

# **NAIFA Quality Award Qualification Information**

## **LIFE INSURANCE AND ANNUITIES QUALIFICATION**

Eligibility for the NAIFA Quality Award in the Life Insurance and Annuities category is based on policy persistency. The persistency requirements are based on a sliding scale depending upon the number of qualifying policies **sold in 2010** and **renewed in 2011**.

- 25-39 policies sold must attain 95% persistency
- 40-69 policies sold must attain 90% persistency
- 70-99 policies sold must attain 85% persistency
- 100+ policies sold must attain 80% persistency

### **ELIGIBLE POLICIES**

All Life Insurance policies are eligible with the exception of:

- Group and wholesale contracts
- Policy changes
- Weekly premium insurance
- No policy credit will be given for automatic policy increases that do not generate first-year commissions
- Partial conversion of term policies which result in two policies during the same award year counts as two policies.
- 100% conversion of term policies which result in only one policy counts as one policy.
- Annuities may be counted as individual policies in Life Insurance and Annuities production, or annuities may be counted as Assets Under Management for the multiplier bonus. However, annuities may not

## **FINANCIAL ADVISING AND INVESTMENTS QUALIFICATION**

Eligibility for the NAIFA Quality Award in the Financial Advising and Investments category is based on total assets under management for at the **end of 2011**. Qualifying totals for assets under management vary depending upon the number of years you have been in the industry.

<b>Years in industry</b>	<b>Assets Under Management</b>
1-2.....	not eligible for bonus
3.....	\$3 million or more
4.....	\$4 million or more
5.....	\$5 million or more
6-10.....	\$10 million or more
11-15.....	\$15 million or more
16-20.....	\$20 million or more
21+.....	\$25 million or more

### **ELIGIBLE PRODUCTION**

In determining the amount of your assets under management, include the securities portfolios for which you provide continuous and regular supervisory or management services including annuities, bank deposits and mutual funds based on the current market value of the assets as determined within 90 days

prior to this application. Determine market value using the same method you used to report account values to clients or to calculate fees for investment advisory services.

## MULTILINE QUALIFICATION

Eligibility for the NAIFA Quality Award in the Multiline category is based on your ability to write a large number of policies and cross sell additional lines to new and/or existing clients. There are three categories: new life policies, new property & casualty policies, and additional cross-sold policies.

### **New Life Policies**

You must sell 40 new life applications or more than \$20,000 in new life premiums in 2011

### **New Property and Casualty Policies**

You must sell at least 250 fire and casualty policies in 2011

### **Additional Cross-Sold Policies**

You must cross sell an additional 100 policies in 2011, see production eligibility below

## ELIGIBLE PRODUCTION

- **New Life Policies Eligible**
  - All annual premium and flexible premium life policies (includes term conversion)
  - Single premium life policies
  - Renewable term policies
  - Payroll deduction and salary savings (individual life policies)
- **New Property and Casualty Policies Eligible**
  - Fire and allied lines (includes personal and commercial)
  - Casualty insurance (includes personal and commercial auto insurance)
- **Additional Cross-Sold Policies Eligible**
  - All policies listed as eligible in New Property and Casualty Policies above
  - Individual policy pension plans and deposit administrated pension plans
  - Annuities, annual, flexible and single premium policies
  - Individual disability income policies (guaranteed renewable and/or non-cancelable)
  - Individual health insurance policies (major medical and long term care)

## HEALTH INSURANCE AND EMPLOYEE BENEFITS QUALIFICATION

Eligibility for the NAIFA Quality Award in the Health and Employee Benefits category is based on the total number of lives insured in effect at the end of calendar year 2011.

A total of 150 points is needed for qualification for those in the industry for more than three years. For those in the industry three years or less, a total of 100 points is needed for qualification. These policies can be both individual and group policies and the different types of policies are weighted differently as seen below.

- Health X 1 per Individual Insured
- Disability Income X 2 per Individual Insured
- Long Term Care X 3 per Individual Insured

- Critical Illness X 2 per Individual Insured
- Medicare Supplements X 1 per Individual Insured
- Cancer X 1 per Individual Insured
- Accident X 1 per Individual Insured
- Dental, Vision, and/ Or Life X 1 per Individual Insured

## **ELIGIBLE PRODUCTION**

### **INDIVIDUAL POLICIES**

- Individual Health Insurance
- Disability Income
- Long Term Care
- Critical Illness
- Medicare Supplements
- Cancer and Accident Policies

### **GROUP POLICIES**

- Life
- Health
- Short Term Disability
- Long Term Disability
- Long Term Care
- Critical Illness
- Cancer
- Accident
- Dental
- Vision

## **Bonus Credits**

If applicants fall a little bit short of meeting the qualifications for an award, NAIFA has enacted a unique bonus credit system that may still allow them to qualify. Applicants will be able to use production in other areas to help push them over the threshold. Bonus credits are also offered for achieving industry designations and participating in NAIFA Leadership. Please see the application for more details