



FOR THE **Scotland** BRAVE AT HEART


Physicians
Mutual®



**Agent
Incentive Guide**

January 2026

Med Supp Agent Bonus

Effective

January 1, 2026 (subject to quarterly review)

Bonus Period – When

Calendar month; each production month stands on its own.

Bonus Eligibility – Who

The original writing Agent and Agent of Record on the policy – Agents, General Agents, Licensed Only Agents (LOAs) and Single LOA Agencies.

Eligible Production – What

- Individual's personal Med Supp production only; the individual's downline sales do not count
- Medicare Supplement sales are net issued
- Medicare Supplement business exclusions: Internal Replacements, Guarantee Issue SEP (including Birthday and Anniversary Rule) and Underage sales

Monthly Minimum – 5 Med Supp Eligible Sales

Agents earn a bonus based on their prior month's production after meeting the minimum of 5 Med Supp eligible sales. There is no limit on the number of sales to earn a bonus. Split app percentages are summed for a total. No rounding.

Bonus – Per Eligible Sale

(after meeting the minimum)

- \$200 for every Underwritten Med Supp policy (Plan F, Innovative Plan G, Plan G, Plan N)
- \$150 for every Open Enrollment Innovative Plan G Med Supp (new to Part B) policy sold
- \$50 for every Underwritten High Deductible G Med Supp policy sold
- \$25 for every Open Enrollment High Deductible G Med Supp (new to Part B) policy sold
- \$30 for every other Open Enrollment Med Supp (new to Part B) policy sold
- Combo App (Dental, Life or Cancer policy sold with a Med Supp Policy). Primary Insured Name and Application Date must match on both policies
 - \$25 for 1 additional product
 - \$40 for 2 additional products (\$80 total)
 - \$50 for 3 additional products (\$150 total)
- State Specials:
 - IN and WI - All plan types pay \$50 per sale. Internal replacements pay \$0 per sale.
 - SC - Innovative Plan G pays \$150 per sale. Plans F and G pay \$50 per sale. High Deductible Plan G pays \$25 per sale. Plan A and Internal Replacements pay \$0 per sale.

Bonus Paid – When and How

Bonuses are payable the month following the production month on the commission statement and directly deposited to the Agent's bank account.

If commission is assigned, the bonus is paid to the immediate upline and reported to the upline's 1099.

Physicians Mutual reserves the right to change, limit or cancel the bonus program at any time.





FOR THE BRAVE AT HEART:

Say Aye to Adventure

Prepare to journey across misty moors and castle-crowned hills as you celebrate your extraordinary achievements with Physicians Mutual in Edinburgh, Scotland.

Here, you'll wander centuries-old cobbled streets beneath castle spires, breathe in the cool Highland air and feel the rhythm of the auld city through stone and song.

Your success has been forged through dedication, compassion and an unwavering commitment to helping customers live brighter, more confident lives.

You've guided others toward security and peace of mind – so now it's time for a moment of reward and discovery of your own!

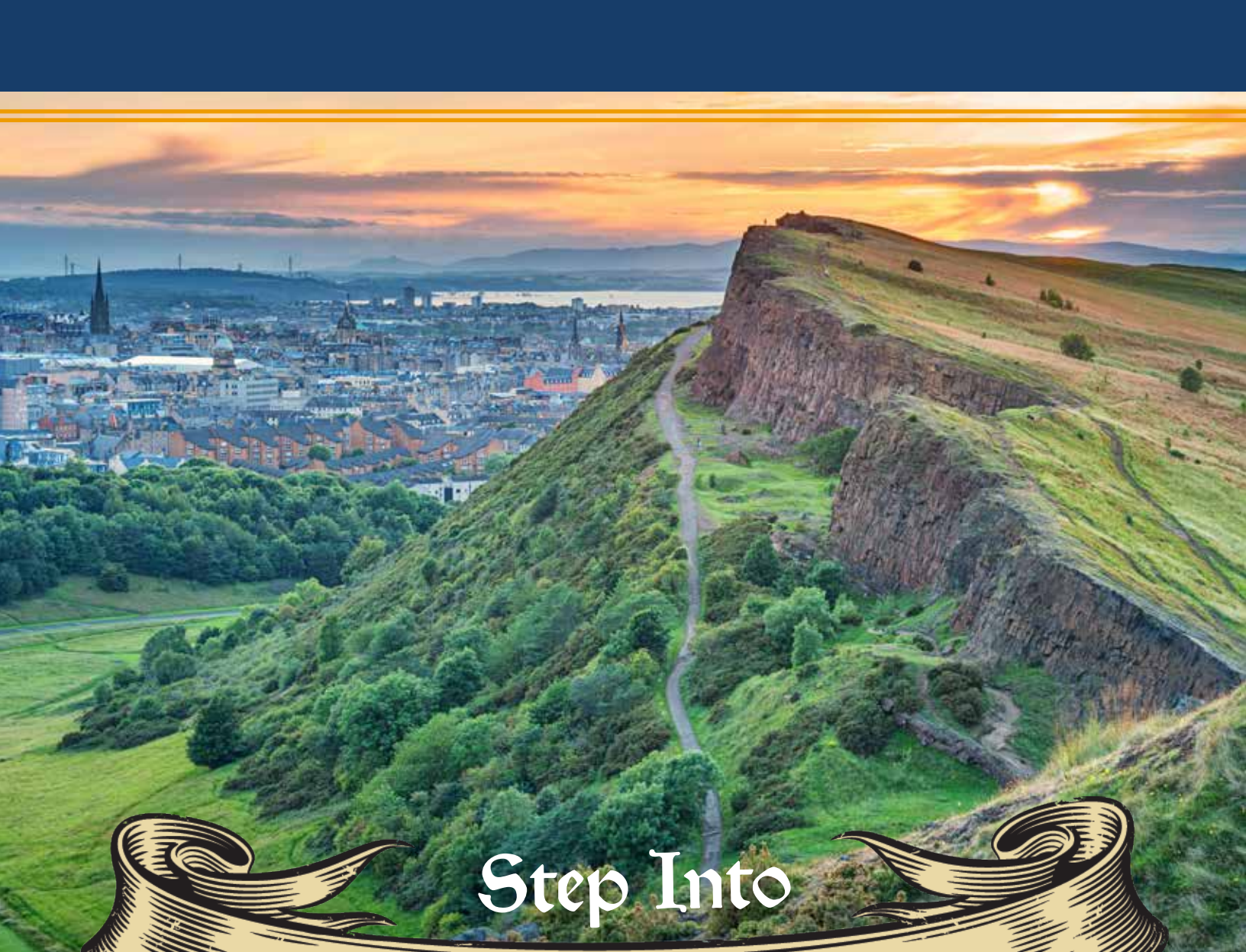
Every step of the way, Physicians Mutual is proud to stand beside you – offering the tools, products and support that help you reach your goals.

So, pack your spirit of adventure. Don your best plaid attire (kilts not included).

And say aye – to new horizons and a trip that's truly legendary.

**PHYSICIANS MUTUAL
SALES INCENTIVE 2027**

APRIL 24-29, 2027



Step Into Scotland

WHERE THE HIGHLANDS MEET THE HORIZON

The path to the Sales Incentive 2027 leads you through rugged hills, ancient stone and into the heart of Scottish heritage.

Here, every turn offers something new – lush greenery, expanding horizons and views that stay with you long after you leave.

Feeling loch-y? You should. Thistle be the trip of a lifetime!



Discover Scotland's Legendary Spirit

THE LADS, THE LORE, THE LEGENDS.

Known for its dramatic views and proud traditions, Scotland formally invites you to experience its history, culture and charm up close:

- **Storied icons**
Visit the castles and historic sites that anchor Scotland's past and inspire its present
- **Scenic escapes**
Take in sweeping vistas, peaceful lochs and lesser-beaten paths just beyond the city.
- **Cultural discoveries**
Stroll through museums, markets and connect with the welcoming spirit of Scotland.
- **Taste of Scotland**
Savor hearth-warmed local favorites and whisky perfected by time-honored skill.

Follow the call ... it's time to lose yourself in the legend.





The Caledonian:

WHERE THE BRAVE AT HEART UNWIND

Rising at the edge of Edinburgh's historic West End, The Caledonian hotel welcomes you with its distinctive charm and history woven through every archway.

After exploring Scotland's landscapes and landmarks, this is the place where the pace softens. Settle in and let the world get a wee bit quieter – in bonnie luxury, no less.

Enjoy signature Caledonian offerings, including:

- Bright, elegant rooms with refined details and Victorian-era charm
- Inspired dining that provides a modern take on Scottish classics
- A tranquil spa, fitness center and rejuvenating wellness spaces (hello, sauna!)
- An unparalleled location just steps from Princes Street Gardens and the Royal Mile

And if your curiosity leads you further afield ...

See the city stretch beneath you from Arthur's Seat, stroll alongside generations of legacies in gorgeous museums and wander gardens tucked beside the castle.

Then venture outward, where Scotland's countryside opens wide ...

**SCOTLAND CALLS TO THE DREAMERS,
DOERS AND BRAVE AT HEART.**

WILL YOU ANSWER?

FOR THE BRAVE AT HEART



Program Qualifications

Sales Incentive 2027 Qualifications

Agent/Producer

Qualifying Period: January 1 - December 31, 2026 (12 months)

Production Credits	Persistency	Trip or Cash Elections
300,000	80%	Trip or \$4,000 cash

Production and Eligibility

- All eligible product types; see the crediting below
- Annualized New Business Premium (ANBP) is net issued
- Individual's personal production only; the individual's downline sales do not count
- Exclusions: Internal Replacements and Medicare Supplement Guarantee Issue, Birthday and Anniversary Rule and Underage sales

Production Credit per \$ of Annualized New Business Premium (ANBP)

Product/Type	Production Factor	Product/Type	Production Factor
Med Supp Innovative Plan G	2.0	Dental	1.0
Med Supp Underwritten (Plan F, G, N, High Deductible)	2.0	Life	1.0
Med Supp Open Enrollment (Plan F, G, N, High Deductible)	1.0	Cancer	1.0

President's Club – Top 10 Agents in Production Credits

Qualifiers who achieve the 2026 President's Club earn an extra night's stay.

Agent Election Rules

Agents must elect trip or cash by October 31, 2026.

Product Awards

Annual product awards are given to the Agent who leads the Company in Production Credits, January 1 – December 31, 2026.

Awards for the leading Agent by product category for the 12-month period include:

- Medicare Supplement (All Plans)
- Medicare Supplement Innovative Plan G
- Medicare Supplement Underwritten
- Dental
- Cancer
- Life

Program Guidelines

Once qualified, attendance is by invitation for the Agent qualifier and spouse/guest 18 years of age or older.

The Production Credit and the invitation cannot be transferred or reassigned. The qualifier must be active in his/her qualifying role and in good standing at the time of the incentive trip's program date to attend the trip or receive the cash.

For the producing Agent or General Agent, a 1099 will be issued (both the Agent and spouse/guest) for the cash amount or the fair market value of the trip. For the producing LOA electing cash, the cash is paid and the 1099 is issued to their immediate upline. If the producing LOA elects the trip, the 1099 is issued to the LOA.

Physicians Mutual reserves the right to change, limit or cancel this incentive program at any time.



PRESIDENT'S CLUB

TOP 10 AGENTS

President's Club – Top 10 Agents

The President's Club represents Physicians Mutual's elite Agents, the best of our best, who qualify for the Sales Incentive 2027 and finish in the Top 10 in Production Credits (all lines).

President's Club Agents Receive:

- A private reception with Rob Reed, President and CEO, at Sales Incentive 2027
- An extra night's stay at the hotel (if electing trip)
- Premium hotel accommodations
- The President's Club award and stage recognition



Leading Honoree Awards

Agent of the Year Honoree

Chairman's Award

The Chairman's Award is the highest award bestowed to an Agent. This award is presented to the Agent of the Year in honor of Bob Reed, Chairman Emeritus. To earn the award, the Agent leads all Agents in Production Credits (all lines) during the calendar year 2026 (12 months) and also qualifies for Sales Incentive 2027.

The Agent of the Year Recipient Receives:

- Agent of the Year Award
- Recognition as the top Agent on stage at Sales Incentive 2027
- \$1,000 cash bonus

Newcomer of the Year Honoree

Every year, new talent brings fresh energy and incredible potential to Physicians Mutual. The Newcomer of the Year Award honors those who have made an impressive start – and are already shaping the future of our company.

To be eligible for the Newcomer of the Year, the Agent must have been contracted for the first time with Physicians Mutual between January 1 and December 31, 2026. The leading Newcomer in Production Credits (all lines), who also qualifies for Sales Incentive 2027, earns the award.

The Newcomer of the Year Recipient Receives:

- Newcomer of the Year Award
- Recognition as the top Newcomer Agent on stage at Sales Incentive 2027

Supportive Partner Honoree

Betsy Reed Award

The Supportive Partner award is named in honor and memory of Betsy Reed, wife and supportive partner of Bob Reed, Chairman Emeritus.

The Betsy Reed Supportive Partner award is given annually to the spouse, partner or close family member who greatly contributed to the Agent's professional achievements and personal growth during the prior year.

Secret Nomination and Who Nominates

The Supportive Partner award is by secret nomination, not shared with the Agent or the Agent's supportive partner. Sales Managers submit their nomination to the National Sales Director by the nomination deadline.

Chosen Nominees and Surprise Recipient

The eligible and chosen nominee (by special committee) is the supportive spouse, partner or close family member attending the Sales Incentive with his/her Agent qualifier. The Supportive Partner recipient will be revealed and recognized on stage at Sales Incentive 2027.



THE Club

Membership in THE Club is a prestigious honor given to the Agent who consistently qualifies for the Sales Incentive. After qualifying for four consecutive Sales Incentives, the Agent achieves membership and is inducted into THE Club.



Club Milestones

THE Club Milestones of Achievement by Member "Class" Year:

- Four Consecutive Years – Member
- 10 Qualifying Years – Senior Member
- 15 Qualifying Years – Lifetime Member
- 20 Qualifying Years – Senior Lifetime Member
- 25 Qualifying Years – Diamond Member
- 30 Qualifying Years – Lifetime Diamond Member
- 35+ Qualifying Years – Senior Lifetime Diamond Member

Club Benefits

Members of THE Club Receive:

- THE Club ring with one diamond upon induction. For each qualifying year thereafter, another diamond is added to the ring.
- After 10 Conventions, the center stone of the ring is replaced with a ruby.
- The center stone changes for each of the next five years to indicate the number of qualifying years.
- Upon qualifying for the 15th year, a center diamond is added.
- After 15 years of qualifying, special recognition is given.

ANBP

Annualized New Business Premium (ANBP)

ANBP is derived at the time a policy is issued/disposed using the Modal Premium as the basis for calculation.

ANBP = Modal Premium x Modal Factor

Modal Calculation:

- Monthly Modal x 12
- Monthly ABW Modal x 12
- Quarterly Modal x 4
- Semiannual Modal x 2
- Annual Modal x 1

ANBP Crediting Guidelines and Exclusions

- ANBP is a net number; issued business is net of not taken and policy rescissions.
- ANBP-based incentive programs exclude Internal Replacements, Guarantee Issue, Birthday Rule, Anniversary Rule and Underage Business.

Agent Persistency

0-24 Month Agent Persistency

A rolling 24-month persistency is the primary measurement for quality business. Persistency is a policy count ratio of in-force policies to issued policies. Policies are measured from their effective date vs. disposed date. Policies persist if paid through their 24th month.

Persistency by Service (Reported quarterly)

Assumed persistency is used for Agents in their first full 12 months of service.

For Agents in their second year of service, the greater of their “actual” 0-24 month persistency or “assumed” persistency shall apply.

Upon completion of Agent’s second year of service, “actual” 0-24 month persistency shall apply.

Assumed Persistency

Assumed persistency for 2026 is 80%.





Agent Incentive Programs

The Agent Incentive Programs are for the personally producing individual, herein referred to as “Agents.”

Agent

An individual producer that is the original Agent of Record on the policy, a.k.a, the writing Agent. An Agent may be an Agent appointed direct and paid by the Company, a General Agent residing in an Agency or sub-Agency’s downline that is paid directly by the Company, a Licensed Only Agent (LOA) that resides in and is writing for an individual, an Agency or a sub-Agency’s downline and a Single LOA Agency, whose Agent is the Principal and sole writing Agent for the Agency.

The programs contained in this Guide apply only to Agents in “good standing,” who conform to the expectations of his/her Associate Agreement. Agents not in good standing are not eligible for programs herein or any other incentive programs offered by the Company. At any time, the Company reserves the right to change, limit or cancel any program or award.

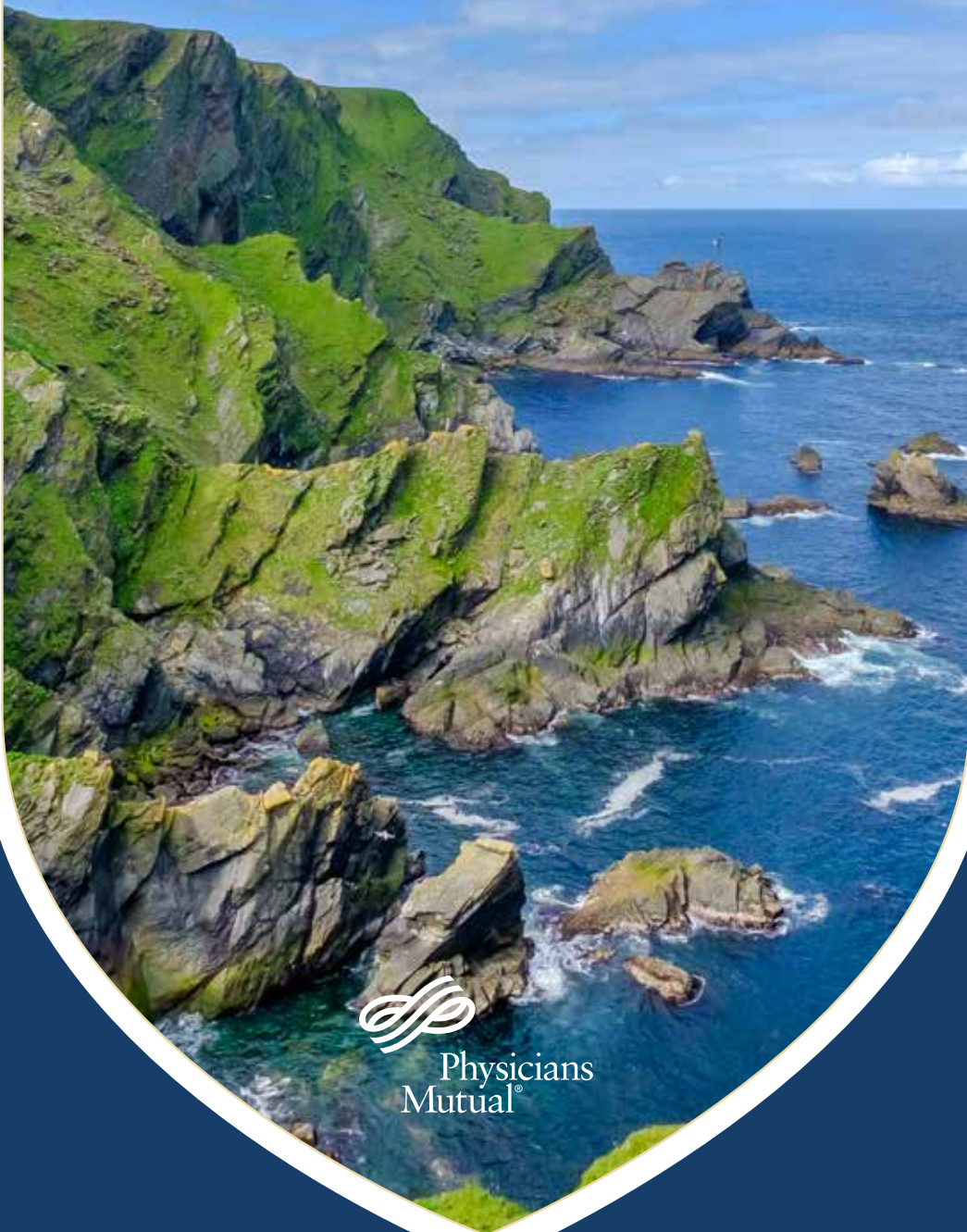


“

Whatever road ye choose,
let courage lead the way.

”

- Scottish Proverb



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