For more information about Conditional Check, please refer to the Life and Annuity Expense Allowance Plan description in Section 8 of this booklet.

11.6. Succession Impact on the Life Persistency Bonus

After succession triggers, the Sponsor’s eligible life cases will transfer to the Successor Agent. The Successor Agent may be credited with the Life Persistency Bonus on the eligible succeeded policies as long as he or she meets the annual production requirements.

Agents operating with a N9 Contract do not have the Life Persistency Bonus as part of their compensation. However, Agents who were contracted with the N6, P7, or N8 Agent’s Contract do have the Life Persistency Bonus as a component of their compensation. Upon triggering succession, a N9 Agent may be eligible for the Life Persistency Bonus on business succeeded to him/her from policies that were originally written by a N6, P7 or N8 Agent. The N9 Agent’s role on the succeeded policies must be Successor.
N9 renewal premium inherited via succession is included in an N6, P7 or N8 Agent’s total premium when calculating the Life Persistency Bonus rate as long as the inherited premium was in the Successor Agent’s book of business as of January 1st. Lapses/Surrendered N9 premium inherited via succession will also be included when determining an N6, P7 or N8 Agent’s persistency rate if the policies were in the Successor Agent’s book of business as of January 1st. N6, P7 or N8 Agents are not eligible for a Life Persistency Bonus on business succeeded to him/her from policies that were originally written by a N9 Agent.

The Life Persistency Bonus is credited to eligible Agent’s ledger annually around mid-February.

11.7. Life Persistency Bonus Provision (LPBP)

The LPBP of the Successor Agent Program allows Sponsor Agents to continue to be credited with all or a percentage of their Life Persistency Bonus on eligible succeeded policies for up to five years after triggering a full or partial succession. A Sponsor Agent who resigns/terminates from NYL is not eligible for the LPBP.

By engaging in the LPBP, both Sponsor and Successor(s) agree on the percentage splits of future Life Persistency Bonus credits (on eligible policies succeeded from the Sponsor to the Successor) and to the five-year term of the LPBP. Only policies where the Successor Agent(s) role is Successor on the policy are included in the LPBP. Policies where the Successor Agent(s) role is Permanent Servicing Agent are excluded.

The Life Persistency Bonus will be credited to the ledger of the Sponsor and/or Successor, based upon the Successor agent meeting the annual production requirements and based upon the Successor’s persistency rate.

As mentioned above, N9 Agents do not have the Life Persistency Bonus as part of their compensation. However, upon succession, a N9 Successor can inherit Life Persistency Bonus from his or her eligible (N8, P7, N6) Sponsor. If that N9 Agent later becomes a Sponsor, he or she may elect to exercise the LPBP under his or her new Succession Agreement to retain all or a percentage of Life Persistency Bonus he or she previously inherited for a period not to exceed five years.

If the Successor Agent’s Contract changes to ‘inactive’ during term of the LPBP (i.e. Successor dies, terminates, becomes disabled, or fully retires), the Sponsor will no longer be credited with the Life Persistency Bonus from the Successor.

If the Sponsor Agent dies during the term of the LPBP, his or her estate will continue to be credited with the Life Persistency Bonus for the remainder of the five-year period based upon the Successor meeting the production requirements, the Successor’s persistency rate, and the percentages agreed upon by all parties and outline in the LPBP.

The Sponsor may not have stake in the Life Persistency Bonus beyond the five-year term of the LPBP. After the five years, the Life Persistency Bonus will be credited to the Successor Agent based upon the terms and conditions of the Life Persistency Bonus program.

For More Information

Please refer to the Successor Agent Program’s Program Description and Frequently Asked Questions located on the Succession Planning page located on Agency Portal for additional information.

*The Company reserves the right to amend or terminate the Successor Agent Program ("Program"), in whole or in part, at any time, by giving written notice to the Agent. The information provided herein is a brief summary of the Program, and is subject to the terms and provisions of the Program, the Successor Agent Agreement ("Agreement") and applicable Field News releases. In the event of a conflict between this summary and the Program, the Agreement and Field News releases, the terms and provisions of the Program, Agreement and Field News releases will govern.*
Chapter 12: Special Programs

12.1. New Experienced Agent Expense Allowance Plans

Introduction
The Professional Experienced Agent (PEA) and the Temporary Expense Allowance (TEA) Agreements provide additional expense allowance credits to newly contracted experienced Agents.

Professional Experienced Agent (PEA) Program
PEA Agents will receive PEA credits equal to 50% of the total “Net Eligible First Year Commissions” they are credited each month during the first three Contract Years.

**PEA Expense Allowance**
In addition to the quarterly Sales and Council Incentives in the Life and Annuity Expense Allowance Plan, an additional PEA Expense Allowance may be credited monthly during the PEA Agent's first three contract years based upon the total "Net Eligible First Year Commissions" credited to the prior month's First Year Commission Report.

PEA credits will be made at the end of the month following the month of production. To be eligible for that credit an Agent must:

1. Have completed the month of production as an active Agent and
2. Be an active Agent or employee on the date of credit.

PEA credits will be made monthly during the PEA Agent's first, second and third contract years and will be based on “Net Eligible First Year Commissions” credited each month. “Net Eligible First Year Commissions” are first year commissions on:

- All New York Life Individual Life Products except: any COLI products, any BOLI products, Asset Preserver Options 1 and 2, and Instant Legacy Option 1
- New York Life Individual Deferred and Immediate Annuities¹
- New York Life Long-Term Care Products (except Long Term Care insurance products sold in Pennsylvania and Delaware).

**Note**: The following business does not count towards PEA “Net Eligible First Year Commissions”:

- Sponsored Marketing Agreement (SMA) products;
- Proprietary and Non-proprietary Mutual Funds²;
- Bundled 401(k) Products² (i.e., 401(k) Opportunity, 401(k) Complete and DB Complete); and
- Eagle Strategies LLC investment advisory accounts³ and financial planning services³.

PEA credits are equal to 50% of the total Net Eligible First Year Commissions credited each month. PEA credits will be made at the end of the month following the month of production.
Life insurance and annuity expense allowance credits under the PEA program or any other life and annuity expense allowance program cannot exceed the maximum expense allowance limits set forth under New York State law. All PEA credits relating to individual life insurance and individual annuity product sales will be subject to the limits of the law. The PEA Agent must have errors and omissions insurance coverage from the New York Life-Sponsored Professional Liability Plan or an "A" rated insurance carrier in an amount and under the terms that New York Life may from time to time determine.

If the PEA Agent is a registered representative, he/she must be a registered representative with NYLIFE Securities LLC and cannot be dually registered with any other broker-dealer.

The PEA Agent’s participation in the PEA Program may cease no later than the last day of the Agent’s 36th contract month.

**Conditional Check**

PEA credits are subject to the maximum expense allowance limit ("Conditional Check"), as are all life and annuity expense allowance credits. PEA credits on lines of business other than life and annuity will be administered through the Life and Annuity Expense Allowance Plan but are not subject to the "Conditional Check" limit.

**Temporary Expense Allowance (TEA) Program**

TEA Agents will receive TEA credits equal to 30% of the total “Net Eligible First Year Commissions” they are credited each month during their first three Contract Years.

**TEA Expense Allowance**

In addition to the quarterly Sales and Council Incentives in the Life and Annuity Expense Allowance Plan, an additional TEA Expense Allowance may be credited during the TEA Agent’s first three contract years based upon the total "Net Eligible First Year Commissions" credited to the prior month’s First Year Commission Report.

TEA credits will be made at the end of the month following the month of production. To be eligible for that credit an Agent must:

1. Have completed the month of production as an active Agent and
2. Be an active Agent or employee on the date of credit.

TEA credits will be made monthly during the TEA Agent’s first, second and third contract years and will be based on “Net Eligible First Year Commissions” credited each month. “Net Eligible First Year Commissions” are first year commissions on:

- All New York Life Individual Life Products except: any COLI products, any BOLI products, Asset Preserver Options 1 and 2, and Instant Legacy Option 1
- New York Life Individual Deferred and Immediate Annuities1
- New York Life Long-Term Care Products (except Long Term Care insurance products sold in Pennsylvania and Delaware).

**Note:** The following business does not count towards TEA “Net Eligible First Year Commissions”:

- Sponsored Marketing Agreement (SMA) products;
- Proprietary and Non-proprietary Mutual Funds2;
· Bundled 401(k) Products\(^2\) (i.e., 401(k) Opportunity, 401(k) Complete and DB Complete); and
· Eagle Strategies LLC investment advisory accounts\(^3\) and financial planning services\(^3\).

TEA credits are equal to 30% of the total Net Eligible First Year Commissions credited each month. TEA credits will be made at the end of the month following the month of production.

Life insurance and annuity expense allowance credits under the TEA program or any other life and annuity expense allowance program cannot exceed the maximum expense allowance limits set forth under New York State law. All TEA credits relating to individual life insurance and individual annuity product sales will be subject to the limits of the law.

The TEA Agent must have errors and omissions insurance coverage from the New York Life-Sponsored Professional Liability Plan or an “A” rated insurance carrier in an amount and under the terms that New York Life may from time to time determine.

If the TEA Agent is a registered representative, he/she must be a registered representative with NYLIFE Securities LLC and cannot be dually registered with any other broker-dealer.

The TEA Agent’s participation in the TEA Program may cease no later than the last day of the Agent’s 36\(^{th}\) contract month.

**Conditional Check**

TEA credits on life and annuity first year commissions are subject to the maximum expense allowance limit (“Conditional Check”), as are all life and annuity expense allowance credits. TEA credits on lines of business other than life and annuity will be administered through the Life and Annuity Expense Allowance Plan but are not subject to the “Conditional Check” limit.

**Endnotes**

1. Issued by New York Life Insurance and Annuity Corporation (a Delaware Corporation), a wholly owned subsidiary of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010.

2. Only offered through properly licensed Registered Representatives of NYLIFE Securities LLC and can be sold by prospectus only.

3. Only offered through properly licensed Financial Advisors of Eagle Strategies LLC

**For More Information**

Please refer to PEA and TEA information on Agency Portal and new Field News releases for additional information and updates, including the detailed rules on MDRT qualification requirements. All other questions about PEA or TEA qualification rules and maintenance requirements can be directed to your Zone Vice President, Zone Corporate Vice President or the Recruiting and Retention area in the Home Office.

The Company reserves the right to change, revoke or cancel compensation plans, including commissions and service fee schedules, at any time by giving written notice to the Agent. The information provided herein is a brief summary and is subject to the actual terms and provisions of the PEA and TEA Agreements (the “Agreements”) and applicable Field News releases. In the event of a conflict between this summary and the Agreements and Field News releases, the terms and provisions of the Agreements and Field News releases will govern.
12.2. Agent Business Continuation and Succession (ABCS) Program

Introduction

The ABCS program enables our higher producing Senior Agents to bring up to three Junior Agents into their practice, expand and build their practice, and ultimately support a gradual, orderly transition of their business through succession.

Qualifications to Participate

Senior Agent:

- At least 15 years of service with NYL
- Have an average of at least $150,000 proprietary fixed, and proprietary and nonproprietary variable, Life and Annuity First Year Commissions (FYCs) for the prior two calendar years or the prior five calendar years and at least $75,000 must be in Life First Year Commissions.
- NYLIFE Securities Registered Representative or Past President who is a member of Agents Advisory Board of Directors.
- Acceptable compliance profile.
- Approval by Zone Agency Standards Corporate Vice President.
- Signed ABCS Agreement.
- Successor Agents must be designated under the Successor Agent Program by the Senior Agent at the execution of the ABCS Agreement. At least one Junior Agent must be a named Successor Agent under the Successor Agent Program.
- No reciprocal Agreements between Senior Agents – two Senior Agents in the ABCS Program are not permitted to be Junior Agents in each other’s programs.

Eligible Agents can only participate in either the ABCS Program or the District Agent (DA) Program at any one time.

Junior Agent:

- The Agent must have been appointed into a Managing Partner's unit when he or she was initially contracted.
- Acceptable compliance profile.
- Approval by Zone Agency Standards Corporate Vice President.
- NYLIFE Securities Registered Representative within one year of appointment as a New York Life Agent.
- Managing Partner recommendation required.
- Enrolled in Life & Annuity Expense Allowance Program.
- Signed ABCS Agreement.

Eligible Agents can only participate in either the ABCS Program or the District Agent (DA) Program at any one time. Agents operating under a PEA, TEA, or MTEA Agreement cannot be a Junior Agent under the ABCS Program.
Compensation

Senior Agent:

ABCS Service Fees (Service Fees)

- **Traditional Whole Life Policies Service Fees**
  The Senior Agent’s ledger will be credited with Service Fees on in force traditional permanent premium paying Whole Life policies that are the subject of the ABCS Agreement (i.e., policies that were originally sold by Agents with Agent Contracts other than P7, N8 or N9 and on which the Senior Agent is the servicing Agent of record). Service Fees will be calculated at a rate of 2% of renewal premiums received payable on eligible in force traditional permanent premium-paying Whole Life policies beginning in Policy Year 16. In order for the Senior Agent’s ledger to be credited with Service Fees, the Senior Agent must remain the servicing Agent of record on the policies. Service Fees will continue to be credited to the Senior Agent for as long as the policy remains in force, or until the Senior Agent transfers the policy to the Junior Agent, or until the Senior Agent’s participation in the ABCS Program terminates, whichever is earlier.

- **Universal Life Policies (UL and VUL) Service Fees**
  Universal Life Policies (UL and VUL) Service Fees on eligible Universal Life (UL) and Variable Universal Life (VUL) policies that are in force on December 31 of each calendar year and on which the Senior Agent is the servicing Agent of record. Service Fees will be calculated at the rate of 5 basis points of a policy’s cash value at December 31, beginning in Policy Year 11, and will be credited to the Senior Agent’s ledger no later than the last business day of March in the succeeding year. In order to be credited with Service Fees, the Senior Agent must remain the servicing Agent of record on the policies. Service Fees will continue to be credited to the Senior Agent for as long as the policy remains in force, or until the Senior Agent transfers the policy to the Junior Agent, or until the Senior Agent’s participation in the ABCS Program terminates, whichever is earlier.

No Service Fees will be credited under the ABCS Agreement on policies where the original writing Agent has less than a 100% share of commissions and has also been designated as the Permanent Servicing Agent (PSA).

No Service Fees will be credited to the Senior Agent on any policy that the Senior Agent has transferred to the Junior Agent under the ABCS Program.

Service Fees do not count for Council qualification.

**Recruiting Credits**

Recruiting Credits calculated at 15% of the eligible Junior Agent’s weighted FYCs are credited to the Senior Agent for up to four years. The Senior Agent will be eligible for ABCS Recruiting Credits according to the following conditions:

- The Managing Partner was the Junior Agent’s original recruiter.
- The effective date of the Junior Agent’s full time Agent Contract was within the prior 12 months.
- The Managing Partner agrees to the ABCS Agreement with Junior Agent.
- If the Senior Agent or the Junior Agent is removed from the ABCS Program, no additional Recruiting Credits will be credited to the Senior Agent.

Junior Agents aren’t eligible for Recruiting Credits.

Recruiting Credits do not count for Council qualification.
**Junior Agent:**

**ABCS Service Fees (Service Fees)**

- **Traditional Whole Life Policies**
  The Junior Agent’s ledger will be credited with Service Fees on in force traditional permanent premium paying Whole Life policies that are transferred by the Senior Agent to the Junior Agent provided: (1) the Senior Agent was eligible for Service Fees on such policies under the ABCS Agreement prior to the transfer and (2) the Junior Agent is assigned and remains either as a Successor Agent or the PSA on the policies. The Junior Agent’s Service Fees shall be at the same rate and beginning in the same policy year as would apply to the Senior Agent’s Service Fees (see above). Service Fees will continue to be credited to the Junior Agent under this ABCS Agreement for as long as the policy remains in force or until this ABCS Agreement terminates, whichever is earlier.

- **Universal Life Policies (UL and VUL) Service Fees**
  The Junior Agent’s ledger will be credited with Universal Life Policies (UL and VUL) Service Fees on eligible Universal Life (UL) and Variable Universal Life (VUL) policies that are transferred by the Senior Agent to the Junior Agent provided: (1) the Senior Agent was eligible for Service Fees on such policies under the ABCS Agreement prior to the transfer and (2) the Junior Agent is assigned and remains either as a Successor Agent or the PSA on the policies. The Junior Agent’s Service Fees shall be at the same rate and beginning in the same policy year as would apply to the Senior Agent’s Service Fees (see above). Service Fees will continue to be credited to the Junior Agent under this ABCS Agreement for as long as the policy remains in force or until this ABCS Agreement terminates, whichever is earlier.

Policies can be transferred to the Junior Agent under the ABCS Agreement in two ways: (1) if Junior Agent is the Senior Agent’s Successor Agent, then policies can be transferred by triggering succession under the Successor Agent Program; or (2) policies can be transferred by naming the Junior Agent as the PSA on the policies.

No Service Fees will be credited under the ABCS Agreement on policies where the original writing Agent has less than a 100% share of commissions and has also been designated as the PSA.

Service Fees do not count for Council qualification.

**Enhanced Expense Reimbursement Allowance (EERA)**

A Junior Agent is eligible for Enhanced Expense Reimbursement Allowance (EERA) starting with his or her effective date of participation in the ABCS Program for a period to include ten full Council years under an ABCS Agreement. If the Junior Agent’s rolling consecutive four quarters of Eligible Life and Annuity FYCs meets or exceeds the EERA threshold as described on Schedule A of the ABCS Agreement, then the Junior Agent will be eligible to have credited to his or her ledger EERA on Eligible Life and Annuity FYCs for the current quarter at a rate of 42%, or the combined standard Sales Incentive and Council rate determined under New York Life’s standard Life & Annuity Expense Allowance program, whichever is greater. The EERA credits will be made in the following quarter in three equal monthly installments.

At no time will a Senior Agent have EERA credited to his or her ledger.

**NYLIFE Securities/Eagle Strategies**

The Junior Agent’s Gross Dealer Concession (GDC) grid payout rate will match the GDC grid payout rate of the Senior Agent, if the Senior Agent’s rate is higher.
Personal Production Requirements (Maintenance)

Senior Agent:
In two of the first three full calendar years of the ABCS Agreement, the Senior Agent’s rolling two-year average of proprietary fixed, and proprietary and nonproprietary variable, Life and Annuity FYCs must be or exceed $150,000.

Junior Agent:
During each rolling consecutive four quarter period determined as of the end of each Council year quarter, the Junior Agent’s ledger must be credited with Total FYCs (including proprietary and nonproprietary products as determined by the Company) equal to the applicable EERA threshold amounts as set forth in Schedule A of the ABCS Agreement. If a Junior Agent’s ledger is not credited with the required Total FYC amount, the ABCS Agreement with that Junior Agent will be terminated.

Upon activation of Business Succession under the ABCS Agreement, the Junior Agent must continue to qualify for Executive Council (EC) or higher for two consecutive years. The Junior Agent’s ABCS Agreement will be terminated if the Junior Agent does not meet this Council requirement.

Succession Agent Program Requirements of ABCS Program

Senior Agent:
The Senior Agent must designate at least one Junior Agent as a named Successor Agent under the Successor Agent Program.

Senior Agents may transfer all or part of their Book of Business to Junior Agents who are their Successor Agents by triggering a full or partial succession. Policies transferred under this ABCS Agreement shall be chosen at the sole discretion of the Senior Agent. If the Senior Agent has multiple Successor Agents, all policies that have not been transferred under the ABCS Program prior to the Senior Agent’s full retirement, death, disability or Agent Contract termination will be transferred to the Successors via the Successor Agent Program.

Note: At the time succession occurs, the Successor Agent must meet the following requirements of the Successor Agent Program:
- At least two years of NYL service
- Acceptable compliance profile
- Qualified for Council in the year succession occurs

Junior Agent:
The Junior Agent must designate a Successor Agreement under the Successor Agent Program.

Limitation on Number of Junior Agents

The Senior Agent is only entitled to designate a total of three Junior Agents throughout the Senior Agent’s entire time participating in the ABCS Program. If a Junior Agent terminates from the ABCS Program and is later reinstated subject to the Company’s approval, that Junior Agent will count as an additional Junior Agent for purposes of Senior Agent’s total of three Junior Agents under the ABCS Program. If a Junior Agent remains for a minimum of ten (10) full Council years under the
ABCS Agreement, the Junior Agent shall no longer count toward the Senior Agents maximum of three Junior Agents.

**Termination/Unwinding**

New York Life may revise or terminate the ABCS Agreement and the Senior Agent’s and/or the Junior Agent’s participation in the ABCS Program at any time. In addition, the ABCS Agreement shall terminate upon:

- The written notification from the Senior Agent or Junior Agent to the other parties participating in the ABCS Agreement on 30 days’ notice; or
- The full retirement, disability, death or Agent Contract termination of the Senior Agent prior to the activation of the Business Succession provisions under the ABCS Agreement; or
- The termination of the Junior Agent’s Agent Contract.
- The Junior Agent’s failure to generate Total FYCs during the applicable rolling consecutive four quarter period, determined at the end of each Council year quarter, equal to the amounts set forth in the EERA trigger chart in Schedule A of the ABCS Agreement.

In addition to New York Life’s right to terminate the ABCS Agreement as provided above, New York Life shall have the right, at its option, to immediately terminate the ABCS Agreement and the Senior Agent’s and/or the Junior Agent’s participation in the ABCS Program for any of the following reasons:

- The Senior Agent’s FYC falls below the required two-year average in Life and Annuity FYC in two of the first three calendar years of the Senior Agent’s participation in the ABCS Program.
- The Junior Agent does not qualify for Executive Council (EC) or higher for two consecutive years upon activation of Business Succession under the ABCS Agreement.
- The Junior Agent has not been under the ABCS Agreement for at least three years upon activation of Business Succession due to the Senior Agent’s full retirement (i.e., retirement with inactive status), disability or Agent Contract termination.
- The Senior Agent or the Junior Agent receives a severe or last chance reprimand or is placed on enhanced supervision.

At the Senior Agent’s request, a Junior Agent who was terminated for failure to meet the ABCS Total FYC maintenance requirement may re-enter the ABCS Program after a period of six months as long as he or she meets the maintenance requirement (based on his or her original EERA schedule/timeline) and is approved by the Managing Partner and the Zone Agency Standards Corporate Vice President. The Junior Agent’s time while not in the ABCS Program will count as if he or she was still participating in the program (i.e., the clock keeps ticking for purposes of determining the Junior Agent’s applicable ABCS Program maintenance requirement and the time the Junior Agent remains eligible to be credited with EERA). In addition, as stated above, the reinstated Junior Agent will count as an additional Junior Agent for purposes of the Senior Agent’s total of three Junior Agents allowed under the ABCS Program.

If a terminated Junior Agent was the Senior Agent’s sole Junior Agent under the ABCS Program, and the Senior Agent is eligible to designate another Junior Agent, the Senior Agent will then have a grace period of six months to replace the Junior Agent before Service Fee credits to the Senior Agent’s ledger cease. If the Senior Agent has more than one Junior Agent in the ABCS Program, the Senior Agent will continue to have Service Fees credited to his or her ledger as long as the Senior Agent has at least one active Junior Agent.
A Senior Agent wishing to enter into an ABCS Agreement with a new Junior Agent to replace a terminated Junior Agent must re-qualify under the sales production standard described in the ABCS Agreement. This standard will be waived if the new ABCS Agreement is entered into within two years of the termination date of the former Junior Agent’s ABCS Agreement. A Senior Agent shall not receive more than one waiver of this standard in any five-year period.

If the Junior Agent terminates the ABCS Agreement or is terminated by the Company for any reason, the Senior Agent has the right of first refusal to recover policies that had been transferred to the Junior Agent. This right must be exercised within 90 days of the Junior Agent’s termination. If this right is not so exercised, the right of assignment for servicing these policies reverts to the Company.

EERA and any Service Fees credited to a Junior Agent’s ledger under the ABCS Agreement shall immediately cease upon termination of the Junior Agent’s ABCS Agreement. The Junior Agent’s ledger will be credited with only those EERA credits calculated through the last completed quarter prior to the date of termination.

For More Information
Please refer to the ABCS Program Description and Frequently Asked Questions located on Agency Portal for additional information.

The Company reserves the right to amend or terminate the ABCS Program (“Program”), in whole or in part, at any time, by giving written notice to the Agent. The information provided herein is a brief summary of the Program, the ABCS Agreement (“Agreement”) and applicable Field News releases and is subject to the actual terms and provisions of the Program, Agreement and Field News releases. In the event of a conflict between this summary and the Program, Agreement and Field News releases, the terms and provisions of the Program, Agreement and Field News releases will govern.

12.3. District Agent Program
Introduction
The District Agent (DA) Program offers well-established, successful Agents the opportunity to mentor a unit of Agents, and be eligible to receive overrides, while continuing personal production. This Program offers the following benefits:

- An entrepreneurial business model to facilitate the growth of an insurance practice from that of a sole practitioner into a larger financial services organization with expanded resources and capabilities.
- An opportunity for DAs to receive compensation for efforts in coaching, and mentoring new Agents contracted with New York Life.
- An opportunity for DAs to enter new markets and offer additional services to existing clients.
- An opportunity for DAs to develop potential successors.
- An opportunity for field management to capitalize on the success of our leading Agents to attract high-quality candidates into the career.
- Leveraging of the knowledge and skills of our best Agents to help coach and develop new Agents to higher productivity.

Qualifications to Participate
Council Requirement
a. Chairman’s Council for the last two consecutive years OR
b. President’s or Chairman’s Council qualifier for the last four consecutive years

Other Requirements

1. NYLIFE Securities Registered Representative.
2. Qualifying member of MDRT for the level attained (e.g., a Top of the Table qualifier must join MDRT Top of the Table).
4. Recommendation by the Managing Partner.
5. DA must be a Sponsor Agent in the Successor Agent Program.
6. Active and working relationship with the Managing Partner and Agreement to follow NYLIC-U and the Field Development System.
7. The DAs financial stability must remain constant and NYL must be allowed to run periodic credit checks.
8. Zone VP and Home Office approval.
9. Agent must complete the District Agent Program orientation with his or her Managing Partner prior to becoming a District Agent.
10. District Agents are limited to 10 active Unit Agents.
11. Unit Agents of “detached” District Agents must also be “detached”.

District Agent Maintenance Requirements

Personal Production

District Agents must maintain a personal production minimum of 120,000 Council Credits every Council year.

Unit Agent Requirements

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Proactive Unit Agents Calendar Year</th>
<th>Total “on rolls” Unit Agent FYC Production Calendar Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 (By end of 1st full calendar year)</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>$25,000</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>$50,000</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>$75,000</td>
</tr>
<tr>
<td>5 +</td>
<td>2</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
For their production to count towards making Unit Agent requirements, “on rolls” Unit Agents must be active on 12/31.

For More Information

Please refer to the District Agent Program information on Agency Portal for additional information.

The Company reserves the right to amend or terminate the District Agent Program (“Program”), in whole or in part, at any time by giving written notice to the Agent. The information provided herein is a brief summary of the Program, District Agent Contract (“Contract”) and applicable Field News releases and is subject to the actual terms and provisions of the Program, Contract and Field News releases. In the event of a conflict between this summary and the Program, Contract and Field News releases, the terms and provisions of the Program, Contract and Field News releases will govern.
Introduction
Since 1845, New York Life has helped generations of Americans prepare for the future and build financial security for their families. The peace of mind and well-being of our customers is central to what we do and to the products we sell. This is why providing our Agents with benefits that help them lead healthier lives, save for retirement, and protect their families is so important to us. Our benefits empower Agents by giving them flexibility and choice. And with online decision-making tools and a comprehensive benefits website, New York Life makes it easier for Agents to make important decisions for themselves and their families. Look through this section and www.nylbenefits for more about New York Life’s benefits and why we are The Company You Keep®.

13.1. Overview
The following plans help you prepare for retirement and provide protection for you and your family in time of need:

• Group Plan for New York Life Agents ("Agents Group Plan")
• Agents Progress-Sharing Investment Plan ("Agents 401(k) Savings Plan")
• Nylinc Retirement Plan
• Agents Deferred First Year Commission Plans

An overview of these benefits is provided below, and further information is available by referring to the applicable Summary Plan Descriptions, (on Agency Portal and the Your Benefit Resources (YBR)™ website), the Your Benefits Resources (YBR)™ website and nylbenefits.com, or by calling New York Life’s Benefits Center at (888) 513-4636. New York Life’s Benefits Center is available Monday through Friday, from 9 a.m. to 5 p.m. EST (excluding holidays). Additional information on how to access these resources is provided at the end of this section.
13.2. Agents Group Plan

We understand that you are a unique individual. That’s why we let you choose coverage to meet your specific needs. You also pay on a pretax basis (except for long-term disability).

The Agents Group Plan provides eligible Agents with a package of benefits that includes:

- Medical Benefits (including a prescription drug program)
- Dental Benefits
- Vision Benefits
- Flexible Spending Account for Health Care\[a\]
- Contributory Life Insurance
- Non-Contributory Life Insurance
- Accidental Death and Dismemberment Insurance
- Long-Term Disability Insurance

\[a\] Not available for newly contracted agents.

Each January, the Company announces the minimum required amount of First Year Commissions that non-TAS Agents need to be eligible for coverage in the following year. There is no FYC requirement for TAS Agents.

**Medical and Dental Benefits**

New York Life provides you and your family with a competitive medical and dental package. We let you choose from among available coverage options to select the one that works best for you and your family. Also available is a pretax Health Care Flexible Spending Account to help you cover your deductibles and out-of-pocket expenses.

Details of the plans and requirements for coverage are furnished each year immediately prior to the Annual Enrollment Period, which is usually held in October.

**Medical Coverage**

You can currently choose from two medical options, administered by Aetna, including:

- Active Health Option
- Standard Medical Option

Refer to the Summary Plan Description and Agent’s Enrollment Guide, an interactive magazine on nylbenefits.com, for information on these options.

*The plan descriptions included in this booklet are intended to provide a general description of some of the features of the plans. You should review the Summary Plan Descriptions (SPDs) for these plans for more information. In the event of any conflict between this booklet and the plan documents and SPDs, the provisions of the plan documents and SPDs will govern. New York Life reserves the right to alter, amend, revoke, eliminate, suspend, terminate, or cancel any benefit plans in whole or in part, without notice to or consent of, Agents, retirees, or their dependents and beneficiaries, at any time.*
**Prescription Drug Coverage**

Prescription drug coverage with Express Scripts is included in both medical options. Your out of pocket cost for prescription drugs varies by whether the drug is generic, formulary, or a brand drug, and the medical option you elect.

**Dental Coverage**

You have two dental coverage options, both administered by Aetna. The Comprehensive Option covers a broad range of dental services and provides access to orthodontia for children. The Preventive Option is a lower cost option that covers preventive and basic services. Both options cover preventive services at 100%. And remember if you use in-network dentists, you will pay less. You can also select “No Coverage” if you wish.

**Vision Coverage**

You can choose to enroll in a vision option offered through Aetna Vision Preferred. This coverage is separate from your medical and dental coverage which means you can choose to cover different family members for vision than you do for medical or dental. The Aetna Preferred option covers routine eye care such as exams, eyeglasses, and contact lenses. The option pays more if you use the network of participating providers, which includes private practice, retail, and online options.

**Flexible Spending Account for Health Care**

Deductibles, out-of-pocket expenses, and unreimbursed medical and dental expenses can add up. The Flexible Spending Account for Health Care (FSA) is provided to help you offset these costs and save you money on taxes. During your enrollment, you decide how much to contribute to this account – before taxes. When you need money to cover eligible out-of-pocket medical and dental care expenses, you can request reimbursement from your account.

**Life Insurance**

You know better than anyone about the importance of life insurance and how it can provide for families. For your peace of mind, New York Life offers you Group Contributory and Non-Contributory Life Insurance. The amount of Contributory coverage is based on production and years of service. Non-contributory coverage varies by Agent Contract type, years of service, and production. You can pay the premiums for Contributory Life on a pretax basis.

**Accidental Death and Dismemberment Insurance (AD&D)**

Accidental Death and Dismemberment Insurance (AD&D) protects against accidental injury or death, with your benefits provided if you suffer a loss (as defined by the plan). In the case of accidental death, benefits will be paid to your named beneficiary.

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**Long-Term Disability Insurance**

If your disability is approved, in general, this insurance will provide a regular monthly income beginning six months after you are completely unable to perform any or all of the duties under your contract, and unable to do any job for compensation or profit for which you are or may become reasonable qualified by education, training, or experience. You are disabled when Unum determines that:

- You are unable to perform the material and substantial duties of your regular occupation due to sickness or injury; and
- You have a 20% or more loss in your indexed monthly earnings due to the same sickness or injury.

After 24 months of payments, you are disabled when Unum determines that, due to the same sickness or injury, you are unable to perform the duties of any gainful occupation for which you are reasonable fitted by education, training, or experience.

**For More Information**

For additional information regarding the Agents Group Plan offered by New York Life, you can refer to the applicable Summary Plan Descriptions (available on Agency Portal and the *Your Benefits Resources*™ website), the *Your Benefits Resources*™ website, and nylbenefits.com, or call New York Life Benefits Center at (888) 513-4636. The New York Life Benefits Center is available Monday through Friday, from 9 a.m. to 5 p.m. EST (excluding holidays).

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The plan descriptions included in this booklet are intended to provide a general description of some of the features of the plans. You should review the Summary Plan Descriptions (SPDs) for these plans for more information. In the event of any conflict between this booklet and the plan documents and SPDs, the provisions of the plan documents and SPDs will govern. New York Life reserves the right to alter, amend, revoke, eliminate, suspend, terminate, or cancel any benefit plans in whole or in part, without notice to or consent of, Agents, retirees, or their dependents and beneficiaries, at any time.
13.3. Agents 401(k) Savings Plan

*Eligibility and Enrollment*

You’re eligible to make pretax contributions to the Agents Progress-Sharing Investment Plan ("Agents 401(k) Savings Plan") as soon as you become an Agent and enroll in the plan. If you would like to begin making contributions to the plan, enroll by accessing *Your Benefits Resources™* website or by calling New York Life’s Benefits Center. Information on how to access these resources is provided at the end of this section.

*Investments*

With the Agents 401(k) Savings Plan, you can build an investment portfolio that meets your needs. The plan offers a variety of investment options from which to choose, including mutual fund investment options and a fixed dollar account for which a guaranteed interest rate is declared each year. The fixed dollar account is the Plan’s default investment option. You have 24-hour access to your Agents 401(k) Savings Plan account through the *Your Benefits Resources™* website. This website allows you to change allocations, check your account balance, apply for a loan or withdrawal, or increase, decrease, or stop contributions.

*Company Contributions*

At the discretion of the Board of Directors, the Company may contribute annually to the Agents 401(k) Savings Plan on your behalf, provided that you are an Eligible Agent on the last day of the plan year. There’s no need to enroll. If a Company contribution is made in a specific year and you are eligible to receive a portion of that contribution, New York Life will automatically open an account in your name.

*The More You Sell, the More We Save for You*

The Company contribution to the Agents 401(k) Savings Plan in past years has been based on a specified percentage of eligible Annuity cash values and eligible net renewal premiums and net renewal commissions for each year. The Board of Directors determines the Company contribution in its discretion each year, and the Board can revise the formula for the contribution at any time and for any reason. Any contributions the Company credits to your account are 100% vested. You direct the investment of the Company contribution to your account by choosing among the available investment options. The Agents 401(k) Savings Plan is another example of the long-term benefits available to members of the New York Life family.

*For More Information*

For more information regarding the Agents 401(k) Savings Plan, please refer to the Agents 401(k) Savings Plan SPD available on Agency Portal and the *Your Benefits Resources™* website.

*The plan descriptions included in this booklet are intended to provide a general description of some of the features of the plans. You should review the Summary Plan Descriptions (SPDs) for these plans for more information. In the event of any conflict between this booklet and the plan documents and SPDs, the provisions of the plan documents and SPDs will govern. New York Life reserves the right to alter, amend, revoke, eliminate, suspend, terminate, or cancel any benefit plans in whole or in part, without notice to or consent of, Agents, retirees, or their dependents and beneficiaries, at any time.*
13.4. NYLIC Retirement Plan

The Nylic Retirement Plan (“Retirement Plan”) provides all eligible vested Agents with a guaranteed monthly retirement income for life. Following your retirement, you will be eligible to receive the applicable benefit under the Retirement Plan, provided you meet the requirements for early, normal, late, or disability retirement. If you terminate service as an Agent for any reason other than death, retirement, or disability, provided you have completed at least five years of vesting service, you may be eligible for a deferred vested benefit.

Following your separation from service, your Retirement Plan benefits can begin on the first day of any month after what would have been your 20th anniversary of vesting service, or by the last day of the month in which you reach your 65th birthday. If you elect to begin receiving benefits prior to your Normal Retirement Date, your benefit will be reduced to take into account the longer period of time over which payments will be made.

Your Retirement Plan payments will be based on your pensionable earnings as defined in the Nylic Retirement Plan SPD and plan document. In general, your pensionable earnings include specific compensation amounts on most recurring premium permanent individual Life products, i.e., Whole Life and Universal Life recurring premium products. For a more detailed description of pensionable earnings, you should refer to the Summary Plan Description for the Nylic Retirement Plan.

Payment Options

Nylic Retirement Benefits are paid in the form of:

- A Single Life Annuity if you are not married. The monthly lifetime income to you ceases with your death.
- A 75% Joint and Survivor Annuity if you are married unless, with written, notarized consent from your spouse, you elect a Single Life Annuity or a 50% Joint and Survivor Annuity option. The monthly lifetime income to you under the Single Life Annuity ceases if you die after the benefit payments have commenced. The Joint and Survivor Annuity options provide you with a reduced monthly lifetime income while you are alive and provide your spouse with a monthly lifetime benefit after your death equal to 75% or 50%, whichever is applicable, of your reduced monthly benefit.

Preretirement Survivor Benefit

If you are married and die in active service after completing at least five years of vesting service, your spouse is eligible to receive a monthly benefit based on the 75% Joint and Survivor Annuity option for his or her lifetime.

For More Information

For more information regarding the Nylic Retirement Plan, you should refer to the Nylic Retirement Plan SPD that is available on Agency Portal and on Your Benefits Resources™ website.
13.5. Agents Deferred First Year Commission Plan

After completing four consecutive contract years, you may elect to participate in the Deferred First Year Commission Plan ("DFYC Plan"). The DFYC Plan provides you with an opportunity to defer a portion of your pretax First Year Commissions, letting it accumulate, tax deferred with interest credited, until a later date. The DFYC Plan is a nonqualified, deferred compensation plan for independent contractors that is not subject to the Employee Retirement Income Security Act (ERISA).

**Eligibility**

Agents who have been operating under an eligible Agent’s Contract for a continuous period of at least four years are eligible to participate in the DFYC Plan. The Company may waive the four-year rule if you have an exceptional amount of credited First Year Commissions, your Managing Partner makes a recommendation on your behalf, and the Zone Vice President responsible for your General Office approves the request. TAS Agents are not eligible to participate in the DFYC Plan.

**Deferral and Distribution Elections**

If you are eligible to participate in the DFYC Plan, you can determine what percentage of your First Year Commissions you want to defer and when you want your DFYC account to be distributed to you. You must also elect how the distributions are to be made to you, and can choose among monthly installments, a lump sum, or an initial lump sum followed by monthly installments or a second lump sum. All deferrals will be credited to the account established for you.

**Interest Crediting Rate**

Your account will be credited with daily interest based on a fixed rate set by the Company each year. Currently, this rate is the same rate of interest as if your account was invested in the Fixed Dollar Account under the Agents 401(k) Savings Plan.

**Death Benefits**

If you die before or after your first disbursement date, your beneficiary will be entitled to the remaining amount in your account, payable in a lump sum.

**Other Plans**

The Company also offers two additional deferred compensation plans – the Deferred First Year Commission Plan for New York Life Agents Who Are Accredited Investors and the Deferred Investment Fee Plan for Investment Advisory Representatives of Eagle Strategies, LLC.

**For More Information**

For more details regarding the DFYC Plan, the Deferred First Year Commission Plan for New York Life Agents Who Are Accredited Investors and the Eagle Strategies Deferred Investment Fee Plan, you should refer to the Summary & Highlights booklets. On the Your Benefits Resources home page, you will see the “Savings and Retirement” heading and underneath it “Nonqualified Deferred Compensation Plans,” Plan names, and “Powered by MullinTBG.” Click on “Powered by Mullin TBG” to be directed to the MullinTBG site where you will find the booklets under the “Plan Info” tab.

The plan descriptions included in this booklet are intended to provide a general description of some of the features of the plans. You should review the Summary Plan Descriptions (SPDs) for these plans for more information. In the event of any conflict between this booklet and the plan documents and SPDs, the provisions of the plan documents and SPDs will govern. New York Life reserves the right to alter, amend, revoke, eliminate, suspend, terminate, or cancel any benefit plans in whole or in part, without notice to or consent of, Agents, retirees, or their dependents and beneficiaries, at any time.
For More Information

· **VIA AGENCY PORTAL OR THE INTERNET:** Use your New York Life Universal ID and password to access *Your Benefits Resources™* (YBR) website via Agency Portal. If you access YBR directly from the Internet at http://resources.hewitt.com/newyorklife, use your YBR User ID and password.

· **VIA THE NEW YORK LIFE BENEFITS CENTER:** Call New York Life’s Benefits Center at (888) 513-4636 and follow the online prompts. You will need to enter the last four digits of your Social Security Number (SSN) and your birth date. You will then be prompted to enter your YBR password. A Benefits Representative will be available to assist you. Benefit Representatives are available Monday through Friday (excluding holidays) from 9 a.m. to 5 p.m. EST.

  · If you forgot your password

    · Log onto YBR and select “I forgot my password.” If you correctly answer three of the five security questions, you can access the site immediately and create a new password.

    · You will also be able to reset your password by using a one-time code. This code is an automated self-service security approach that allows you to authenticate so you can access your benefits information immediately. The code is delivered to you via text, provided you have a phone number on file. Note that for your protection this code expires, so you need to enter the code within 10 minutes of its generation. You can enter the code either on YBR or you can call the Benefits Center and use the code when prompted.

· **VIA NYLbenefits.com:** Access nylbenefits.com which is an internet based site that has information on health and welfare benefits available as well as educational videos and tools to help you understand how to use the benefits as well as additional health resources.

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*The plan descriptions included in this booklet are intended to provide a general description of some of the features of the plans. You should review the Summary Plan Descriptions (SPDs) for these plans for more information. In the event of any conflict between this booklet and the plan documents and SPDs, the provisions of the plan documents and SPDs will govern. New York Life reserves the right to alter, amend, revoke, eliminate, suspend, terminate, or cancel any benefit plans in whole or in part, without notice to or consent of, Agents, retirees, or their dependents and beneficiaries, at any time.*

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Chapter 14: Professional Liability Plan

Introduction
The New York Life Agents’ Purchasing Group sponsors an Agents’ group professional liability policy, which is underwritten by Zurich American, an A-rated carrier. All Agents (except some new and retired Agents) and all Registered Representatives are required to have professional liability insurance under the PLP or a policy that provides comparable coverage. Agents participating in the Plan pay the premium for the coverage, except for TAS Agents in California, Illinois, Montana, North Dakota, and South Dakota.

14.1. Eligibility for the Professional Liability Plan (PLP)

- All licensed Agents and Registered Representatives who have an Agency Agreement with New York Life, a New York Life subsidiary, or NYLIFE Securities LLC (NYLSEC) are eligible to enroll.
- Licensed Financial Advisers of Eagle Strategies LLC.

14.2. PLP Coverage Highlights

- Coverage for certain damages arising from negligent acts, errors, or omissions committed by an insured Agent or staff in the sale of most Life and Annuity products.
- Coverage is not limited to New York Life products.
- Coverage for loss or unauthorized disclosure of private and personal information.
- Coverage of prior acts.
- Coverage for financial planning.
- Coverage as a fiduciary under the Department of Labor’s new fiduciary rule.
- Coverage of personal injury (which includes defamation, libel, or slander).
- Underwriter is an A-rated insurance carrier.
- Includes New York Life as an Additional Insured under the policy.

Note: When professional liability coverage is obtained outside the PLP, the Agent must submit a copy of the declarations page of the policy and Waiver Application to Aon Affinity Insurance Services at the address below, PLP Specialists will review the coverage and determine if it meets the Company requirements listed below.

14.3. Company E&O Coverage Requirements

- Provide annual liability limits of at least $1M per Claim/$3M Aggregate or $2M per Claim/$2M Aggregate each Insured*
- Cover all “Professional Services” that are covered under the NYL-sponsored plan. Refer to Section II (F) of the Plan Highlights
- Not be limited to only New York Life products
- Be underwritten by an insurance carrier rated “A” or higher by AM Best
- Include New York Life as an Additional Insured for Vicarious Liability (must be listed on copy of declarations page of the policy) **
For More Information

Please refer to the Field News release on Agency Portal for additional information on the Plan. If you have questions regarding eligibility or ledger deductions, please contact your Managing Partner or the Agent Compensation Hotline at (212) 576-8282.

Any questions regarding enrollment, Plan coverage, issuance of certificates, or claims should be referred to:

Aon Affinity Insurance Services
1100 Virginia Drive
Suite 250
Fort Washington, PA 19034
Phone: (800) 509-6126
Fax: (877) 443-9183
E-mail: INFO@AGENTS-EO.COM
Website: https://nylife.agents-eo.com/

The Agent Purchasing Group reserves the right to change, revoke, or cancel the Professional Liability Plan, in whole or in part, at any time, by giving written notice to the Agent. The information provided herein is a brief summary of the Plan. In the event of a conflict between the summary and the Professional Liability Plan document, the terms and provisions of the Plan Document will be controlling.
Chapter 15: Preparing for an Emergency

15.1. Your Checklist for an Emergency
As an Agent, you work hard to sell policies that protect your clients and their families financially during life’s unfortunate turns. That’s how you provide for yourself and your family, too. You know that life can bring the unexpected – and that the time to prepare for the future is now.

- Plan ahead
- Know what to do if you become disabled
- Review your beneficiary designations to ensure they are up to date
- Make sure your spouse/beneficiary knows what to do if you die

15.2. Plan Ahead
There’s a lot you can do now to help provide your family with long-term financial security. To ensure that your earnings will provide the maximum support in an emergency, it’s important to:

- Designate beneficiaries whenever possible – such as for your benefits, if any, under the Agents Group Plan and Agents 401(k) Savings Plan. Beneficiaries must be entered on the Your Benefits Resources™ website.
- Update beneficiary information on other important documents, such as insurance policies and wills (if you get married or divorced, have children, etc.).
- Establish plans for business continuation, such as a buy-sell Agreement or key-person insurance. For example, in the event of your death, your ledger freezes until an executor is named. That’s why it’s important to consider now what will happen to cash flow – and the future of your office – if an emergency occurs.
- Name a successor for your business.

15.3. Know What to Do in an Emergency
If you become unable to work, you or your spouse/beneficiary should call the New York Life Benefits Center as soon as possible at (888) 513-4636 and listen for the “Group and Disability” prompt. A Benefits Representative will be able to discuss your eligibility for benefits under the various benefit plans. For example:

- You may be eligible for a Disability Retirement benefit under the Nylic Retirement Plan if you have 10 years or more of vesting service and meet the requirements for being totally and permanently disabled under the terms of the Plan.
- You may have Long-Term Disability coverage through the Agents Group Plan.
- Under your contract, you may be eligible for benefits included under the Physical Incapacity feature.

The sooner you call, the sooner a Benefits Representative can help you.
15.4. What Your Spouse/Beneficiary Should Do if You Die

It’s vital that your spouse/beneficiary understands how to put your business and personal assets in order in the event of your death.

In the event of your death, here’s what your spouse/beneficiary should do:

**Step 1:** Contact your General Office (GO) as soon as possible

**Step 2:** Call the Benefits Center at (888) 513-4636 and follow the prompt to “Report a Death.” The Benefits Center will help your spouse and/or family members with any benefits provided by the Company. The Benefits Center cannot help your spouse and/or family members with your individual Life policies, as noted below.

*Note:* The Benefits Center is legally obligated to release information to your designated beneficiaries only. If you would like to have someone, such as a friend or another Agent, help your spouse/beneficiaries with the paperwork after your passing, your spouse/beneficiaries will have to inform the Benefits Center of such.

**Step 3:** Call the appropriate New York Life Claims office or go to www.newyorklife.com to report your death and file a death claim for your individual New York Life policies. For further information, see “For Individual New York Life Policies” below.

**Step 4:** Maintain copies of all the documentation received, along with copies of your death certificate.

**Step 5:** Complete and return all of the claimant’s forms to the appropriate parties promptly. Remember, help is just a phone call away. Your spouse/beneficiary can call the Benefits Center at (888) 513-4636 for any questions regarding your benefits.

15.5. For Individual New York Life Policies

If you have any Variable Life Insurance Policies, your spouse and/or beneficiary can call (800) 598-2019.

If you have any Traditional Life Insurance Policies, your spouse and/or beneficiary can call (800) 695-9873 (East Coast) or (800) 695-1314 (West Coast).

Your spouse/beneficiary can also go to www.newyorklife.com to file a death claim. Your spouse/beneficiary will need your Life insurance policy numbers, your Social Security number, and your date of birth.

15.6. Keeping It All Together, Today

To activate your benefits in the event of your disability or death, you or your spouse/beneficiary will need to provide the Benefits Center with several pieces of information. That’s why it’s a good idea to have a completed “Document Checklist” at all times. Quick access to important documents in times of need will help you and your spouse/beneficiary get the funds you’re entitled to – fast.
15.7. Your Document Checklist Should Include:

- Agent’s job-related documents
- Your latest Agent Benefits Statement
- Copies of your beneficiary elections that have been recorded on Your Benefits Resources™ website
- Agents Group Plan Confirmation Statement
- Copies of your latest Agents 401(k) Savings Plan Quarterly Statement and your latest monthly nonqualified deferred compensation Plan statements. Plan statements can be printed or downloaded from Your Benefits Resources™ website.

You should keep the documents noted above with this booklet.

15.8. Personal Documents

- Marriage Certificate
- Tax returns and records
- Individual life insurance and disability policies
- Birth certificates for you and your spouse
- Mortgage papers or lease
- Trust fund documents
- Safe deposit box numbers and keys
- Copies of your will (original should be kept by an attorney)
- Car registration
- Loan Agreements and records
- Power of Attorney (if applicable)

15.9. Timing Is Everything

The best time to prepare for the future is now, before a crisis strikes. By planning ahead, you and your loved ones can avoid additional stress during a difficult time. Learn now what you and your spouse/beneficiary will need to do and what you can expect from New York Life – and take some of the urgency out of life’s unwelcome changes.

For More Information

Have questions regarding your benefits? Please call the New York Life Benefits Center at (888) 513-4636 and select the option for the specific Agent Benefit Plan you have questions about.