Commission Tracking Module

User Guide

918 E. Green Street

Pasadena, CA 91106

Web: http://www.ez-data.com

Telephone: (626) 585-3505

Fax: (626) 440-9097

U.S. toll-free fax: (800) 779-3123

Revised: 12-16-04

Table of Contents

Objectives

This guide is an introduction to the tools and procedures of the Commission Tracking Module (CTM) and is used to gain a basic understanding of the module's overall functionality, enabling you to better help us to help you design the commission hierarchies and schedules matching your organizational needs.

- Assign the CTM Admin Role
- Create Commission Schedules
- Enter Premium Breakdown Information for a Policy
- Create Standard Payouts
- Create Agent Payouts
- Customize the Supervisor Hierarchy
- Use Premium Types and Overrides
- Create Commission Records
- Post Vendor Payments
- Produce Commission Reports

The end of this guide contains two step-by-step commission processes. Each walk-through will take you through the entire commission process, from creating commission schedules to creating commission records and viewing a commission report. The first walk-through is for a single agent, and the second walk-through covers split agent payments. A CTM Troubleshooting Guide is also included to help you pinpoint the causes for most common commission errors.

Before you Begin

Prerequisites

The Commission Tracking Module integrates with the base Client Data System program, and also with the Pending Case Management and Group Benefits modules. CTM accesses information from the Client, Agent, Vendor, Product, and Policy areas. Commission Tracking is highly integrated with the CDS program; therefore, the persons acting as Commission Tracking Administrators must have advanced CDS knowledge and skills. We recommend that the CTM Administrator knows how to create and modify:

- Client and Agent/Producer Records.
- Vendor Records.
- Individual and Group Products.
- Policies.
- CDS Users and User Preferences.
- Pending Case information, if applicable. The CTM Administrator must also be familiar with using Pending Case Management to move a policy from Submitted to Paid case status.
- Group Policies through Group Benefits, if applicable.

Commission System Requirements

The proper operation of the Commission Tracking module requires that specific system settings are selected and data components are entered prior to commission record creation.

The requirements:

- Each agent that receives commissions must have an Agent/Producer record created in CDS.

- Policy records must include a Policy Date, Premium, Mode (defaults to Annual if left blank) and an Inforce status in order to generate commissions.

- The CTM Admin checkbox must be checked in the User Preferences Security Settings in order to create or modify commission schedules and payouts, plus access Commission tabs on the Vendor and Product screens.

- We highly recommend that more than one person in your office be trained on administering Commission Tracking.

- We strongly suggest that you use the DEMO database and the DEMO user login account provided with the CDS installation to learn Commission Tracking.

- If you are using Pending Case Management, policies must be advanced properly to the Inforce stage.

- If you are using the Group Benefits module, you should know how to create different plans under the same product and select plans during policy creation.

CDS Module Training Movies

If you would like to train on the Pending Case and Group Benefits modules, links to training movies have been provided below. You can either type the web address into a web browser, or you can click the link to the right of the module for which you want to train. The Web site will open from this document on your computer.

Group Benefits Module: http://www.ez-data.com/support/cdsGBM.shtml

Pending Case Management: http://www.ez-data.com/support/cdsPCM.shtml

CDS Fast Classes

In addition to the GBM and PCM training movies, we also have training movies for other modules, such as Investment Tracking. You can access these training classes on the same web page as the above movies. We also have training movies, called Fast Classes. Fast Classes are approximately five minutes in length, and cover various common functionalities and maintenance steps of the base Client Data System. You can access Fast Classes at:

CDS Fast Classes - http://www.ez-data.com/support/cdsFast.shtml

New Fast Class movies for CDS are added every other week, and training movies for our modules are added periodically. You will receive weekly notifications by e-mail with a link to our latest Fast Class offering. You will also receive an announcement when a new training movie series is added to our Training and Support page on the E-Z Data Web site.

Assigning the CTM Admin Role

When you purchase a license for the Commission Tracking Module, you receive a license to track a set number of agents' commissions in CDS. The actual license allows one person per license to create and modify commission schedules, agent payouts, standard payouts, commission records, and vendor postings. Without the CTM Admin license, the CDS user will not have access to the tabs and fields that control these functions.

Enabling the CTM Admin role is different than what you may be used to in the assignment of CDS modules. The assignment of the CTM Admin role is performed on the Security Information tab of the User Profile screen for the specific user.

1. From the CDS desktop, click the **Database** menu item to display a drop-down menu.

   Database   View   Tools   Reports   Toolbar
   - Modify Current User's Profile...
   - Change Password...
   - User Management
   - User Management Utilities   ▶
   - Login to New Database/User...
   - Create New Database...
   - Delete Database...
   - Complete Data Validation...
   - Partial Data Validation
   - Utilities   ▶
   - Maintenance   ▶
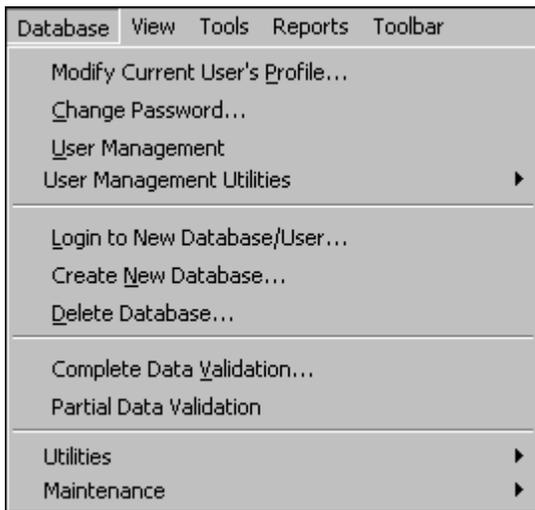
2. Select **Modify Current User's Profile** from the Database drop-down menu to open the User Profile dialog box.

3. Click the **Security Information** tab.

4. In the Data Security Options section, select the **CTM Admin** option.

   Data Security Options
   - ☐ SQL Command in Dynamic Reports
   - ☑ Import/Export Functions   ☑ Mass Delete   ☑ CTM Admin
   - ☑ Dump/Load Functions   ☑ Access Global List ☐ WFM at Logon
   - ☑ Mass Modify   ☑ Read Things Done   ☑ User Access
   - PDA Options [▼]
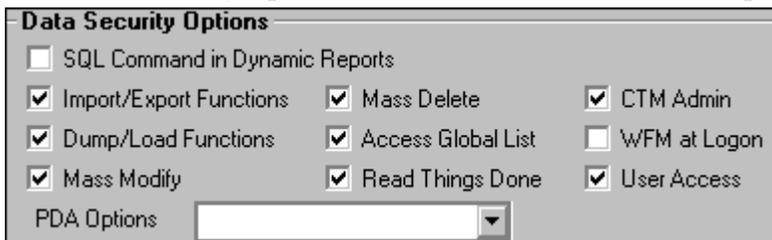
5. Click **OK**.

6. Log out of CDS and then log back in as the same user.

7. To confirm that you have CTM Administration rights, click the **Carrier Insurance** button to open the Find Insurance Carrier Information dialog box.

8. Click **OK** to display the Insurance Carrier Summary tab.

9. The Production/Commission, Commissions, and Postings tabs display. Only those users with a CTM license have access to these tabs.

No Access to CTM Administration Tools

If you do not have access to the CTM Administration tools, then you did not have a CTM license available for use when you logged into CDS. Someone else in the office has the CTM Admin checkbox checked in his/her user profile, and logged in before you did. This is true across all databases that your office uses. If someone is logged in with CTM Admin enabled on the DEMO database, and your office has only one CTM license, you will not be able to log into a second database and acquire the CTM Admin license until the user who currently holds the CTM Admin license logs out of the DEMO database.

If another CDS user has taken the CTM Admin license by logging in before you, you need to log out of CDS and have the other user(s) log out as well. You will then need to be the first CTM Admin-enabled user to log back into CDS to ensure that you obtain the CTM Admin license.

Creating Commission Schedules

Accessing the Commission Schedules Window

The Commission Schedules window can be accessed from three locations:

- The Policy Tools menu option to Assign a Commission Schedule.
- The Product/Rider screen's Commission Schedule tab.
- The Group Product screen's Commission Schedule tab.

To Assign a Commission Schedule from the Policy Tools menu:

1. From the CDS desktop, click the Policies button to open the Find Policy dialog box.
2. Click **OK** to display the All Policies Summary list.
3. Select **Assign a Commission Schedule** from the **Tools** expanded menu to open the Commission Schedule Assignment dialog box.

The List of Available Schedules is used to create multiple commission schedules for the same product. You can then select a Commission Schedule to meet your needs when creating the policy or when creating commission records.

The Commission Schedule Assignment window is only found in two scenarios. The first scenario encompasses the steps you are currently following, where you selected **Assign a Commission Schedule** from the expanded **Tools** menu. The second scenario occurs when creating a policy for a product that does not have a default commission schedule assigned to it. In both cases, you will have the option of selecting any existing commission schedules from the list, or creating a new commission schedule.

When a commission schedule already exists, you can access the Commission Schedule window in two ways. You can access it by clicking the **Add** button to create a new commission schedule, or you can highlight the existing schedule and click the **Modify Record** button.

The second method to access the Commission Schedule window begins on the Individual Product screen.

1. From the CDS desktop, click the **Product Insurance** button to open the Find Product Detail dialog box.
2. Click **OK** to display the Product/Rider Summary list.
3. Click the **Commission Schedule** tab to display the commission schedules. Note that Commission Schedules are associated with a specific product.

The third method to access the Commission Schedule window begins on the Group Product screen.

1. From the CDS desktop, click the **Group Product** button to open the Find Group Product Detail dialog box.
2. Click **OK** to open the Product Summary list.
3. Click the **Commission Schedule** tab to display the commission schedules.

The Commission Schedule Dialog Box

A Commission Schedule is a set of commission percentages or points assigned to specific bands of years on a single policy and will determine how often your Agency will receive payments from a Vendor, as well as how much you will receive. In order to receive commissions on a policy, a commission schedule must exist on the policy. The Create Commission Records tool will not work without a Commission Schedule assigned to the policy, and will notify you if one is not assigned. The Commission Schedule determines what an Agency will receive from a Vendor on a specific Policy.

Understanding the Commission Schedule

- **Schedule Name**: User defined. It is suggested you give a meaningful name that describes the schedule, especially if you have multiple schedules based on criteria, such as Age and Face bands.

- **Paid Mode**: Select a Paid Mode to determine how often a Vendor will pay you on a policy. Annualized creates one collective commission record for the year on the first day of each policy year. As Paid creates a new commission record for each mode of the policy. Annualized First Year Only performs the Annualized paid mode the first year, then switches to As Paid for the balance of the commissionable years.

- **Flat Amount**: Pays a flat amount to the Agency the first year of the policy. If the Paid Mode is As Paid, the Agency will receive the Flat Amount value on each of the mode payments on the policy. If the Paid Mode is Annualized, or Annualized First Year Only, the Agency will receive the Flat Amount value only once on the Policy Date. The maximum value of the Flat Amount is $99,999.99.

- **Use Premium Banding**: Check this box to replace the Excess Commission section with the Premium Bands section, which includes Up-to-Premium and Commission Points columns. The Commission Points values override any values entered in the Commission Schedule year spans. Each Commission Schedule year span has its own Premium Bands. Premium Bands pay the Commission Points level on the difference between the current Up to Premium value and the preceding Up to Premium value.

- **Default Schedule**: Check this option to automatically assign the current Commission Schedule to this product's policies when created. A different Commission Schedule can be selected prior to creating commission records.

- **Age Band**: Set Age Bands to have the system automatically select the appropriate commission schedule based on a client's age. To have CDS select the Commission Schedule based on the client's age at the time of the Policy Date, none of the commission schedules for the policy can be set as the default schedule. Age bands can be combined with Face Bands to create commission schedules that must match both sets of requirements. If the client's age does not fall into any of the Commission Schedule Age Bandings, or Age/Face Banding combinations that are assigned to the product, a pop-up message will alert you to add a new or assign an existing Commission Schedule to the policy. It is suggested that you use a naming convention that includes the Age Band information when naming Commission Schedules that contain Age Banding. Note that changing the client's age after a commission schedule has been automatically assigned will not prompt CDS to select a different Commission Schedule. The appropriate schedule change will have to be performed manually, if needed.

- **Face Band**: Set Face Bands to have the system automatically select the appropriate commission schedule based on a policy's benefit. To have CDS select the Commission Schedule based on the policy's benefit, none of the commission schedules for the policy can be set as the default schedule. Face bands can be combined with Age Bands to create commission schedules that must match both sets of requirements. If the policy benefit does not fall into any of the Face Bandings, or Age/Face Banding combinations that are assigned to the product, a pop-up message will alert you to add a new or assign an existing Commission Schedule to the policy. It is suggested that you use a naming convention that includes the Face Bands information when naming Commission Schedules that contain Face Banding information. Note that changing the policy benefit after a commission schedule has been automatically assigned will not prompt CDS to select a different Commission Schedule. The appropriate schedule change will have to be performed manually, if needed.

- **Commission Schedule**: Used to assign year spans. Each set of years has its own association with the base, fee, override, and dump-in commission percentages.

- **Excess Schedule**: Used to calculate commissions on premiums that exceed specified levels above the Target Premium of a policy. Each level calculates only on the premiums of the current level. For example, a policy has a $2000 Premium with an $800 Target Premium. Your Excess Schedule is 10% on 2x Premium and 5% on 3x Premium. Your commission on Excess Premium would be (.10 x 800) + (.5 x 400), for a $120 commission. The first $800 above the target is calculated at 10%, the remaining $400 would be calculated at 5%. Also, be aware that:
  o The Excess Amount is calculated by using information entered into the Premium Breakdown section of the Policy screen.
  o Excess Premium is calculated as the Base premium plus the 1035 Exchange Premium minus the Target Premium. This value is calculated per Mode.
  o An Excess Schedule belongs to the highlighted Year Span of the Commission Schedule list.
  o If, for example, the year span From (Years) 1 to Thru (Years) 1 is highlighted. The Excess Schedule you see listed only applies to those specific years in the highlighted Commission Schedule record.
  o If an Excess Schedule is not created for a span of years, no commissions will generate for those years of the policy. Also, if a value is not entered into the Policy's Target Premium field, Excess commissions will not generate.
- **Premium Banding**: Is used to calculate commissions that are based on tiered premium levels. You can set different commission points for each tier of premiums received. For example, you have a policy with a $20,000 premium. Your first Up to Premium band is $10,000, on which you receive 40 commission points. Your second tier is $25,000, on which you receive 20 commission points. The policy would pay you a total of $6,000. You would receive $4,000 from the first $10,000 of the premium, and then $2,000 on the balance of the $20,000 premium. Also, be aware that:
  o When creating Premium Bands, they belong to the highlighted Year Span in the list of Commission Schedules.
  o Premium Bands calculate on the total value of the Base premium plus the 1035 Exchange Premium. The value is calculated per Mode.
  o If Premium Banding is not created for a span of years, no commissions will generate for those years of the policy.
  o Premium Bands only create commissions up to the highest value entered into the Up to Value field. If the highest Up to Premium value is $100,000 and the policy premium is $125,000, the last $25,000 will be ignored in the commission calculation.

The Commission Schedule Details Dialog Box

The Commission Schedule dialog box has a section that is also called Commission Schedule. To create a new Commission Schedule record, click the **Add** button of the Commission Schedule section to open the Commission Schedule Details dialog box. If Commission Schedule records already exist in the Commission Schedule list, you can modify a record by highlighting the record and then clicking the **Modify Record** button.

The Commission Schedule Details dialog box contains the data that will determine the percentages or flat dollar values your Agency agent record will receive on a specific product. Multiple Commission Schedules can be created for a single product, and the appropriate Commission Schedule can then be assigned just prior to creating commission records.

All of the values in the Commission Schedule Details dialog box are user defined. You enter the values, and you determine to which year or years of a policy the entered values apply. Assign different values for every year of a policy. There are no limitations to the number of specific year spans you can enter.

Understanding the Commission Schedule Details Dialog Box

- **From (Years):** The first year of the Year Band.

- **Thru (Years):** The Last Year of the Year Band.

- **Base Points:** The Commission Percentage paid on the combined total of the Base Commissionable Premium and 1035 Exchange Premium of the policy's Premium Breakdown.

- **Flat Extra Points:** Commission Percentage paid on the Modal Flat Extra Premium value entered in the policy's Premium Breakdown.

- **Fee Points:** Commission Percentage paid on the Modal Fee Premium value entered in the policy's Premium Breakdown.

- **Dump in Points:** Commission Percentage paid on the Dump in Premium value entered in the policy's Premium Breakdown.

- **Levels 1-5:** Override Commission Percentages based on the combined Base Commissionable Premium and 1035 Exchange Premium of the policy's Premium Breakdown.

- **Excess Points:** Commission Percentage paid on commission in excess of Target Premium value entered in the policy's Premium Breakdown.

- **Commission Amount**: Flat commission value in place of entering a percentage value in the Base Points and Excess Points fields. The value has a maximum value of $99,999.99.

Entering Premium Breakdown Information for a Policy

All of the Commission Schedule Detail values that were entered are calculated with the values entered into the Premium Breakdown of the Policy. If the base premium is the only existing premium, enter the value directly into the Premium field; a corresponding value will still display in the Premium Breakdown dialog box. Access the Premium Breakdown dialog box from the Policy screen by clicking the **Commissionable Premium** field button on the **Basic Information** tab.

Basic Information			
Primary Contact	Aschtouni, William	Purpose/Keywords		
Policy#	06157195	Proposals		
Carrier	Applied American Life	Premium/Mode	273.50	Annual
PlanName/Code	Convertible Plus		Commissionable Prem	273.50
Plan Type	Term	Ann. Prem/To Date	273.50	
PolicyDate/Age	11/08/1993	38	FYC/Renewal	136.75
Primary Agent	Russom, Mike	...	Status/PaidTo	Permanent S ▼	/ /
		Benefit Val Last Upd	10/31/2001	

Premium Breakdown Functionality

The Premium Breakdown dialog box is used to add fees and extra premium charges, set premium targets, and record dump-ins and premium exchanges. You are not required to enter information in the Premium Breakdown dialog box if the only value you want to track is the Base Commissionable Premium. If the Base value is the only contributor to the Premium, you can enter the Base value into the Premium field.

For many agencies, a common Commission Schedule for a product has the first commission schedule details assigned to Year 1 through Year 1, and then a second commission schedule details covering the remaining commissionable years of the policy. The Commission Schedule Details for the renewal years typically have lowered percentage levels and having one commission type assigned in the Year 1 Commission Schedule does not require the same commission type to be assigned to any other commission schedule year bands.

The information entered into the Premium Breakdown fields subsequently affects the values in the Premium, Commissionable Premium, and Ann. Prem fields of the Policy screen.

- The value for Premium in the Premium/Mode field is determined by adding the value of the Base Commissionable Modal Premium to the values entered into the Modal Fee Premium and Modal Flat Extra Premium fields. None of the other fields in the Premium Breakdown affect the Premium field.

- The Ann. Prem field is calculated by multiplying the Premium value by the number of annual payments selected in the Mode drop-down list.

- The Value in the Commissionable Prem field is calculated as the Base Commissionable Modal Premium minus any Policy Fees assigned to the Mode on the Product screen. Policy Fee values are deducted from the Base Commissionable Modal Premium value.

- Policy Fees are modal fees included in a policy's premium, and they are assigned at the product level. Policy Fees are non-commissionable, whereas Modal Fee Premiums assigned in the Premium Breakdown Details dialog box at the Policy stage are commissionable.

- The To Date, the FYP (First Year Premium), and the Renewal fields are all informational and do not affect any calculations.

- The Policy Date determines the date the policy becomes Inforce and when the first commission payment becomes due. All subsequent modal commissions that become due are based on this date.

Understanding the Premium Breakdown Dialog Box

Premium Breakdown

Base Commissionable Modal Premium	500.00
Modal Fee Premium	25.00
Modal Flat Extra Premium	
Target Premium	200.00
Dump in Premium	500.00
1035 Exchange Premium	500.00
Excess Premium	

OK   Cancel   Help

Except for the Excess Premium field, all Premium Breakdown values have correlating Commission Percentages that can be assigned in the Commission Schedule.

- **Base Commissionable Modal Premium:** The base per mode premium value.

- **Modal Fee Premium:** The fee charged per mode, usually associated with making premium payments over time.

- **Modal Flat Extra Premium:** The Extra Premium charged per payment mode, other than payment-over-time charges.

- **Target Premium:** The portion of Premium to which the Base Points percentage of the Commission Schedule applies.

- **Dump in Premium:** The upfront payment or investment made into the policy the first year; divided across the modal payments, depending on the Paid Mode.

- **1035 Exchange Premium:** The funds moved out of another Policy vehicle to fund the current policy add to the Policy Premium value.

- **Excess Premium**: An informational field only, used to record additional non-commissionable premiums on the policy.

The Commission Schedule determines the gross commission, before splits, your agency will receive on a policy and the types of commissions and fees that are commissionable. The Premium Breakdown adds premium types to the policy. For the Agency to receive a commission on a specific premium type, the type has to be assigned a percentage or points in the Commission Schedule and a value has to be entered in the Premium Breakdown.

When commissions are generated, the system looks at Agent Payouts and Splits assigned to the policy. After assigning commissions based on agent payouts and splits, the balance of commissions, whether positive or negative, is posted to the Agency record. The Agency record does not initially exist. The first time a commission record is created that is not fully paid to an agent, a prompt will ask if you want the Agency record to be created. Selecting **Yes** in this prompt, which is suggested, will perform the create Agency function.
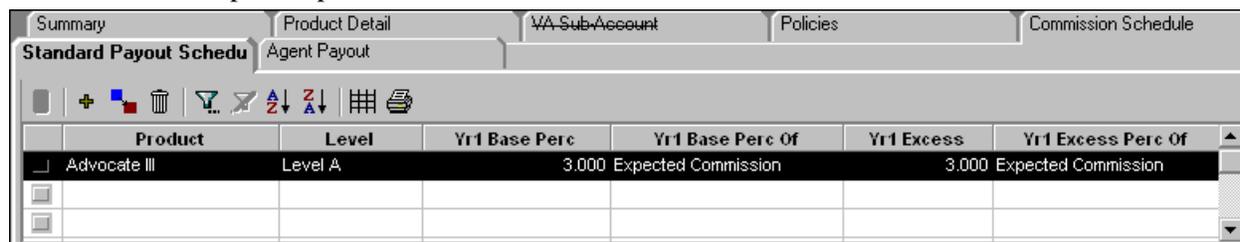
Creating Standard Payouts

Standard Payout Schedules are building blocks used in the mass creation of Agent Payouts at the Agent/Producer level. By default, you have the ability to create 12 different payment schedule levels, Level A through Level L, for each individual and group product. You can then quickly assign a payment schedule to any number of your agents at once through the use of the Mass Agent's Payout Creation tool, a process that will be covered under *Creating Agent Payouts*. You can assign any of the levels to any agent and you can also select a higher-level schedule (Level A is a higher level schedule than Level B, Levels A and B are higher than Level C, and so on) to mass assign as a supervisor override. As with other drop-down options in CDS, you can add additional choices to the Level list. All Level choices added into the Level drop-down list will be considered lower levels than default system choices, and the hierarchy of the levels is determined by the order they are added into the system, not alphabetically.

The process of creating Standard Payout Schedules is the same from the Product Insurance screen as it is from the Group Product screen. The steps to create Standard Payout Schedules will only be shown from the Product Insurance screen.

1. From the CDS desktop, click the **Product Insurance** button to open the Find Product Detail dialog box.
2. Click **OK** to display the Product/Rider Summary.
3. Click the **Standard Payout Schedule** tab.

Standard Payout Schedules are product specific. In order to create Standard Payouts for your product, you need to select the specific product.

Summary	Product Detail	VA Sub-Account	Policies	Commission Schedule
Standard Payout Schedu	Agent Payout			

Product	Level	Yr1 Base Perc	Yr1 Base Perc Of	Yr1 Excess	Yr1 Excess Perc Of
Advocate III	Level A	3.000	Expected Commission	3.000	Expected Commission

The Standard Payout Schedule displays a list of already existing payout levels for this product, and it also contains the tools to create additional payout levels and to modify current payout levels. Only one payout can exist for each level. If you select a level that already exists during the process of adding a level, you will receive an error message that you are creating a duplicate payout. The duplicate payout you are attempting to create will not save as a new payout, nor will it overwrite the previously created payout for the same level. If a payout level has become obsolete, it can be deleted, freeing the level for a new level of the same name to be created. Deleting a payout does not affect any of the previously created agent payouts. No link exists between a level and the agent payouts once they are created. The same is true when a level is modified.

If you need to modify a payout, you can change any of the values that are already assigned to a level. Any Agent Payout that is assigned using the Mass Agent's Payout Creation tool will receive the new values from the modified payout. All agent payouts that were created prior to the changes will not be affected.

To add a Level to the Standard Payout Schedule, click the **Add** button on the Standard Payout Schedule toolbar. The Standard Payout Schedule window opens. The name of the product for which you are creating the payout will populate the Product name field. The drop-down list for the Level assignment contains choices of Level A through Level L by default. Additional choices can be added to the drop-down list using the same system-wide procedure for adding choices to drop-down lists. Lower percentages are usually set in the higher levels, with Level A being the highest level. When assigning supervisor levels during a Mass Agent Payout Creation, only the higher-level payout schedules will appear in the selection drop-down list. If the Agent is assigned Level D in the payout, the supervisor payout assignment is limited to Levels A, B, and C.

All of the premium type fields in the Standard Payout Schedule correspond to the Commissionable Premium and Premium Breakdown values in the same way the Commission Schedule window fields do. The Flat Amount field is different from the other Standard Payout Schedule fields in two ways: first, it is linked to the Flat Amount value entered in the Commission Schedule; second, it is a dollar value, not a percentage. The Flat Amount field of the Standard Payout Schedule is limited to a maximum value of $99,999.99.

Entering values in every commission type field does not guarantee that the agent will receive commissions on this policy. You can enter data into all of the fields, but if the Commission Schedule used on the policy does not have values entered in the corresponding premium type, commissions will not generate. You can leave fields blank if your agency will not be receiving any commissions from the vendor on specific premium types, and you can leave the fields blank if agents are not entitled to commissions on specific premium types.

The Standard Payout Schedule consists of two schedule components: the First Year schedule, and the Renewal schedule. The First Year schedule will only pay commissions based on the assigned values for the first year of the policy, even if the Commission Schedule on the policy has more than one year in the initial Years Banding listed. The Renewal schedule will pay the assigned value for all remaining years the Agency receives commissions based on the total number of years in the Commission Schedule Year Bandings, regardless of how many different year bandings were created.

Here is an example of the difference between the Commission Schedule year bands and the Standard Payout Schedules. If the commission schedule pays one rate for years 1 through 3, a second rate for years 4 through 6, and a third rate for years 7 through 10, the Agency will receive different commission percentages based on the rates for those 3 separate year bandings. However, when determining the agent's commission split, the value will be calculated on the two schedules in the Agent Payout. The agent will receive the First Year rate for year one of the policy, and will receive the Renewal rate for years 2 through 10.

Understanding the Standard Payout Schedule

Base: The Commission Percentage paid on the combined total of the Base Commissionable Premium and 1035 Exchange Premium of the policy's Premium Breakdown.

Flat Extra: Commission Percentage paid on the Modal Flat Extra Premium value entered in the policy's Premium Breakdown.

Fee: Commission Percentage paid on the Modal Fee Premium value entered in the policy's Premium Breakdown.

Dump in: Commission Percentage paid on the Dump in Premium value entered in the policy's Premium Breakdown.

Levels 1-5: Override Commission Percentages based on the combined Base Commissionable Premium and 1035 Exchange Premium of the policy's Premium Breakdown.

Excess: Commission Percentage paid on commission in excess of Target Premium value entered in the policy's Premium Breakdown.

Flat Amount: Set dollar commission value paid to an agent or supervisor during the specified year of the policy, with a commission being paid as long as a dollar value has been entered in the Flat Amount field of the Commission Schedule.

The Flat Amount values are not limited by the dollar value entered in the Flat Amount field of the Commission Schedule. In the policy's first year, if the total value for all of the agents and supervisors receiving a Flat Payment is greater than the Flat Payment value in the commission schedule, a negative commission value will post to the Agency for the amount exceeding the Commission Schedule's Flat Amount value. The opposite is true as well, with any Flat Amount value not assigned to agents and supervisors posting to the Agency record. For the Renewal years of the policy, no Flat Amount is paid to the Agency. All renewal Flat Amount payments are added to the agent's base payment.

Percent Of: Expected Commission: Bases the commission the agent or supervisor will receive on the commission the Agency receives per the Commission Schedule assigned to the policy.

Percent Of: Premium: Bases the commission the agent or supervisor will receive on the Premium value on the policy.

Percent Of: Agent Pay: Bases the commission the supervisor will receive on the commission the agent receives, with the commission payment coming from the Agency's total commission received, not the agent's commission.

Copying Standard Payout Schedules

Standard payout schedules can be copied from one product to any number of other products. This tool saves you time when you have multiple products that have the same payment schedules for your agents. The Copy Standard Payout Schedules tool is available from the Product/Rider and the Group Product screens, and can be selected from the Tools menu from the Product Detail or Summary tabs.

1. From the CDS desktop, click the **Product Insurance** button to open the Find Product Detail dialog box.
2. Click **OK** to display the Product/Rider Summary list.
3. Select the appropriate products to copy and then select **Copy Standard Payout Schedule** from the **Tools** menu to open the Copy Standard Payout Schedule Utility dialog box.
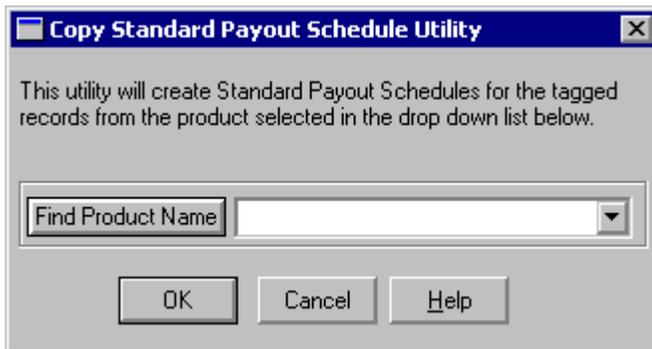
4. Select the appropriate product from the drop-down list or click the Find Product Name button to open the Plan Summary list.
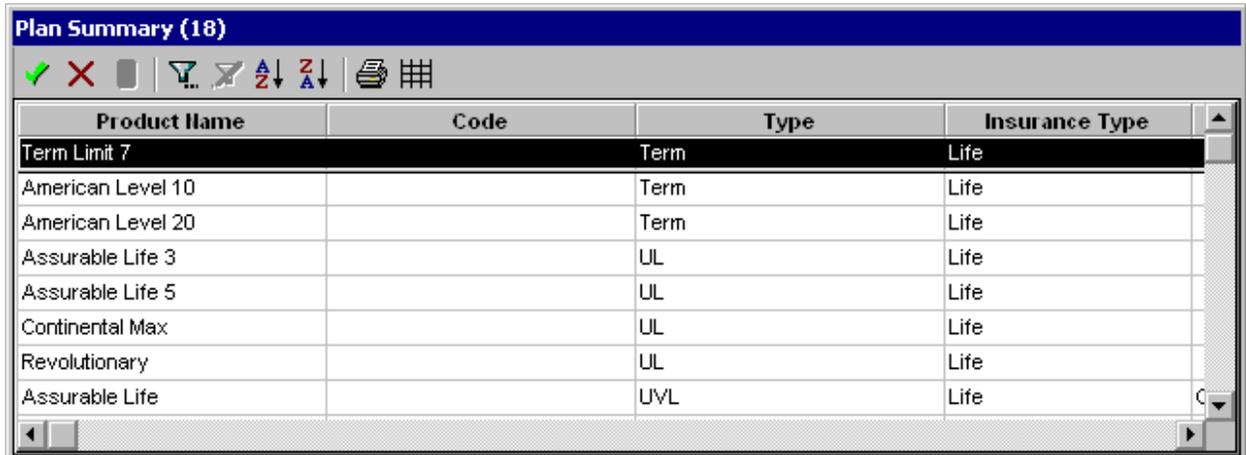
5. Highlight the product to be copied and then click the **OK, Select** button.
6. Click the **OK** button to copy the payout.
7. Click **OK** again to return to the Product/Rider Summary list.

The Copy Standard Payout Schedules procedure is the same for group products as it is for individual products. The same is true if you want to copy commission schedules. All of the steps to copy commission schedules are exactly the same as the copy payout schedules procedure except for the initial selection of the copy tool in the Tools menu. The **Copy Commission Schedules** option is selected instead.

To see if the Standard Payout Schedules have copied to your selected products, highlight one of the selected products on the Summary list, and then click the **Standard Payout Schedule** tab. You should see a payout for each of the levels that had been created for the product the schedules were copied from. The Copy Payout Schedule tool has the same limitations for creating duplicate payout levels. If you copy Levels A through D from Product 1 to Product 2, and Product 2 already has a Level B payout, only Levels A, C, and D will copy to Product 2. The Level B payout will keep its previous settings.

Unless Standard Payout Schedules exist for specific levels of a product, the mass creation of agent payouts will not result in commission records being created for agents, resulting in the Agency receiving 100% of commissions. Agent payouts can be created using the Mass Agent's Payout Creation tool, even if no schedule has been assigned to the selected level, but the agent payouts that the tool creates will have blank values in all premium type fields. The creation and assignment of agent payouts will be covered next, including the mass creation of agent payouts from standard payout schedules.

Creating Agent Payouts

An Agent Payout is a schedule that determines what an agent, and an agent's linked supervisor, will be paid on a policy. An Agent Payout is not required on a policy, so no error messages or pop-ups will prompt you to add or assign an agent payout to a policy before creating commission records. If commission records are created for a policy without an assigned Agent Payout, the entire commission amount will be assigned to the Agency's Agent/Producer record.

The Agent Payout lets you assign percentages or point values for each type of commissionable premium. In order to receive a commission on a specific premium type, the premium type must have an assigned dollar value in the policy's Premium Breakdown dialog box. Some of the premium types in the Agent Payout align directly with a premium type of the same name in the Premium Breakdown, while others, like the Level 1-5 overrides, are based on the value found in the Premium field of the Policy screen.

Each premium type in an Agent Payout can be based on the percentage of the commission received as per the Commission Schedule; it can be based on points off the policy premium and it can contain a mixture of both. Every premium type in the Agent Payout can have a different 'Percent Of' setting, allowing you to select between the expected premium amount from the commission schedule or the policy's premium.

Each premium type lets you assign one value for the initial year of the policy, and then a different value for the renewal years of the policy. It is very common for the first year and renewal year values to remain the same, even though the agent is scheduled to receive reduced commission after the first year. The reduced commissions are actually handled within the Commission Schedule year bandings. The Commission Schedule is usually designed to reduce the commissions received by the Agency in the year bands after the first year. Setting the renewal year commission percentages in the Commission Schedule and in the Agent Payout is critical in ensuring the Agency and Agents receive the proper commission amounts.

An Agent Payout also lets you assign a supervisor to the policy, with the supervisor having its own Payment Schedule. Additionally, the supervisor has one more choice in the Percent Of drop-down list to base the commission on the agent's pay. Premium types that were assigned percentages in the Writing Agent Payment Schedule do not have to be assigned to the supervisor. The agent and the supervisor payment schedules can include premium types independent of the each other's payment schedule.

Like the Commission Schedule, the Agent Payout includes a Default checkbox. Checking the Default checkbox will automatically assign the Agent Payout anytime the associated writing agent sells the current product. If the Agent Payout on the product or on an existing policy is no longer valid, the agent payout can easily be removed and replaced with another agent payout or no payout at all.

Agent Payouts can be created in two different ways, and the creation screens can be accessed from five different paths. Agent Payout creation uses the same steps in all four methods for creating single agent payouts. The four methods can be performed from the Agent/Producer screen, the Product Insurance screen, the Group Product screen, and from the Policy Agent Relationship screen. The other method for creating payouts is through the use of the Mass 'Agent's Payouts Creation' tool which is accessed from the Agent/Producer screen. I will cover three of the methods for Agent Payout creation. Creating payouts from the product screens uses the same steps as the method used to create payouts from the Agent/Producer screen. The only major difference in the processes is the screen on which you start. The three methods are: Individual Agent Payouts from the Agent/Producer screen, Individual Agent Payouts from the Policy Agent Relationship screen and Mass Agent Payouts Creation from the Agent/Producer screen.

Creating Agent Payouts from the Agent/Broker/Producer Information Screen

With exception to the Mass Payout tool, an Agent Payout is created specifically for a single agent.

1. From the CDS desktop, click the **Agents/Producers** button to open the Find Agent/Broker/Producer information dialog box.
2. Click the **OK** button to display the Agent/Broker/Producer Information Summary.
3. Select the appropriate record and then click the **Agent Payout** tab.
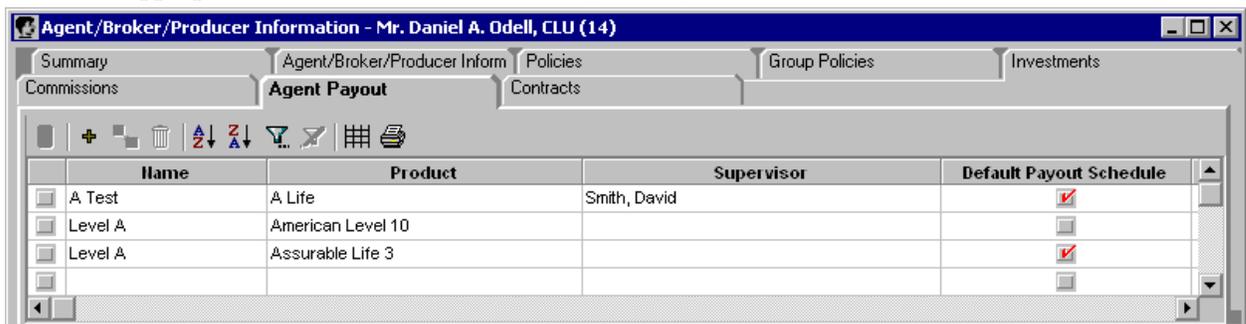
The Agent Payout screen above shows that Daniel Odell already has three existing payouts. The two Level A payouts are for different products and were created using the Mass Payout tool. The A Test payout has a supervisor linked to the payout, so a supervisor will receive commissions on this policy. Two of the products have checkmarks in their Default Payout checkbox. Whenever Daniel Odell sells these two products, a payout schedule will automatically populate his Payout field in the Policy Agent Relationship window when he sells A Life or Assurable Life 3.

The Payout field of the Policy Agent Relationship window is a very important field. If the Payout field is blank, no commissions will be assigned to the agent(s) on the policy. All commissions received from the vendor will be assigned to the Agency. The payout that is listed in the Payout field will determine what the agent(s) will receive on the policy. If the incorrect payout is listed, the agent may receive incorrect commission amounts on the policy. The Policy Agent Relationship Payout field will be covered in the steps to create payouts from the Policy Agent Relationship screen.

The functions to add or to delete an Agent Payout are functions found on the Agent Payout screen. Each of the four Agent Payout screens that you can access have the same function icons. To launch the Agent Payout creation window from any of the Agent Payout screens, click the **Add** button. The Agent Payout creation dialog box opens. The Agent Payout creation dialog box has the same Premium fields found on the Standard Payout Schedule, but the assignment fields now include Name, Writing Agent, and Supervisor selections, plus a button to attach a Supervisor's Payment Schedule.

Understanding the Agent Payout Creation Window

The example shows an Agent Payout for Daniel Odell on the A Life product. A common error exists in the Test Pay 90 agent payout. In the first year of the policy, Daniel will receive a 90% base commission, a 5% override, and a flat payment if the agency pays the agency a flat payment. Daniel is also scheduled to receive 50% of any modal fees collected on the policy, but when commission records are created, he will not receive any commissions on fees. This is due to no Percentage Of selection being made for the First Year Fees. The Percentage Of field must have a selection made in order to generate commissions.

Name: The name (usually meaningful with included values from the payout) that you assign this agent payout.

Product: The name of the product this payout will be applied to. Click the **Product** field button to launch the list of available products.

Writing Agent: The name of the agent for which the payout will generate commissions, and because the Agent Payout is created from within one of the Agent/Broker/Producer screen tabs, the Writing Agent field is populated from the agent's record.

Supervisor: The name of the supervisor that will receive an override commission on the selected premium types on the policy, with the supervisor's name being linked by clicking the **Supervisor** field button and selecting the name from the Agent List.

Default Payout Schedule: Check this option to auto-assign the payout to a new policy anytime the agent listed in the payout sells the product listed in the payout.

Show Supervisor's Schedule/Show Agent's Schedule: Click this button to switch between the Writing Agent Payment Schedule and Supervisor Payment Schedule views.

First Year premium fields: Percentage values that will determine the agent and supervisor commissions paid on the first year of a policy.

Renewal premium fields: Percentage values that will determine the agent and supervisor commissions for the second through the last commissionable year on a policy.

Base: The Commission Percentage paid on the value in the Premium field of the policy, with the Premium field value equaling the combined total of the Base Commissionable Premium and the 1035 Exchange Premium entered in the policy's Premium Breakdown window.

Flat Extra: Commission Percentage paid on the Modal Flat Extra Premium value entered in the policy's Premium Breakdown.

Fee: Commission Percentage paid on the Modal Fee Premium value entered in the policy's Premium Breakdown.

Dump in: Commission Percentage paid on the Dump in Premium value entered in the policy's Premium Breakdown.

Levels 1-5: Override Commission Percentages based on the combined Base Commissionable Premium and 1035 Exchange Premium of the policy's Premium Breakdown.

Excess: Commission Percentage paid on commission in excess of Target Premium value entered in the policy's Premium Breakdown.

Flat Amount: Set dollar commission value paid to an agent or supervisor during the specified year of the policy, with a commission being paid as long as a dollar value has been entered in the Flat Amount field of the Commission Schedule.

The Flat Amount values are not limited by the dollar value entered in the Flat Amount field of the Commission Schedule. In the policy's first year, if the total value for all of the agents and supervisors receiving a Flat Payment is greater than the Flat Payment value in the commission schedule, a negative commission value will post to the Agency for the amount exceeding the Commission Schedule's Flat Amount value. The opposite is true as well, with any Flat Amount value not assigned to agents and supervisors posting to the Agency record. For the Renewal years of the policy, no Flat Amount is paid to the Agency. All renewal Flat Amount payments are added to the agent's base payment.

Percent Of: Expected Commission: Bases the commission the agent or supervisor will receive on the commission the Agency receives per the Commission Schedule assigned to the policy.

Percent Of: Premium: Bases the commission the agent or supervisor will receive on the Premium value on the policy.

Percent Of: Agent Pay: Bases the commission the supervisor will receive as a percentage of the commission the agent receives, with the commission payment coming from the Agency's total commission received from the vendor, not the agent's commission.

Defining The Agent Payout

The agent payout lets you determine what an agent will be paid on a policy. Before creating the agent payout, you need to determine whether you are paying an agent based on what the Agency receives from a policy or against the premiums the vendor collects. You need to decide on which premium types you will pay the agent, and if a flat payment is also involved. You need to determine whether these same values apply to the renewal years. All selections in the agent payout are at the discretion of the CTM Admin. Your commission structure may only call for paying the agent a flat payment on each policy. You create this schedule with a dollar amount in the Flat Amount field and leave all other fields blank. You do not have any requirements as to which Percent fields you need to fill.

Entering a value in all Percent fields does not mean that an agent will receive commissions on all premium types. Remember, with exception to Flat Payments in the renewal years, an agent will only receive commissions on a premium type if the Agency also receives a commission on the same premium type. The Commission Schedule on the policy determines the commission payment the Agency expects to receive.

If you want to ensure that a payout has been assigned to an agent on the policy, or if you want to change the payout that is assigned, you will need to access the Related Agent List. You can access this list from two locations on the Policy screen. The first method is to click the button located to the right of the Primary Agent's name field.

To access the Related Agent List through the Tools menu:

1. From the CDS desktop, click the **Policies** button to open the Find Policy dialog box.
2. Click the **OK** button to display the All Policies Summary list.
3. Select **Related Agent List** from the **Tools** expanded menu to open the Related Agent List for Policy dialog box.

The Related Agent List window

The Related Agent List gives a detailed picture of all of the agents who are receiving a split of the commission on the policy. The Related Agent list displays information such as: who is designated as the primary agent, his or her split percentage, and the payout assigned to each agent. The Related Agent List is also the starting point for the second method to add an agent payout.

The Daniel Odell record shown above holds three pieces of information that, if not correct or if missing, will hinder commission records from being generated for Daniel Odell and any supervisor attached to him.

- The Role field for an agent must be Writing. If the field is blank, or if Servicing is selected, the agent is restricted from receiving commissions.
- The Percentage% field must have a value greater than 0. The Percentage% field calculates with the Percentage fields from the Commission Schedule to determine the actual percentage the agent will receive. A zero in the calculation results in a zero commission.
- The Payout field must have a payout listed. If the Payout field is blank, no Payout has been selected and all commissions received will be assigned to the Agency.

Creating Payouts from the Policy Agent Relationship Window

CDS has two paths to selecting, changing, and modifying an assigned agent payout. Both of the paths begin from the Related Agent List. The first path is through the Policy Agent Relationship window. In order to create, assign, or modify a payout schedule, the agent to which the payout will be linked first needs to be highlighted in the Related Agent List.

Select a record to activate the Modify button. Click the **Modify** button to access the Policy Agent Relationship dialog box.

Click the **Modify** button from the Related Agent List to open the Policy Agent Relationship dialog box. The Related Agent Information section displays data that details the policy number, the agent, the agent's role, the agent's split percentage, and any attached payout.

For the primary agent on a policy, this information is populated when the policy is created if the agent has a default payout schedule for the product sold. If the agent does not have a default payout for the product, the Payout field will be blank. The Primary Agent Percentage% field will have a default value of 100.

If your CDS login has been linked to an agent record in your CDS User Profile, the linked agent record will be loaded into the policy screen as the Primary Agent. If your login is not linked, the Primary Agent on the policy will have to be created. The Agent, Primary Agent Checkbox, the Percentage%, and the Payout fields are blank when an additional agent split is being added to the policy from the Related Agent List.

Another scenario where some fields are not populated is when the CDS user does not have a linked Agent record and a Primary Agent was not selected on the Policy screen. In this scenario, the Policy No, Role, and the Percentage% fields, plus the Primary option are all populated, but the Agent field is blank. In both scenarios, the payout field will only populate with a payout if this agent has a payout selected as the default payout for this product.

When a second agent is added to a policy, a window with minimal information populated displays. This occurs because the primary agent on the policy has a Percentage% value of 100. The Percentage% field for any agent being added to the policy will populate with the value of 100 minus all split commission percentages that have already been assigned. If the first two agents on a policy have each been assigned a value of 30 in the Percentage% field, the next agent added to the Related Agent List will have a populated Percentage% value of 40. This value can be changed, and you are not required to assign the full 100% to the agents in the Related Agent List.

Understanding the Policy Agent Relationship Window

- **Policy No**: The policy number for which the Split Percentage and Supervisor Hierarchy are assigned.
- **Agent**: The Agent that receives the split percentage value found in the Policy Agent Relationship and whose hierarchy is created from the attached payout.
- **Role**: The role of the agent on the policy, either Writing or Servicing, with the Writing role being the only role that receives commissions on a policy.

- **As Of Date**: The date the information in the Policy Agent Relationship window was last updated or verified.
- **Expiration**: The date the agent's status or contract on the policy is set to expire.
- **Primary Agent**: The checking of this checkbox denotes the primary agent on the policy, and if checked, the agent cannot be deleted from the policy without another agent first being assigned as the primary agent.
- **Percentage%**: The split percentage used in the commission calculations that determine what an agent and his or her hierarchy will receive.
- **Contract**: The name of the contract the agent has with the Agency or Vendor, with the fields in the Contract Information pop-up dialog box being informational only.
- **Level**: The number that determines the ordering of the agents in the Supervisor Hierarchy and the Agent's Commission Posting dialog box.

Create, Change or Modify an Assigned Agent Payout

The quickest procedure for accessing the Agent Payout window is to click the **Change the Agent's Payout Schedule** button from the Related Agent List for Policy toolbar. After clicking the Change the Agent's Payout Schedule button, a pop-up message will appear. The message prompts that changing the agent payout schedule will recreate the agent hierarchy list. Select Yes or No. Select **Yes** to remove the payout from the agent record Payout field. A payout must then be linked to the agent in order for commissions to be generated for the agent.

Select **Yes** in the Recreate the Agent Hierarchy dialog box to open the Agent Payout window. The Agent Payout window displays all of the available Agent Payouts that have been created for this Writing Agent on the current Product. To select a payout, highlight your selection and then click the **OK, Select** button.

Change the Agent's Payout Schedule Button

If the payout schedule is actually changed, the hierarchy list must be recreated in order for commission records to be created with the new payout percentages or the replaced values in the modified payout. If the Payout is altered, but not removed and then re-linked from the Payout field, the table used for calculations will not update, even though the initial view created will show the new values the first time the Supervisor Hierarchy displays after the changes are made. This is a temporary view. When you leave the screen and return, the old values will populate all of the fields. The values displayed in the fields at this time will determine the calculations when commission records are created.

If the agent payout you want to assign to the agent on this policy does not exist, click the **Add** button to add a new payout. If the payout you want does exist, but you want to make changes to some of the Percentage values or Percent Of selections, click the **Modify** button to open the selected agent payout.

Once you have added your new payout, or modified an existing payout, you will be returned to the Agent Payout window. Click the **OK, Select** button to choose the highlighted payout.

Using the Modify Record Button for Agent Payouts

When viewing the Related Agent List, the agents on a policy may already have a payout assigned for this policy. If no payout is assigned, the Payout field will be blank. If you need to assign a payout, change to a different payout, or modify some of the premium type values in the currently assigned payout, you can perform these payout changes from the Policy Agent Relationship window.

Each agent assigned to a policy in the Related Agent List has his or her own hierarchy in the Policy Agent Relationship window. The hierarchy for an agent consists of the agent, a supervisor if the payout includes a linked supervisor, a CTM Supervisor if assigned (B and C licenses only), and any agents added manually to the Supervisor Hierarchy of the linked payout schedule. The adding of agents to an Agent Payout's Supervisor Hierarchy is covered in the *Customizing the Supervisor Hierarchy* section.

The Policy Agent Relationship dialog box shows a detailed payment hierarchy for the agent record that is highlighted in the Related Agent List. To open the Policy Agent Relationship window, highlight the agent in the Related Agent List that has the assigned payout to be changed, and then click the **Modify** button.

Creating a Two-Agent Split Commission

Splitting the commission between agents on a policy is a common function. The process to split the commission payments between multiple agents is an easy process. As described above, the Percentage% field will determine what portion of the sale an agent is to receive. In a sample scenario, two agents are splitting the commissions, 60% for the primary agent, and 40% for the assisting agent.

Before adding the assisting agent to the Related Agent List, modify the primary agent's Percentage% field from 100 to 60. Performing this step prior to creating the second agent record accomplishes to things: first, it populates the second agent record with the 40% remainder value in the Percentage% field; second, it avoids the "Percentage available for writing agent is only 0" error message. The error message will remove the percentage value you entered. Attach the primary agent's payout schedule.

After the primary agent record is complete, add the second split agent record. Select the agents name and payout, if not populated by default. Each agent on the split must have a linked agent payout. The lack of a payout attached to one of the agent records will not interfere with the split percentage calculations. It will cause the agent, and everyone in their hierarchy, to lose their commissions to the agency. The Agency receives all commissions not assigned to agents through linked agent payouts.

Related Agent List For Policy: 06157195 (2)

	Primary Agent	Agent	Role	Policy No	Percentage%	Payout
☐	✔	Russom, Mike	Writing	06157195	60.00	Level A
☐	☐	Peterson, Norma	Writing	06157195	40.00	Level C
☐	☐					

Creating Mass Agent Payouts

The methods of agent payout creation that have previously been described are designed to create a single payout for a single agent on a single product. In many instances, you may have products that pay all, or a number of your agents the same across all premium types. The Mass Agent's Payouts Creation tool creates a payout for every selected agent in the Summary list.

Each agent selected will receive a payout for the specific payout selected in the tool for every product the same Level payout was created. What this means is that if you have 14 products in your database for which you created a Level F standard payout, and you select to mass create Level F payouts for 9 of your agents, all 9 agents will receive Level F agent payouts for all 14 products. The agent payouts are then selectable as a payout when the 9 agents sell the 14 products.

The section on Creating Standard Payout Schedules described the processes for creating payout Levels and assigning percentage values to the various premium types. The payout Levels that were created for products as Standard Payout Schedules are building blocks that will be used to mass create and assign agent payout schedules. Since this is a mass assign tool, and no Undo tool exists in CDS, ensure that the agents' names that you check in the Agent Summary list should all be receiving the payment schedule you are about to create.

The Mass Agent's Payouts Creation tool is available from the Tools drop-down menu from any of the Agent/Broker/Producer Information tabs. Mass creation of agent payouts can only be performed when beginning from the Summary tab. Each agent that is to be included in the mass agent payout creation needs to be selected. If none of the agents are checked, only the highlighted record will receive the payouts.

If you begin the process from any of the other Agent/Broker/Producer screens instead of the Summary tab, you will be running the mass create tool from within an agent record. Unless agent records have been checked on the Summary tab prior to switching to a different Agent/Broker/Producer tab, the Mass Create utility will only create an agent payout for the current agent record.

When using the mass create utility, three pieces of information you select within the mass create tool will determine whether the payout is unique and can be created. The mass create tool will not create a duplicate agent payout. The combination of the level selected for the agent, the level selected for the supervisor, and the supervisor's name, determine the uniqueness of the payout. If a payout already exists with the same information that you select in these three fields, the payout will not duplicate or overwrite itself.

Selecting a different supervisor or a different supervisor level will generate another agent payout. You can have 50 payouts with the name Level C because of the variations you can create with different supervisors and supervisor levels. In addition, you can modify a payout after it has been created. If any value in an agent payout is changed, the mass payout utility will no longer recognize the payout as one of the Level payouts for determining uniqueness. A new payout with the same levels and supervisors could then be created.

To begin the Mass Agent Payout Creation process:

1. From the CDS desktop, click the **Agents/Producers** button to open the Find Agent/Broker /Producer Information dialog box.

2. Click the **OK** button to display the Agent/Broker/Producer Information Summary tab.

3. Select the records to receive the payout and then select **Mass Agent's Payouts Creation** from the **Tools** menu to open the Mass Creation of Payout Schedule dialog box.

Understanding the Mass Creation of Payout Schedule Window

The only field that needs to have a value in order to create mass payouts is the Level field. Supervisor overrides and levels are not required in payout schedules. In order for the payouts to be created, the level selected has to have been created as a Standard Payout Schedule level in at least one product. Otherwise, no agent payouts will be created. If the supervisor level selected in the mass payout creation process was never created, the supervisor value fields in the agent payout will remain blank.

- **Level**: The Level for which payouts will be created for the agent for every product that has a Standard Payout Schedule of the same level, and also the name each payout will be given.

- **Create Default Payout Schedule**: Assigns the payout as the default payout for the agents on this product.

- **Name**: The name of the supervisor, if any, which will receive an override level when the agents with the selected standard payout level sell the product.

- **Supervisor Level**: The standard payout schedule the attached supervisor will receive on the product, with the Supervisor Level restricted to the payout levels that precede the agents' payout level (the Level F selection for agents limits the Supervisor Level to Levels A – E).

- **Specify Supervisor Override**: Allows you to create a custom supervisor override instead of selecting a standard payout schedule during the mass payout creation process, and can only be used if a supervisor level has not been selected from the Supervisor Level drop-down list.

In the above example, the mass creation tool was set to create Level F agent payouts with Wendy Truman as the overriding supervisor receiving a Level A payout. When the **OK** button is selected, the four agents that were checked on the Summary tab will receive a Level F payout for every product that has a Level F Standard Payout Schedule defined. Six products have a Level F payout.

An agent payout needs to be created in order for an agent to receive commission when selling a specific product. When an agent sells the Single Pay Life product, the Level F payout will display in the list of selectable payouts for this agent.

To verify that the process created payouts for the selected agents, highlight one of the selected agent's records and then click the **Agent Payout** tab. In this case, the Robert Antonsen record has been selected. The Agent Payout screen will display all of Robert Antonsen's agent payout schedules. Six payout schedules exist in Robert's payout list and all six are Level F payouts that were just created. Each payout has Wendy Truman as the linked Supervisor, and since the Default Payout Schedule option was not checked, none of the payouts are defaults.

To verify the agent payout schedules were created with the correct premium type percentages, either double-click one of the newly created agent payouts from the list, or highlight the payout and click the **Modify Record** button. The shown Level F payout contains the percentages that were entered during the creation of the Level F Standard Payout Schedule.

The Level F Supervisor Payment Schedule below contains the same Percent and Percent Of values that were created in the Standard Payout Schedule.

Once agent payouts are created for a product, an agent can receive commissions when selling a policy on the product. Multiple payouts can exist for the one agent on the same product. The payout linked in the Payout field of the Policy Agent Relationship window will determine which payout is used in determining agent commissions. Some other things to remember when dealing with mass creating agent payouts:

- The Mass 'Agent's Payouts Creation' tool will only create unique payouts. A duplicate payout will not stop the tool from creating the new unique payouts for agents.

- The Specify Supervisor Override button can be used to create a customized supervisor payout.

- The Specify Supervisor Override button can only be used if the Supervisor Level field is blank.

- Changing a value in any of the levels of Standard Payout Schedules will not affect any of the values of existing agent payouts of the same level.

- Changing a value in any of the Agent Level Payouts will not change the value in the same Payout Level in the Standard Payout Schedule of any product.

- No link exists between Standard Payout Schedules and Agent Payouts once the agent payouts are created.

- Agent Payouts (and Standard Payout Schedules) can be deleted. Deleting a level from a product's Standard Payout Schedule dialog box does not remove it from agents' Agent Payout Screens.

- The Agent Payout screen does not have a Tag All icon. Mass deleting payouts requires the manual checking of the payouts to be removed.

- Additional Level choices added to the Standard Payout Schedules level selection drop-down list are not alphabetical. All choices added to the Level drop-down list appear in the order they are added. Level A will always be the highest Level you can select, and all custom levels added to the system will follow Level L.

Customizing the Supervisor Hierarchy

The Supervisor Hierarchy displays a breakdown of an agent on a policy and the supervisors and agents that are included in the agent's payout hierarchy. The premium type columns display the actual percentages the agent will receive on each premium type, calculating the percentages from the Agent Payout with the agent's split percentage.

The premium type calculations based on the split percentages are only performed for each of the hierarchy members that automatically populate from the Agent Payout. The values that you enter for each field of the additional agents you add to the Supervisor Hierarchy will be the values that are used to determine the agent's commissions when the commission records are created. The value will not first be multiplied by the Percentage% value.

If you want a manually added agent to receive a 10% commission based on the expected commission and the primary agent has a split Percentage% value of 50, enter 10 in the Yr1 Base Perc premium field, not 20. A 20% Yr1 Base Perc will not reduce by the Percentage% value. If 20 is entered in any of the premium type fields, the agent will receive a 20% commission. Manually entered agents and supervisors will receive the entire percentage amount entered in each field.

The hierarchy is automatically populated with the agent, a supervisor, if a supervisor is linked in the agent payout, and a CTM Supervisor, if the Level B or Level C commission license is in use and a CTM Supervisor override exists. You are not limited to having only the populated members in the Supervisor Hierarchy. You can add as many agents and supervisors to the hierarchy as you need.

In the below example, the Level 1 and Level 2 agents are populated from the Agent Payout. Level 1 is always assigned to the Agent on the Payout. Level 2 is always assigned to the Supervisor on the payout. The Level 3, 4, and 7 agents were manually added to the Supervisor Hierarchy.

To add additional agents to a hierarchy, click the **Add** button. The Agent Hierarchy Snapshot dialog box opens. Click the **Agent** button to select the agent from the agent list. Assign the agent a Level to determine the agent's position in the hierarchy, and then fill out the payout schedule. When viewing the Supervisor Hierarchy after the addition of each agent, the new agent will display at the end of the list. The next time you open the Policy Agent Relationship window for the policy, the agents will list in numerical order according to their Level.

All additional agents added to an agent in the Supervisor Hierarchy are considered attached to the agent's payout that is linked in the Payout field. If the payout is removed from the policy, either to replace it with a different payout, or to re-link the same payout after modifications to premium type percentages, all of the agents that were added to the Supervisor Hierarchy will be deleted. They will have to be recreated after an agent payout is re-linked to the agent. The only agent that will display in the Supervisor Hierarchy is the agent, with a supervisor and CTM Supervisor record also appearing if applicable. Again, to re-emphasize, any action in the removal of the payout in the Payout field will result in the deletion of all added-on agents from the Supervisor Hierarchy.

The example below shows the effects of modifying the Percentage% field that controls the agent's split percentage amount. Modifying the Percentage% field requires the Supervisor Hierarchy to be recreated. Recreating the Supervisor Hierarchy requires the removal and re-linking of the Payout. Notice that only the two agents that are automatically created by the payout exist in the Supervisor Hierarchy. The other agents that had been added manually were all removed when the payout was removed. Also notice that the values in the premium type fields have all been reduced by 50% from the values they held when the primary agent was receiving a 100% commission split.

Policy Agent Relationship ☒

Related Agent Information

Policy No	40087794	Percentage%	50.00
Agent	Odell, Daniel	Contract	L7955KJ
Role	Writing ▼	Payout	Level A
As Of Date	12/31/2003		
Expiration	12/31/2011		
Primary Agent	☑		

Supervisor Hierarchy

✚ ▪ 🗑 | ▦ 🖶

Level	Agent	Yr1 Base Perc	Yr1 Base Perc Of	Yr1 Dump in Perc	Yr1 Flat	▲
1	Odell, Daniel	45.000	Expected Commission	45.000	45.000	
2	Antonsen, Robert	3.750	Expected Commission	3.750	3.750	

The Level A payout assigns Daniel Odell a 90% commission based on the expected commission the Agency will receive. It also assigns a 7.5% commission to Daniel's supervisor. The Percentage% field is set to 50, which denotes a 50 percent commission split, Daniel will instead receive 45% of the expected commission and Robert Antonsen will receive 3.75%. If no additional agents are assigned to the Related Agent List, the balance of the expected commission unassigned to members of the Supervisor Hierarchy will remain with the Agency.

If the Supervisor Hierarchy is blank, no agent commissions will be assigned to the listed writing agent in the Policy Agent Relationship window. The most common reason the Supervisor Hierarchy would be blank is the Payout field does not have a selected payout listed. A payout is necessary to generate commissions for the writing agent and the linked hierarchy. Less common issues include the deletion of the members from the Supervisor Hierarchy list and errors in the agent payout. Re-linking the payout schedule or deleting and recreating the payout are the typical resolutions to a blank Supervisor Hierarchy. The Supervisor Hierarchy must be populated for agents to receive commissions. If an agents name does not appear in any of the supervisor hierarchies of any of the agents in the Related Agent List, the agent will not receive any commissions on the policy.

Commission Bandings, Premium Types, & Overrides

Creating commissions and having them assigned to the correct agents in the correct amounts requires planning and attention to detail when schedules are setup and the policy is created. The Premium Breakdown screen of the Policy screen will determine the premium types and values on a policy. The Commission Schedule will determine how much of the collected premiums will be paid to an agency. The Agent Payout Schedule will determine how much of the premiums the Agency collected will be paid to the agents involved with the policy. The Policy screen holds the premium data that are the bases for commissions. The Premium field is the total of the Base Commissionable Modal Premium and the Modal Fee and Modal Flat Extra Premiums. The Commissionable Premium Field is linked to the Base Commissionable Modal Premium field in the Premium Breakdown. If the Base Commission is the only premium collected, enter the value directly in the Commissionable Prem field.

Summary	Basic Information	Benefits	Misc. Information

Primary Contact	Ackerman, Kathleen	Purpose/Keywords	
Policy#	5546880	Proposals	
Carrier	Bankers Coverage Life	Premium/Mode	2,200.00 Semi Annuall ▼
PlanName/Code	Your Choice	Commissionable Prem	1,900.00
Plan Type	UVL	Ann. Prem/To Date	4,400.00
PolicyDate/Age	05/30/1992 37	FYC/Renewal	
Primary Agent	Odell, Daniel ...	Status/PaidTo	Inforce ▼ / /
		Benefit Val Last Upd	11/01/2001

When the base commission is the only commissionable premium, the value can be entered directly in the Commission Prem field. The value is automatically transferred to the Base Commissionable Modal Premium field of the Premium Breakdown. Otherwise, with exception to a flat amount payment that is entered in at the Commission Schedule level, all earned commissions will be based on the values in the Premium Breakdown window. If a Premium Breakdown field does not contain a value, no commissions will be generated for that specific premium type. In addition, the Excess Premium field does not generate commissions. The Base Commissionable Modal Premium is the base commission on a policy. The Commissionable Prem field on the Policy screen is linked to the Base Commissionable Modal Premium field. The 1035 Exchange Premium value is added to the Base Commissionable Modal Premium in the first year for all Base Points and Level 1–5 override commissions.

Premium Breakdown

Base Commissionable Modal Premium	1,900.00
Modal Fee Premium	100.00
Modal Flat Extra Premium	200.00
Target Premium	2,500.00
Dump in Premium	5,000.00
1035 Exchange Premium	1,100.00
Excess Premium	

[OK]   [Cancel]   [Help]

Each type of commission you are being paid on needs to have a set of values entered across multiple screens. To help you better understand, each premium type and appropriate commission setup will be described. The example above shows a Premium Breakdown window with a value in each commissionable premium type field. The setup for the each Premium Breakdown field will be performed in the order found in the Premium Breakdown dialog box.

Base Commissionable Modal Premium

This value represents the base commission on a policy. If this is the only commission you will receive on the policy, you can enter this value in this field or in the Commissionable Prem field on the Policy screen. Changing the value in the Premium Breakdown dialog box updates the Premium Breakdown window and vice versa.

The Premium Breakdown window, the Premium field, and the Commissionable Premium field denote that the vendor is collection premiums on the policy. In order for your Agency to receive commissions on the premiums the vendor has collected, a Commission Schedule must be attached to the policy. The Commission Schedule will determine on which premium types the vendor will pay the Agency commissions, what percentages of the premiums will be received, the length of the payments, and any flat amount payments.

- The Commission Schedule area can keep commissions from generating.

- A Paid Mode must be selected.

- The Use Premium Banding option should not be checked unless using Premium Banding instead of the Commission Schedule percentage values.

- Year Bands must exist for the years the Agency receives commissions.

- The Premium fields need values or Premium Banding will be used instead.

In order for the Agency to receive commissions, a minimum amount of information is required in addition to the percentages for the premium types. First, a Paid Mode must be selected from the Paid Mode drop-down list. Second, the Commission Schedule section must have a Year banding that includes the current year of the policy. If you do not have a Year 1 Thru Year 1 in your list, the Agency would not receive any commissions in the first year of the policy. Only years that are included in a Year banding will pay commissions to the Agency.

All other fields of the Commission Schedule are discretionary and are used as needed. Excess Commission schedules are not mandatory to generate commissions. If the Use Premium Banding option is selected, the Excess Commission area changes to Premium Banding. If Premium Banding is used, then Premium Bands must be created in order for commissions to be assigned.

Clicking the **Modify** button displays the Commission Schedule Details dialog box. The first year commission schedule typically pays the Agency a higher percentage of the Premium than in subsequent years. The Base Points field will determine what percentage of the value in the Commissionable Prem field your Agency will receive from the policy in year 1 of the policy. The calculation to determine your Agency's Base commission adds any 1035 Exchange Premium value with the Base Commissionable Modal Premium value from the Policy's Premium Breakdown dialog box. The Base Points percentage applies to both Premium Breakdown fields.

Any non-commissionable Policy Fee added on at the product level can also affect the values in the Base Commissionable Modal Premium and the Commissionable Prem fields. Policy fees are added on the Product screen. They are preset fees charged clients for paying their premiums over time. Each modal type can be given its own modal fee. If a Policy Fee has been added for Semi-Annual payments, and Semi-Annual is selected as the Mode on the Policy screen, the Commissionable Prem and Base Commissionable Modal Premium values will be reduced by the amount of the Policy Fee. Modal Fees added in the Premium Breakdown dialog box of a policy are commissionable. Policy Fees attached from the Product screen are non-commissionable so the Policy Fee value is removed from the base premium value.

The Base Points percentage is not the only Commission Schedule Details field that uses the policy's Commissionable Prem value in its calculation. The Level1, Level2, Level3, Level4, and Level5 overrides also generate commissions based on the Commissionable Prem value. The Level1 through Level5 overrides are most often used to add additional base commissions on states that limit the base percentage a vendor can pay on a product. Any or all of the Level overrides can be used in each Commission Schedule details. In this case, only the Level1 override was used. The value 10, meaning 10 percent, entered in the Level1 field of the Commission Schedule Details window will create a commission payment to the Agency. The actual Level1 commission paid to the Agency will depend on other factors.

The value in the Commission Schedule Details window will determine the percentages paid on each of the premium types as long as the Premium Banding checkbox is no checked. If the Premium Banding checkbox is checked, only the From and Thru fields in the schedules will apply. All premiums will be determined by the meeting variable premium goals set in Premium Bands.

- Four Premium Bands have been created for the first year of the Policy.
- The Agency will receive a 70% commission on the first $2500 in premiums.
- The Agency will receive a 60% commission on the next $2500 in premiums.
- The Agency will receive 50% on premiums from $5000.01 to $10000, and 40% on premiums from $10000.01 to $100000.

When Premium Bands are employed to determine the commission a vendor will pay your Agency, tiers are created based on reaching premium goals. Commission Percentages are set at variable levels, with commission exceeding the previous tier being paid at the commission percentage of the new tier.

Premium Bands must be created for each Year Banding in the Commission Schedule. The inadvertent checking of the Use Premium Banding option is a common cause for Commission Records not generating. The Use Premium Banding option overrides all commission schedule percentage values and also disables any Excess Premium settings. When Premium Bands are used, the only premium type commission records that will be created and paid on are for the Base premium. Leave the option unchecked unless the Agency is receiving commissions based on reaching variable premium levels.

If using Premium Bands, the most important rule to follow is to create Premium Bands for all Years Banding. In the example, the Years 1 Thru 1 Commission Schedule is highlighted. The 4 Premium Bands shown only apply to the highlighted Commission Schedule. If the Years 2 Thru 10 schedule were highlighted, a different Premium Bands listing would appear. If Premium Bands are not created for a Years Banding, commissions will not generate for those years.

To recap linking the Base Commissionable Modal Premium to a Commission Schedule, the Commission Schedule Details Base Points fields, the Level1 through Level5 override fields, and the Premium Bands all interact directly with the Base Commissionable Modal Premium field of the Premium Breakdown dialog box. They determine the Base commission the Agency will receive from the base premium payment, and in the cases where a 1035 Premium Exchange is recorded and the Commission Schedule Details percentage values are used, the first year commissions will include commission payments based on the Base Points percentage value.

If you attempt to create commission records, and nothing generates, the commission schedule is the first place to look when troubleshooting. All of the fields that were just covered directly interact with the Premium Breakdown dialog box to calculate the commission payment from the vendor to the Agency. If commission payments to the Agency are missing or incorrect, the commission schedule settings and values should be checked for completeness and accuracy.

Modal Based Premiums (Commissionable)

The Modal Fee Premium and the Modal Flat Extra Premium are additional charges added to a policy by the vendor and are commissionable for the Agency. The fees are charged per mode and calculate into the Premium field found on the Policy screen. The Premium field is the total of the Base Commissionable Modal Premium plus the Modal Fee Premium plus the Modal Flat Extra Premium values. The Modal Fee Premium and Modal Flat Extra Premium have their own premium type records when commission records are created. Unlike the 1035 Exchange Premium, which does not have its own commission record created, they are not added into the overall base commission calculations or payments.

- The Modal Fee Premium is a fee usually associated with premium payments being paid over time instead of as one annual payment
- The Modal Flat Extra Premium is an additional premium collected on a policy per payment mode.
- Both modal-based premiums are commissionable when added at the Premium Breakdown level.

In order for the Agency to receive commissions on Modal Fee and Modal Flat Extra Premiums, the Premium Breakdown dialog box must first include values in the appropriate fields. The Commission Schedule assigned to the policy when commission records are created must also have percentage values in the Fee Points and Flat Extra Points fields of the Commission Schedule Details window for the current year of the policy. The Use Premium Banding option must also be unchecked. If all of these conditions have been met, commission records will generate for the modal-based fees.

If the Modal Fee Premium field is populated when you open the Premium Breakdown dialog box, then the product associated with the policy has a Policy Fee attached to the modal selected in the policy. The value in the Modal Fee Premium field has been deducted from the Base Commissionable Modal Premium because policy fees are non-commissionable. Even if the commission schedule has a value in the Fee Points field, a commission record will not be generated for a Modal Fee Premium populated from a Product's Policy Fee. If you change the policy payment mode from a mode that has a policy fee to a mode without a fee, the Fee Points value needs to be deleted from the Premium Breakdown dialog box if it is no longer applicable.

Target Premiums

The Target Premium is used in two ways: to create a ceiling on premiums and Level overrides on which the Agency can receive commissions and to create tiered commission levels for values above a certain premium. The Target Premium value is a ceiling for the total of the Base Commissionable Modal Premium plus the 1035 Exchange Premium values. The Base Points percentage value from the Commission Schedule will only generate Base commissions on premiums up to the Target Premium value. This also applies to all Level overrides. The Level overrides are capped by the Target Premium ceiling, but the Agency can still receive commissions on the Premium collected above the Target Premium.

- The Target Premium is a ceiling for the Base Points commission percentage value.

- In this example, only the first $2500 per mode would be calculated at the Base Points percentage of the Commission Schedule.

- All premiums above $2500 would generate commissions on the Excess Points percentage value in the Commission Schedule.
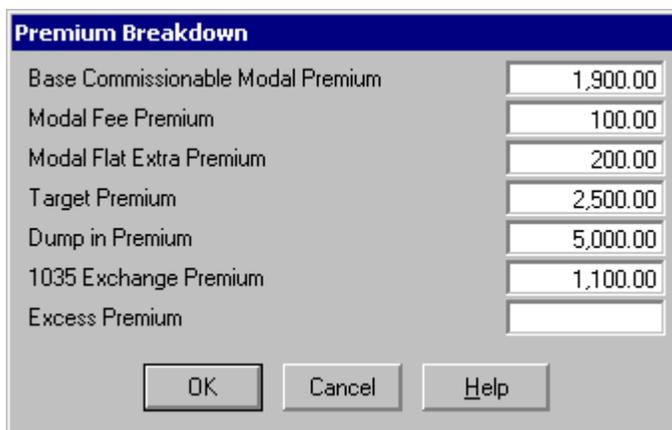
The Commission Schedule has two methods for receiving commissions on premiums in excess of the Target Premium. The first method pays a set percentage for all premiums above the target and is entered in the Excess Points field of the Commission Schedule Details window. The Excess Points field assigns a commission percentage to the balance of the premium above the target. If a value has been entered in the Excess Points field, the Excess Commission section of the Commission Schedule window becomes inactive.

The second method for creating commissions on excess premium is through the use of the Excess Commission section of the Commission Schedule. The difference between the Excess Points field of the Agent Payout and the Excess Commission fields on the Commission Schedule is that the Excess Commission section of the Commission Schedule is used to create tiered commission rates for meeting variable premium goals. You can create a different commission percentage for double the Target Premium than for reaching five times the Target Premium.

In order to use Excess Commissions on Target Premiums, the Use Premium Banding option must be unchecked. The Agent Payout will still allow you to assign values to the Excess Points Percent fields, but the value will not be used in the performance of any calculation. If Use Premium Bandings is selected, the Excess Commission portion of the Commission Schedule is replaced with a Premium Bands scheduling tool. If the Excess Commissions section is missing from the Commission Schedule, uncheck the Use Premium Banding option. If the Add or Modify Excess Commission Schedules buttons are grayed out, one of the linked agent payouts has a value in one of the agent or supervisor Excess Points fields. They need to be cleared in order to create the tiered schedules.

Commissions based on excess premiums are measured in multiples of the Target Premium value. Click the Add or Modify an Excess Commission Schedule button to open the Commission Excess dialog box.
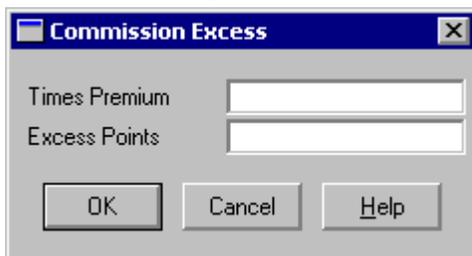
The Times Premium field refers to the multiples of the Target Premium value. The Times Premium field will accept positive integer values from 1 through 999. Only whole integer values, no decimals, can be entered. The lowest Times Premium that will generate Excess Commission payments, however, is 2 times the Target Premium. This is because 1 times the Target Premium is already handled by the Base premium percentage that applies to premium values up to the Target Premium value.

The Excess Commission schedule in the example belongs to the Years 1 Commission Schedule. A separate schedule must be created for any other year bands if excess commissions are paid in those years. In the example, when commission records are created, the base commission percentage of 55% will be applied on all premiums paid up to the Target Premium.

Every penny of premium above the Target Premium will pay at a percentage determined by where it falls in the Excess Commission Schedule. Only the portion of the premium that falls within a tier is calculated at that tier rate. Selling a policy with a premium 15 times the Target Premium value does not calculate the entire commission at the percentage assigned to the 15 Times Premium value. Only the premium above 10 Times Premium would be calculated with the 15 Times Premium percentage.

Dump in Premiums

Dump in Premiums are investments in the policy. The reason for the Dump In is going to be specific to the product. The value in the Dump in Premium field is specifically for generating commissions for your Agency and agents. The field will not populate any other policy or policy benefit field. Nor will any other field auto-populate the Dump in Premium field.

- One typical use for Dump in Premiums is to earn interest and pay a portion of the policy's premiums over the years.
- If the Paid Mode of the Commission Schedule is As Paid, the Dump in Premium is paid with each modal payment the first year of the policy. Otherwise, it is a one-time payment.
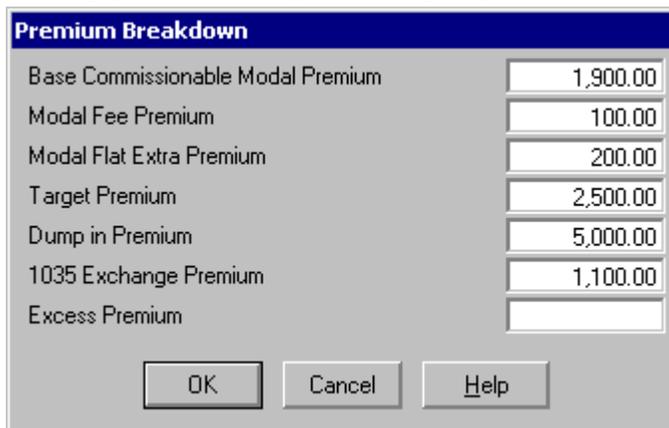
Premium Breakdown	
Base Commissionable Modal Premium	1,900.00
Modal Fee Premium	100.00
Modal Flat Extra Premium	200.00
Target Premium	2,500.00
Dump in Premium	5,000.00
1035 Exchange Premium	1,100.00
Excess Premium	

[OK] [Cancel] [Help]

The Commission Schedule Details dialog box has a corresponding percentage assignment window for the Dump in Premium called Dump in Points. The Dump in Premium value is calculated with the percentage value of the Commission Schedule Dump in Points field value. A commission for the Dump in Premium is generated according to the Paid Mode of the Commission Schedule and the Mode of the policy. If your Agency receives one annual payment on the policy, only one commission record is created for the Dump in Premium. If the Paid Mode is As Paid and you receive quarterly commissions on the policy, a commission record for the Dump in Premium is created in each quarter of the first year of the policy. Dump in Premiums are only collected the first year of a policy.

1035 Exchange Premium

The 1035 Exchange Premium is considered part of the Commissionable Premium amount when commissions are calculated. The transfer of premiums from another vehicle is considered additional base premium on the policy. When Base and Level1 through Level5 overrides are calculated, the 1035 Exchange Premium value is added to the Base Commissionable Modal Premium value to determine the total commissions. The 1035 Exchange Premium adds to the base commission value for each commission record created on the policy for the first year only. If you receive annual payments, you will receive a commission including the 1035 Exchange Premium once a year. If you have an As Paid commission schedule with a quarterly mode, your base commissions will include the 1035 Exchange Premium value four times.

Commission Amount

The Commission Amount field is part of the Commission Schedule Details dialog box. The Premium Breakdown dialog box does not have a correlating field. The Commission Amount field is a payment from the Vendor directly to the Agency, regardless of any premium values or payout percentages. The field can hold a value up to 99,999.99. This is a dollar amount not a percentage.

- The Commission Amount field pays the Agency a set commission amount. The Commission Amount field can only be populated if the Base Points and Excess Points fields are blank.

- When the Commission Amount field holds a value, the Base Points and Excess Points fields become inaccessible.

- The Commission Amount value is a commission paid directly to the Agency and is completely inaccessible by Agent Payouts. The full Commission Amount value will always post the full value to the Agency record.

- A Flat Amount value in the Commission Schedule is not necessary for the value in the Commission Amount field to generate commission records.

The fields in the Premium Breakdown dialog box have all been linked to the Commission Schedule fields that determine what your Agency will receive from collected premiums. Once all of the commissionable premiums have been determined and the Agency has schedules in place that calculate what the Agency will receive on each policy from each vendor, Agent Payouts need to be assigned in order for agents to receive their commission splits on policies sold.

Assigning Agent Payouts for Premium Types

Just as each field in the Premium Breakdown dialog box had one or more Commission Schedule Details fields to calculate its commissions, the Agent Payout has fields that align with the Commission Schedule Details fields. Every field in the Commission Schedule Details window has a matching field in the Agent Payout window except for the Commission Amount field. Instead of a Commission Amount field, the Agent Payout has a Flat Amount field.

The Flat Amount field works differently than the Commission Amount field the first year of the policy. In order for agents to receive the commission amount listed in the Flat Amount field, the Commission Schedule must have a value in the Flat Payment field in the General Information section. After the first year, the Flat Amount value in the Agent Payout will be paid to the agent, even if the Commission Schedule did not include a Flat Amount value.

Unless a percentage value is added to the specific premium type in the Agent Payout, the agent will not receive commissions for that premium type. The same is true for any linked supervisor in the Agent Payout. For example, if commissions are collected from the vendor for Modal Premium Fees, a percentage is assigned to the agent's Fee Points field, but not to the linked supervisor's fee points field, the agent will receive a commission on the Modal Fee Premium, and the balance of the commissions collected for the Modal Fee will stay with the Agency. The supervisor will not receive any commissions from Fee Points because nothing was assigned.

One other important point with assigning percentages in the Agent Payout: just because a value is added to a premium type field does not automatically mean that the agent will receive commissions on the premium type. Two other requirements have to be met in order for the agent to receive commissions on a premium type. The Premium Breakdown window must have a value in the premium field the Commission Schedule uses to calculate the commission, and the Commission Schedule must have values in the Percent and Percent Of fields for the premium type.

In example below, the agent receives a 70% commission for every non-Flat Amount commission the Agency collects from the vendor. If the Commission Schedule does not pay the Agency a Level2 override commission, the Mike Russom will not receive a 70% Level-2 commission.

The same is true if the Premium Breakdown dialog box does not have a value. The Commission Schedule can show a 90% Fee commission and the Agent Payout can assign 70% of that Fee commission to Mike Russom, but if the Modal Fee Premium field is blank in the Premium Breakdown window, the Agency and the agent will not receive commissions on the fee.

- The writing agent on this product will receive a 70% split of any expected commissions received by the Agency.
- In order for the writing agent to receive the 70% commission shown on any of the premium types, the Vendor must receive the associated premium type from the client as determined by the Premium Breakdown, and the Agency must receive commissions on the premium type as determined by the Commission Schedule.

The flow of commissions will now be recapped. The commission trail begins with the Commissionable Prem field and Premium Breakdown dialog box. This is what the vendor gets paid on a policy and is the basis for the commission calculations. If the vendor does not get paid on a premium item in the Premium Breakdown dialog box, the agency will not get paid on that premium item.

The Commission Schedule determines what the Agency will get paid from the premiums collected. If you do not have agent splits and all commissions go to the Agency, your commission trail ends here. If you do have agent splits, an Agent Payout pays agents from the commissions paid by the vendor to your Agency. If commission records are not created for a premium type, or if an agent's split is missing from the commission record, the most common reason is blank values in one or more of the fields in the Premium Breakdown, the Commission Schedule, and the Agent Payout.

Creating Commission Records

When you populated your Premium Breakdowns, Commission Schedules, and Agent Payouts, what you are essentially doing is creating commission formulas for policies. Creating the commission hierarchy through payouts does not assign any commissions to your Agency or agents. The assignment of commissions from a policy is done through the Create Commission Records tool.

A commission record is a database record created for each premium type the Agency is due to receive from the Vendor on each policy due date. If an agent sells a policy that with a quarterly mode, the commission schedule has a Paid Mode of As Paid, and pays the Agency a Base commission plus a Level1 override the initial year of the policy, 8 commission records will be created in the first year. Four commission records will be created for the 4 quarterly Base commission payments to be received, and four more commission records for the 4 Level1 overrides.

A key factor in determining now many commission records will be created for a policy is the Paid Mode setting in the commission schedule. In the preceding scenario, the Paid Mode was As Paid, meaning the Agency will receive commission payments for every modal payment. If the Paid Mode were Annualized in the scenario, only two commission records would have been created for the year, one for the Base commission and one for the Level1 override.

The Create Commission Records tool can be run any time for a single policy or for all policies from a single vendor. The Create Commission Records tool for a single policy can be found from within the policy itself. It is located under the Tools menu from any of the Policy screen tabs. The Create Commission Records tool for all of a vendor's policies is accessed from any of the Vendor screen tabs.

The process of Creating Commission Records is most often performed at the end of the month for all of the policies for each vendor. This is the process that will be shown. The tool works exactly the same when run for a single policy from the Policy screen. Prior to creating commission records, the policy must be Inforce, must have a Policy Date, commissionable premiums, an assigned commission schedule, and due commission records that need to be created. If any of the required conditions have not been met, you will receive a pop-up warning, your List of Commission Records will be blank, or no new commissions records will be created, depending on the unmet condition.

The Create Commission Records tool can be accessed from the Policy **Tools** menu and the Vendor **Tools** menu. The Create Commission Records tool only appears in the Tools menu for users with the CTM Admin License. When the Create Commission Records tool is run, the utility looks at the inception date of each policy included in the commissions run and then proceeds to create commission records for all premiums that are due between the inception date and the Thru Date selected. Before creating a commission record for each due premium, the utility first checks to see if a commission record was previously created for each premium due on each due date. If a match is found, a new record is not created. If no match is found, a commission record is created for the premium on the premium due date.

When commission records are created, they are calculated with the currently linked commissions schedules and agent payouts. This allows you the flexibility to pay different commission amounts on each commission payment and to apply new rates to policies when the vendor makes changes to commission rates. You can even delete a 6-month old commission record that you found to have had an incorrect payout attached, and then recreate it with new rates attached.

Creating commission records is a required step in CTM. Creating commission records accomplishes two things: it populates the Commission Paid spreadsheet of the Vendor's Posting window that shows you what items you can select to pay with a vendor's check posting and it populates the Agent/Broker/Producer Commissions records that display what commissions each agent and the Agency has earned. If you post a vendor's check, and the commission items you need to apply the payment to do not appear in the Commission Paid list, then commission records have not been created for the policy with the missing items.

- If run from the Policy screen, the From date will populate with the Policy date from the Policy screen and the Thru date with the current day's date.

- If run from the Vendor screen, the From and Thru fields of the Create Commission Records tool will auto-populate with the current day's date.
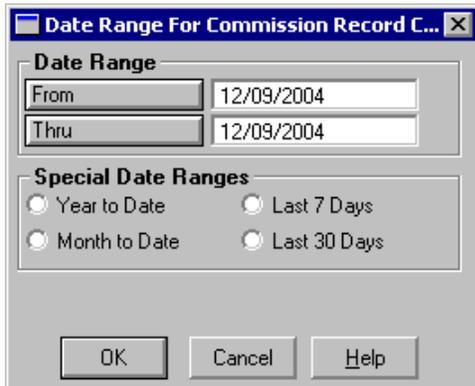
Selecting the Create Commission Records tool opens the Date Range for Commission Records window. The From and Thru fields populate with dates. If you are creating commission records for a single policy from the Policy screen, the inception date that populates the From field is the date from the Policy Date field of the Policy screen. When Create Commission Records is opened from the Vendor screen, the current day's date populates the From field. Regardless of where the tool was opened, the Thru date populates with the current day's date.

Even though the date range shows the current date through the current date, the inception date (Policy Date) of each policy will be considered for the creation of commission records. If commission due dates should only be considered for a specific From and/or Thru date, those dates should be entered instead of keeping the default dates. The four radial options in the Special Date Ranges section, Year-to-Date, Month-to-Date, Last 30 Days, and Last 7 Days create commission records only for commissions that become due within the date range specified by the special date range selected.

The Year-to-Date selection limits the date range for which commission records will be created to the first 12 months of 2004. Even if policies have commission records from previous years that have yet to be created, commission records will only be created for commissions that have become due through the current day's date of the current year. The Special Date Ranges selection is not saved. By default, the Create Commission Records tool will open with the From and Thru date creating commission records from inception through the current date.

After the date range is entered, click the **OK** button. Depending on the number of records generated, the "List of Commission Records For" dialog box will open within a few seconds to within several seconds. The List of Commission Records will display all of the commission records that were just created for the vendor or the policy. Each commission record in the spreadsheet will contain data that shows what premium type the commission record is for, who the client is, what the policy number is, what date the commission became due, and the expected commission amount. The example shows a sample List of Commission Records For: Applied American Life. This represents all previously uncreated commission records that became due from January through December 2004.

- The Type field shows the Premium Type for which the commission has become due.
- The Due Commission field is the date the commission became due.
- The Expected Commission field is the amount of commission the Agency expects to receive from the premium.
- The Component Premium field is the amount of the premium.

The List of Commission Records For window also shows the name of the policy or vendor the commission records were created for, in the example it was for Applied American Life, and the number of commission records that were created. The [Unlinked] listing in the window title bar refers to a linked business name in the vendor's record. Linked business records are not required to create commissions.

The columns shown in the List of Commission Records For spreadsheet are the default columns. They display all of the important information for you to ascertain whether you are collecting all of the commissions on each policy and in the correct amounts. If an expected commission amount is incorrect than the commission schedule used when commission records were created has an incorrect percentage assigned. If a commission record is missing, then the commission record does not have a value assigned in the associated year of the policy.

Understanding the List of Commission Records For: Window

- **Type:** The name for the type of commissionable premium, which corresponds to the Premium Type fields in the Commission Schedule that has become due.

- **Client**: The name of the client owning the policy for which the commission record was created.

- **Policy No**: The policy number of the policy on which the commission record was created.

- **Due Commission**: The date the premium payment is due the vendor from the client, which also allows a commission record to be created for commission tracking and payment posting.

- **Expected Commission:** The amount of commission owed to the Agency for the specific premium type on the listed policy per the commission schedule.

- **Component Premium:** The portion of the full Premium Paid value that is being used in calculating the commission for the premium type, and is less than the Premium Paid in some cases, such as when the Premium Paid exceeds the Target Premium.

- **Premium Paid:** The full premium collected for the premium type.

For example, client Brian Anthony has a base commission record created for his test policy on January 1, 2004. The premium collected on the policy due date of January 1, 2004, was $1900. This is not the amount the commission was based on. The Agency is due to receive a $15 commission, and this value is based on the commission schedule assigning a 3% commission percentage to the Agency. Only $500 of the premium is considered in the commission calculation because a Target Premium was set on the policy limiting commissions to the first $500 of premiums. Because of the Target Premium ceiling, the Agency receives $15 instead of $57. If the commission schedule included an Excess Points percentage assigned, the List of Commission Records would include a commission record on January 1, 2004, called Excess.

The January 4, 2004 Base commission record was not the only record created for the Test policy, a commission record was also created on the same policy for a Level1 override. In addition, Base and Level1 commission records were also created for the second semi-annual premium payment on July 1, 2004. You will find matching sets of commission records that have been created for each modal payment due within Year Bands.

A commission record shows the amount due the Agency from the vendor for a commissionable item. Within each commission record is the actual split payments to the agents, supervisors, and Agency accounts. To see the actual commission splits in a commission record, highlight the commission record you want to view. The List of Commission Records window has an icon that looks like a folder with a filmstrip sticking out of it; this is the **Show** button. The Show button opens the Agent's Commissions Postings dialog box.

The following example shows the commission records created for a policy called Test. The Premium Breakdown window includes a Target Premium value of $500. The Base Commissionable value exceeds $500. The Commission Schedule pays the Agency 90% on the Base Premium value and a 50% Level1 override. Commission records have been created for both the Base and the Level1 override. The Agency received $450 and $250 for the two premium types.

- The Show icon launches the Agent's Commission Records window.
- The Agent's Commission Records window shows the commission splits on a policy.
- Agent splits can be created only if an Agent Payout is assigned to the policy.

If an Agent Payout (or Payouts) has not been attached to the policy, the commission records in the List of Commission Records represent the final split calculations in the assignment of commissions. Clicking the Show button will show the full Expected Commission value for the Agency. However, when a Payout is in effect on a policy when commissions are created, the Agent's Commission Postings window will show the split payments to each agent in the Supervisor Hierarchy, with any positive or negative commission balance going to the Agency.

- Daniel Odell receives 80% of the Expected Commission of $450.
- Mike Russom receives a 10% Supervisor Override based on the $450 Expected Commission.
- The Agency receives the remaining $45 that was not assigned to agents in the Agent Payout.

The Test policy has an agent payout assigned. The Payout pays the Writing Agent, Daniel Odell, 80% of the Base Expected Commission. The Payout also assigned Mike Russom as Daniel's supervisor. Mike was scheduled to receive a 10% commission on the Base Expected Commission. Expected Commission means the commission amount the Agency received from the vendor per the Commission Schedule. It Premium were selected in the Commission Schedule instead of Expected Commission, the commission amount would be based on $500. Since Expected Commission was selected, the base commission calculations will be based on $450.

The amount of $450 is the amount that displays on the Total line of the Agent's Commission Postings dialog box. The commissions assigned to agents are added together and then a commission entry is created for the Agency record is the amount assigned to the agents does not equal the value of the Total line. In the above example, the Base commission assigned to the agent and his supervisor totals $405. Since the Total Base commission received was $450, an Agency commission record is created to receive the $45 balance left on the commission record. It is common that the commission record created for the balance to be negative, especially in the first year when commission percentages are high. If the total percentages assigned to all of the agents in the supervisor hierarchy exceeds 100%, the resulting Agency commission will be negative.

Once a commission record has been created for a policy, a matching commission record will display on the Commission tab of the agent record. The commission record will only be for the agent's portion of the commission. Once created, a commission record will also display on the Commissions tab of the vendor and within the Commission Paid on the Following Policies list when posting a payment. If a commission record is missing from an agent's record or a vendor's Commissions list, the commission record was never created.

Commission records can also be deleted. You may find that commission records were improperly created with the wrong commission schedule assigned, or without an agent payout attached. You can delete the commission records from the Commissions Summary list under the Vendor Commissions tab, from the List of Commission Records For: window.

When you view the Commission Summary list under the Vendor's Commission tab, records will be in either green or black. If a commission record is listed in green, it has already been reconciled. This means that a posted payment has already been applied to the commission record. If a commission record is listed in black, it is an open record and will display in the list of selectable commissions towards which posted payments can be applied.

If you want to delete commission records from the Individual Policy screen, you can do it from the List of Commission Records For window after it initially displays the created commission records. If, however, this window has already been closed, you can view all of the open commission records on a policy by selecting **Show All Commission Records** from the Policy **Tools** menu.

The Show All Commission Records tool will open the List of Commission Records For: window. All open commission records that have been created for the current policy will display in the list. If you had open commission records that existed prior to the most recent creation of commission records, the older open commission records will also display in the list. Unlike the Commissions tab of the Vendor screen, only open commission records will display. To see paid commission records, which are listed in green, select **Show Posted Commission Records** from the Policy **Tools** drop-down list. This tool displays only those records that have been reconciled (had a payment applied during a payment posting). Commission records that have been posted can be deleted. The deletion process will remove the commission record from the Posted Commissions list, the Vendor Commissions list, and the Posting record. It will not, however, reduce the posted payment amount on the vendor Posting screen.

Posting Vendor Payments

Creating commission records creates accounts receivable between a vendor and your Agency and agents. When Create Commission Records is run, a separate commission record is created for every member of the Supervisor Hierarchy plus the Agency record. Each of these commission records is an account receivable within the Vendor Commissions tab. Each vendor will make payments to your Agency. They may include all of their policy commission payments in a single check, or spread the commission payments over multiple checks. Some payments for premium types may be paid ahead of time, and others may be paid 4 months late.

When a vendor sends you a payment, they will usually also include a payment stub that lets you know what the payment includes. The list of paid items allows you to apply the payment to the specified Open items from the vendor's Commission Summary items. The Commission Summary spreadsheet is located on the Commissions tab of the Vendor screen.

- The Carrier Insurance Commissions tab opens the Commissions screen. All commission records that have been created for a carrier's policies display in the Commission Summary.

- Green records have already been paid, and were selected in a posted payment from the carrier.

- Black records are Open records and are awaiting payment by the vendor

The records listed in green are commission records that have been paid in a carrier posting. When commission records appear in black, they will be selectable as items to pay when a payment is posted to a carrier's record.

The Vendor Posting Screen

Postings are created from the Posting tab of the Carrier Insurance screen. They represent payments from the carrier towards commissionable premium items the Agency has sold. The Postings screen has a spreadsheet called the Commission Payments Summary. The Commission Payments Summary is a detailed list of every payment you have received from a vendor. The detailed list can include information like the statement date, the amount of payment, the check number, and the date of payment, plus other user-definable columns.

The Commission Payments Summary also includes a Status column. When you post a payment from a vendor, the status of the payment will move into one of three statuses: Reconciled, Write Off, or Open. When the commission records you choose to pay with a posted payment have the same total amount as the posted payment, then the commission payment incurs the status of Reconciled. The payment was in balance with the commission records selected.

The Write Off and Open statuses are a result of the payment not matching the selected commission records. When the payment and selected commission records are out of balance, you will be prompted with a choice to Write Off the balance of the payment. The balance could be positive or negative. If the choice to write off the balance is selected, the Status moves to Write Off, and the non-matching portion of the payment is ignored.

If the option to write off non-matching payments in not selected, the status of the posted payment is left open. This leaves the payment in an open state so that commission records created in the future can be selected to complete the posting. Once commission records can be selected to complete the posting to a point where the payment can be reconciled or fall with a write-off level, the status of the posting in the

Commission Payments Summary will change to reflect its new status. Some vendors pay a commission ahead of time and this option is used to apply a payment to the other commission records that are included in the payment instead of waiting for the commission to become due again.

- The Postings tab is found on the Carrier Insurance screen.

- The Commission Payments Summary is a list of previously posted Commission payments received from the vendor.

- Payments with a Reconciled status mean the selected commission records' total matched the vendor's payment total.

- Write Off's and Open statuses mean the totals did not match.

Click the **Add** button on the Postings tab to open the Commission Payment Posting dialog box. The Commission Payment Posting window uses five pieces of information: Carrier, Statement Date, Date of Payment, Check Number, and Amount Paid.

The Carrier field is populated with the name of the carrier you are in when clicking the **Add** button to create a new posting. The Statement Date is the date on the check or payment you received. The Date of Payment is typically the same date as the Statement Date, and should represent the actual date of the payment. The Check Number is the number of the check or identifying number of another form of payment received. The Amount Paid is the amount of the payment.

You can also set the Statement Date to a date in the future if future commissions are being paid with the check. In order to apply a check to commission records that become due at a future date, the commission records must first be created by entering the advanced date in the Thru date field of the Create Commission Records tool. Then the advanced date needs to be entered as the Statement Date in the Commission Payment Posting window. After you enter the Statement Date, the Date of Payment will auto-populate with the Statement Date if you tab to the field from the Statement Date field. If a future date was entered for the Statement Date, the Date of Payment should not match the Statement Date.

- The Commission Payment Posting window is used to create a new payment posting from a vendor.
- When entering a date in the Statement Date field, only commission records with Due Commission dates up to the Statement Date will be selectable in the posting. This includes future commission records.

The information entered in the Commission Payment Posting window will show all Open commission records through 9/22/2004. Previously, six commission records were created for the Test policy. This posting was sent in to specifically pay for those commission records. When the OK button is selected, a message will alert you that commission records are being generated. This is populating the Posting window with Open commission items for which to apply the payment. When the process completes, the Commission Payment Posting window displays. The window has three sections: the Amount Posted section, the Payments to Agents Section, and the Commission Paid on the Following Polices section.

- The Amount Posted area shows the total amount for all Open commission records for the vendor. It also keeps a running total of all items selected in the Commission Paid on the Following Policies area for the current posting.

- The Payment to Agents area shows a breakdown of the payment components included in each Commission Paid on the Following Policies items.

- The Status column changes to Reconciled when an item is selected to be paid.

Commission Payment Posting

| Date | 12/10/2004 | Amount Paid | 132.00 |
| Amount Expected | 4,076.84 | Amount Posted | |

Payments to Agents

	Status	Agent	Payment	Statement	Date of Payment	Expected	Paid	Difference
	Reconciled	Warnings, Eileen	Base	09/22/2004		1,315.20	1,315.20	
	Reconciled	Odell, Daniel	Override	09/22/2004		16.44	16.44	
	Reconciled	Agency	Override	09/22/2004		312.36	312.36	

Commission Paid on the Following Policies

	Status	PlanName	Client	Policy No	Statement	Due	Paid	Expected	Difference
	Open	Convertible Plus	Adcock, Martin	123456789		03/05/2001		1,644.00	
	Open	Assurable Life 5	Gueller, Frances	934567892		07/13/2001		10.00	
	Open	Assurable Life	Waterman, Momoy	93228034		07/14/2001		9.36	
	Open	American Level 20	Christiansen, Caro	AM4871129		07/14/2001		15.00	
	Open	Universal Coverage	Ackerman, Joseph	982734882		07/15/2001		250.00	
	Open	American Level 20	Farmer, Eileen	6915570		07/18/2001		3.09	
	Open	Assurable Life	Ackerman, Joseph	920331435		07/21/2001		400.00	400.00
	Open	American Level 20	Bartelo, Frank	40050999		07/22/2001		75.60	75.60
	Open	Assurable Life	Yamagata, Yoshio	93066438		11/26/2003		192.00	192.00
	Open	American Level 10	Dawson, Carol	5830111		01/01/2004		72.45	72.45
	Open	Universal Coverage	Ackerman, Joseph	982734882		01/15/2004		250.00	250.00
	Open	Assurable Life	Antille, Eugene	239487987		02/01/2004		96.00	96.00

OK   Cancel   Help

The six commission records created from the policy have all been checked. This selects the records and moves their statuses to Reconciled. The Amount Posted value is now equal to the Amount Paid value. If the OK button is selected, the payment will be posted with a Reconciled status.

- The Amount Paid and Amount Posted values are equal. This payment will post as Reconciled.

- The Payment to Agents section shows what the agent, the supervisor, and the Agency will each receive from the highlighted commission record.

- Now that the commission records are selected, they move to Reconciled status and turn green.

The Posting will now display in the Commission Payments Summary list for the carrier. All of the information entered when adding the posting displays in the spreadsheet record. The record also displays the actual posted amount, so that you can track the differences involved in write-off's and open postings. Additionally, the Posted On column was added so that the actual date the posting was created could be captured. If the posting were to be deleted, all of the commission records selected in the posting would return to an Open status and would become selectable for future postings.

The posting record contains all of the commission records that were selected when the posting was created. To view the commission records and the payments to agents associated with a payment, either double-click the posting record or highlight the record and click the **Modify** button. Either process will open the Commission Payment Posting window for the posting record. The Payment Posting Record will only have the commission records selected when the posting was created.

- All of the information from the posting can be viewed by opening the posting record.

- The Payments to Agents commission breakdown information is also viewable.

- Only the commission records paid in the posting will display in the posting.

Agent/Broker/Producer Commissions Information

When commission records are created, the Agent/Producer records of the agents and supervisors in the policy's Supervisor Hierarchies receive a commission record for each premium type assigned them in the agent payout. The Agency will also receive a commission record for each premium type paid that has a positive or negative value remaining from the commission schedule.

- The Agent/Broker/Producer Information area holds information specific to each agent.
- The Commissions tab opens a spreadsheet that details all open and reconciled commissions for an agent.
- Daniel Odell is highlighted. Clicking the Commissions tab will show Daniel's Commissions list.

To access an agent's list of commissions, highlight the agent's name in the list of Agent/Producers and then click the **Commissions** tab. The Commissions tab will display a spreadsheet containing all commissions earned by the agent. You can sort or add filters to order the data or to see specific due and paid commissions.

- All of an agent's earned commissions display under the Commissions tab.
- The Status field shows whether the vendor has paid on a commission. A commission will either be Open or Reconciled.
- The commissions have been sorted in Statement Date order.

The Commissions screen displays detailed data about commissions due an agent and commissions that have been paid an agent. The example has been sorted to show the items with the most recent Statement Date first. If the Date of Payment values hold different dates than the Statement Date column, this reflects the receiving of a vendor's check, but that the check was not posted to CDS until later.

Understanding the Agent/Producer Commissions Screen

Policy No: The policy number of the policy that generated the commission due.

Status: The status of the commission payment due from the vendor, where Open means no payment from the vendor has been posted and Reconciled means the vendor has paid and the payment has been posted on the commission due.

Payment Type: The type of premium for which the commission is due.

Statement Date: The date on the vendor's commission payment, or a future date if future commissions are being paid.

Date of Payment: The date the commission payment was posted to CDS, usually equal to the Statement Date, but never greater than the Statement Date.

Expected: The agent's portion of the commission expected for the premium type.

Paid: The agent's portion of the amount of commission paid by the vendor for the premium type.

Difference: The difference between the commissions the agent should have received (Expected Commission) and the commissions the agent was paid.

For example, if Daniel Odell had six commission records listed that he earned for the Test policy and the Agency record is checked, the Agency could show 30 different commission components listed for Test. This is because the Agency is tied to all of the agents in the Supervisor Hierarchy and receives all commission balances, both positive and negative, to bring each agent/premium type to 100% commissions assigned.

Producing Commission Reports

Commission Reports are reports designed to show different views on commissions. Commission Reports can be run to show an agent's production, commissions for one to all agents from one to all vendors, commissions due pending cases, commission projections over a number of years, commissions due per month, commission reconciliations and commissions due with aging.

CDS includes 11 commission reports that were created using Crystal Reports. Each has the formatting and style of other Crystal Reports in Client Data System. Commission Reports' eleven commission reports have already been created. To access Commission Reports, begin from the CDS desktop. Select **Commission Reports** from the **Reports** menu to open the Commission Reports Setup dialog box.

One report has been created from each New Commission Report Setup tool report category with the default settings. The default settings for commission reports are: Sorting on Carrier Name, then Agent Name, then Policy Date, all Carriers selected, all Agents selected and Paid Business Only. The existing reports can be modified for any of the default selections, as can any of the default selections during the generation of the new report.

The 11 stock commission reports are: Aged Commissions Report, Agent Production, Annualized Premium Summary Report, Commission Production Summary Report, Commission Received Discrepancy Report, Commission Report, Commission Statements Report, Expected Commissions Forecast Report, Expected Pending Commissions Report, Reconciliation Report, and Unpaid Commission Report.

The process to modify a current report and the steps to create a new report use the same six steps. The only difference in creating and modifying commission reports is how the process begins and ends. To create a new commission report, click the **Add** button to open the 1 of 6 –Commission Report Setup – New dialog box.
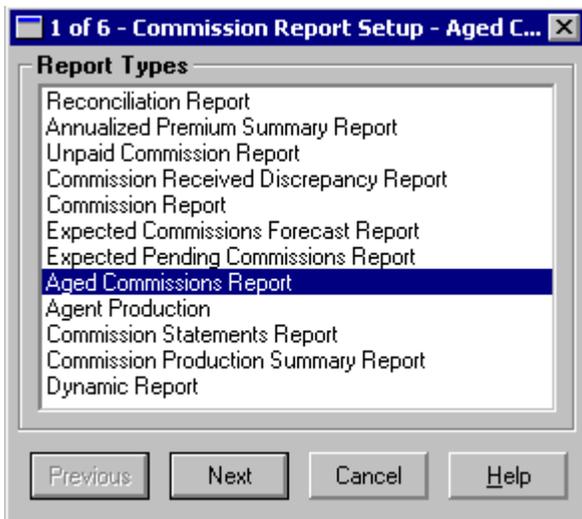
When creating a new report, select which Commission Report type to create. Typically, additional reports are created to focus on a specific group of agents or a specific vendor. To modify an existing report, highlight the existing report in the list of Commission Reports and then click the **Modify** button. The report type is already selected. With a report type selected, click the **Next** button to move to window 2 of 6 of the Commission Report Setup.

- Six different sort orders are available to customize the appearance of commission reports.

- The same six selections are available in the Primary, Secondary, and Tertiary drop-down lists. The choices are Carrier, Agent Name, Policy Number, Policy Date, Plan Name, and Client.

- Only the Primary Sort order is required. Changing the Primary Sort selection will blank the Secondary and Tertiary Sort drop-down lists.
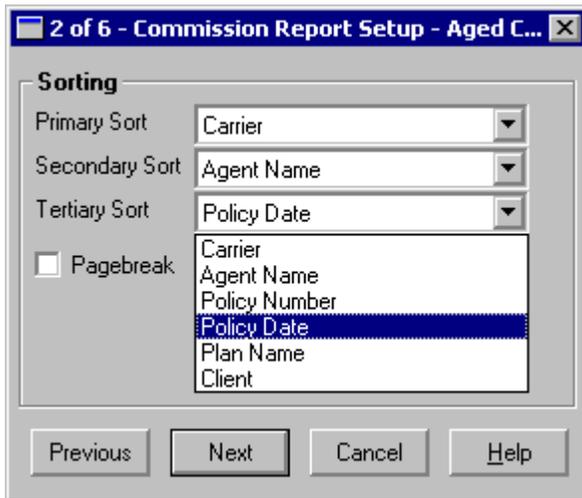
The Pagebreak option begins a new page for each new item in the Primary Sort. If Carrier is the Primary Sort selection, each carrier will have its commission date begin at the top of a new page.

Step 2 of 6 in the Commission Report Setup allows the selection of different sort orders in a report. This allows you to control the view of the report. Based on the sort order shown in the example the report will display all of the information for a single vendor, with the data organized under the vendor sorted alphabetically by agent name. If an agent has multiple policies to display in the report, the policies will display in order under the agent from earliest to most recent date order.

The selected sort order also affects the report calculations. Each carrier displayed from the Primary Sort will have a Total area at the end of all the carrier's records that are displayed. Within the each carrier's listing, each agent will have a Sub-Total listing for values on the policies. These Sub-Totals calculate to populate the Total value for the carrier. At the end of the report, the Total fields for all of the carriers are added and presented in the Grand Total field.

With the Carrier, Agent Name, Policy Date sort order, each carrier will only display once in the report, but each agent may appear multiple times, being able to display once under each carrier record. The importance of selecting the sort order is in determining whether you want collective data in the Total field for the carrier, for the agent, for the client, or for a policy.

Select the sort orders required for the report. By default, the sort order will be set to Carrier, Agent Name, and Policy Date. Selecting a different Primary Sort will clear the Secondary and Tertiary sort drop-down lists. A Primary Sort selection is required, but Secondary and Tertiary are not. If the Primary Sort is the only sort needed and the Secondary and Tertiary sort drop-down lists have selections, setting the Secondary Sort option to match the Primary Sort option will clear the Secondary and Tertiary Sort choices. Once the sort orders are set, click **Next** to advance to Step 3 of 6.

- Carrier Selection allows you to cater your reports to a specific vendor or group of vendors.
- When the Select All Carriers checkbox is checked, the Carrier Name spreadsheet will be blank. All carriers that have carriers that meet the reports criteria will display in the report.
- If names appear in the Carrier Name field, all carriers are not being used during the report generation.
- The Carriers Selection at Run Time option allows you to select the sort orders for the report at the time the report is being run.
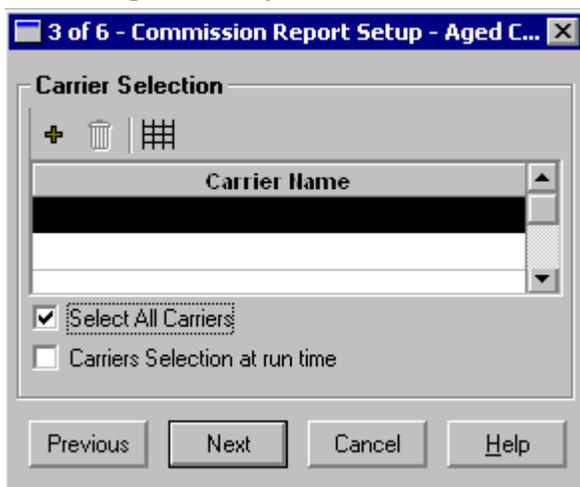
Step 3 of 6 in the Commission Report Setup process allows you to select the carriers that are to be included in the report. By default, the Select All Carriers checkbox is checked. If you need to run the report for a specific carrier or group of carriers, the carriers need to be added to the list.

To add carriers to the Carrier Selection list, click the **Add** button to open the Find Insurance Carrier Information dialog box. To select carriers from the list, select the checkbox to the left of the carrier name. When you have finished making your selections, click the **OK, Select** button to add the carriers to the Carrier Selection list.

The Carrier Selection spreadsheet now displays the carriers selected from the Insurance Carrier Information screen. When the report is run, only policies and commissions linked to the selected carriers will display in the report. To accept the Carrier Selection and move to Step 4 of 6, click the **Next** button.

- When the report is run, only policies linked to the selected carriers will appear in the report.
- If the Select All Carriers checkbox is unchecked, putting a checkmark in the checkbox will delete the selected carriers and instead use all carriers when generating the report
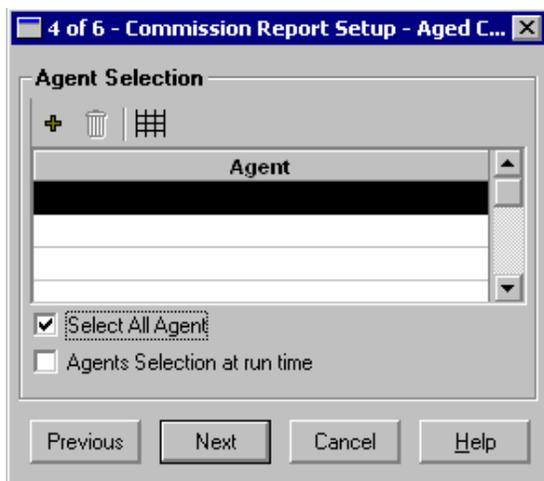
Step 4 of 6 of the Commission Report Setup process is used to select the agents that will be included in the report. By default, the Select All Agents option is selected, using all agents during the generation of the report. Selecting agents from the list works the same way the selection of carriers works. Click the **Add** button to open the Find Agent/Broker/Producer Information dialog box. Click **OK** to display the Contact Information list. Select the appropriate Agents and then click the **OK, Select** button.

The Agent Selection spreadsheet now displays the agents selected from the Agent/Broker/Producer Information dialog box. When the report is run, only policies and commissions linked to the selected agents will display in the report. To accept the Agent Selection and move to Step 5 of 6, click the **Next** button.

- Paid Business represents all policies with an Inforce status.
- Written Business represents all policies that are pending and are moving through the approval stage and will eventually move to Inforce.
- Inactive, declined, closed, and Expired are some of the policy statuses that will exclude a policy from being included in any of the Crystal Commission Reports.
- The policies that are excluded by the Paid and Written Business statuses can only be included in dynamic reports.
- The Options at run time checkbox allows you to select the Business Type when the report is run.
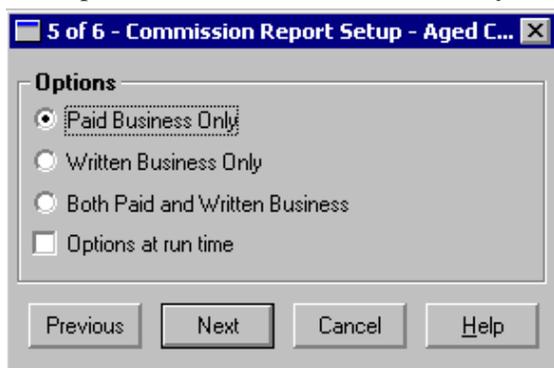
Step 5 of 6 in the Commission Report Setup process allows to you select the type of business the report will include: paid only, written only, or both paid and written business. Paid business includes all policies that have a status of Inforce. No other statuses are considered Paid Business. Written business is considered as policies that are in a pending-type status, such as Approved, Pending, and Issued. Statuses such as Declined, Deceased, and Expired will keep a policy from inclusion in all commission reports.

After you have made your selection for the type of business to include in the report and whether the selection is to be made at run time, click the **Next** button to advance to Step 6 of 6 in the Commission Report Setup dialog box.

- The Report Title is the name of the Report. The same Report Title can exist multiple times in the Commission Reports list.

- The description can help you discern what a commission report will do. Use this field to enter defining facts about the report.

- The Keywords field is used to help you search for a report in a list of reports. In cases where hundreds of commission reports exist, Keywords can help you find it quicker.

- The Report File is the name of the Crystal Report template the commission report definition will use to generate the report. Each Report Type has its own Crystal Report file.
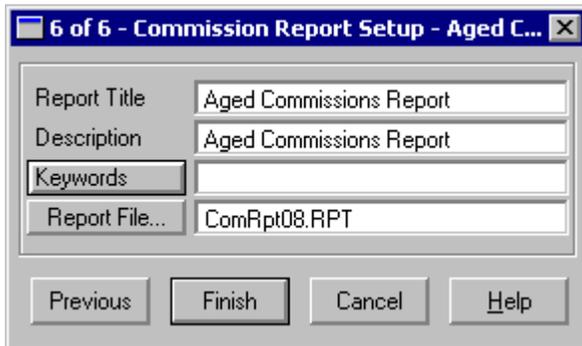
Step 6 of 6 in the Commission Report Setup process stores the file name of the commission report, any description and keywords you want to add to the report, and links the report you created or modified to the actual Crystal Report template in CDS. When you get to Step 6 of 6, the Report Title field will already be filled out. The Report Title will be the existing name of the report you chose to modify if doing a modification, or it will be the name of the Report Type initially highlighted in Step 1 of 6, Reconciliation Report.

If you decide to change the name of a report you are modifying, the new name will overwrite the old name. You will not have two versions of the report in the list. If you are creating a new report, give it a name that does not already exist in the list.

If the Report Title you enter matches a name already in the report list, a new report will still be created and duplicate names will appear in the list, even if the Report Types for the reports are the same. The name and description you give a report should reflect what the report does, who was selected, or the type of business included.

Each report is linked to a Crystal Report file in the system. The Crystal Report file contains all of the programming and formatting information for the report. The commission reports listed in the Commission Report Setup and the commission reports you create hold filtering information that is applied when you run the report and the system links to the linked Crystal Report file. The file shown in the Report File field is the linked Crystal Report template. Each Report Type listed in Step 1 of 6 links to a different Crystal Report template. One report exists for each Report Type that you can use as the base for creating commission reports. Each Report Type also links to a specific Crystal Report file.

The Report File column shows the name of the Crystal Report each Report Type uses to generate reports. If the linked report is ever deleted or changed from a commission report and the correct report needs to be re-linked, the Crystal Reports files are located at C:\CDSWin.svr\Reports, assuming the standard network installation was used. If the CDSWin.svr was not installed on the root of the C:\ drive, then the path to the reports folder is through whatever path includes your CDSWin.svr folder. If your installation is a Standalone installation, the path to your reports will be C:\Program Files\CDSWin\Reports.

Once a Report Title is entered and any description and keywords are entered, click the **Finish** button. You will be returned to the Commission Report Setup screen and your modified or newly created commission report is ready to be run. To run a commission report, highlight the report to be run and then click the **Run** button.

The Commission Report Run window opens. Two sets of criteria in the Run window have to be selected before the report will generate. The Date Range includes fields to set the From date and the Thru date. Both fields default to the current day's date. The date can be changed using the Calendar tool, or by typing the dates into the fields. Instead of using the dates in the From and Thru date field, you can also select from four Special Date Range options: Year-to-Date, Month-to-Date, Last 7 Days, and Last 30 Days. Selecting one of these options will overwrite the date information in the From and Thru fields with the information generated by the Special Date Ranges selection.

The second setting determines if the report will be based on the Payment Date, Commission Due Date, or Both Dates. By default, the Both Dates option is selected. Your Report Date Type selection is based on the type of report you are running and the information you want the report to display.

After the Date Range and Report Date Type are selected, click the **OK** button. The system will start to generate the commission records necessary to populate the Commission Report Table. Two progress windows will pop-up in succession. The more data to be considered in the report generation, the longer each progress window will take. A Year-to-Date report will take longer to generate than a Last 30 Days report. If the pop-up messages disappear quickly and the report immediately generates without any date, the date range was not long enough to capture any data. The date range needs to be extended.

Once the tables are finished populating, the Crystal Report template for the selected commission report will pull in the data from the commission report tables and generate the commission report. The report will display on the screen. The commission reports are designed to print on an 8.5" by 11" sheet of paper in Landscape. Depending on the size of your monitor and the screen resolution you use, you may need to scroll to see all of your data on each page of the report.

Each commission report displays a different set of data. The Commission Report shows Open and Reconciled commissions earned by the selected agents from the selected vendors. The report breaks down commissions earned by commission type. Different sorting options can be employed to display all of an agent's commissions, all of an agents commissions broken down per policy or carrier, or all commissions due to the Agency broken down per carrier.

Commission reports can also be exported through the use of the **Export** button. The report can be exported to a number of different formats, including Excel, HTML, PDF, CSV, and MS Word. The following example shows a Commission Report exported to Microsoft Word. All of the data from the report is exported, including the sorting, sub-totals, and grand total information. Exporting to a program like MS Word and MS Excel allows you to incorporate formatting tools, like graphics and charts, to present your data.

TESTING   Thursday, October 07, 2004
Commission Report by Carrier
From: 1/1/2004 Through: 10/7/2004

Policy Number	Policy Date	Commission Type	Payment Type	Client Name	Due Date	Status	Paid Date	Expected Amount	Paid Amount
Agent Name: Odell, Daniel									
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	5/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	7/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	9/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	1/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	3/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	2/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	4/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	6/9/2004	Open		13.50	0.00
AM451457	1/9/2001	Base	Base	Ackerman, Joseph	8/9/2004	Open		13.50	0.00
AM5413258	1/9/2001	Base	Override	Ackerman, Kathleen	1/9/2004	Open		2.25	0.00
AM5413258	1/9/2001	Base	Override	Ackerman, Kathleen	4/9/2004	Open		2.25	0.00
AM5413258	1/9/2001	Base	Override	Ackerman, Kathleen	7/9/2004	Open		2.25	0.00
92091745	1/11/2001	Base	Override	Hollister, Bertha	1/11/2004	Open		0.24	0.00
09332631	1/4/2001	Base	Base	Holman, Mariko	1/4/2004	Open		8.20	0.00
092837917	1/15/2001	Base	Override	Mineo, David	1/15/2004	Open		7.59	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	2/10/2004	Open		2.25	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	4/10/2004	Open		2.25	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	6/10/2004	Open		2.25	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	7/10/2004	Open		2.25	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	1/10/2004	Open		2.25	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	3/10/2004	Open		2.25	0.00
AM589944	8/10/2001	Base	Base	Nakamoto, Roy	5/10/2004	Open		2.25	0.00
06357914	5/5/2001	Base	Base	Nimersheim, Gene	5/5/2004	Open		24.84	0.00
06564680	5/29/2001	Base	Base	Tarumoto, Lucy	5/29/2004	Open		4.40	0.00
Sub Total Odell, Daniel								189.28	0.00
Agent Name: Paladian, Mark									
AM5413258	1/9/2001	Base	Base	Ackerman, Kathleen	1/9/2004	Open		52.50	0.00
AM5413258	1/9/2001	Base	Base	Ackerman, Kathleen	4/9/2004	Open		52.50	0.00
AM5413258	1/9/2001	Base	Base	Ackerman, Kathleen	7/9/2004	Open		52.50	0.00
Sub Total Paladian, Mark								157.50	0.00
Total								346.78	0.00
Grand Total								346.78	0.00

The following example shows the Expected Pending Commissions Report that was run for the Agency and for Daniel Odell. The report was run for Written Business Only and includes Year-to-Date information. The commission data that will populate the report is commissions that will be due on pending policies from January 1 through today's date.

- If a policy is Inforce, the Inforce/Pending column will display Inforce for the policy. Otherwise, the field is blank.

- The Agent Split field displays the Agent's split percentage on the policy. In the case of the Agency, no split value is assigned. The Agency receives all unassigned commissions received from the vendor.

- The Date Range selected when running the report bases inclusion on the report on the Due Date field. The Due Date is the date a premium becomes payable to the vendor.

- The Sub-Total field in this report is a sub total per carrier (sort order Agent then carrier), and the Total is for all carriers.

- The Grand total adds all of the Total fields together.

Expected Pending Commissions Report by Agent

From: 1/1/2004 Through: 10/7/2004

Policy Number	Case Number	Agent Split	Inforce/Pending	Policy/Case Date	Client Name	Commission Type	Payment Type	Due Date	Expected Commission
Agent Name: Agency									
Carrier: Applied American Life									
92091745		0.00		1/11/2001	Hollister, Bertha	Base	Base	1/11/2004	1.60
09332631		0.00		1/4/2001	Holman, Mariko	Base	Base	1/4/2004	0.91
092837917	552	0.00		1/15/2001	Mineo, David	Base	Base	1/15/2004	50.61
06357914		0.00		5/5/2001	Nimersheim, Gene	Base	Base	5/5/2004	2.76
06564680		0.00		5/29/2001	Tarumoto, Lucy	Base	Base	5/29/2004	0.49
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	1/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	2/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	3/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	4/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	5/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	6/9/2004	1.50
AM5413258	14757	0.00		1/9/2001	Ackerman, Kathleen	Base	Base	1/9/2004	15.00
AM5413258	14757	0.00		1/9/2001	Ackerman, Kathleen	Base	Base	4/9/2004	15.00
AM5413258	14757	0.00		1/9/2001	Ackerman, Kathleen	Base	Base	7/9/2004	15.00
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	1/10/2004	0.25
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	2/10/2004	0.25
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	3/10/2004	0.25
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	4/10/2004	0.25
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	5/10/2004	0.25
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	6/10/2004	0.25
AM589944		0.00		8/10/2001	Nakamoto, Roy	Base	Base	7/10/2004	0.25
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	7/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	8/9/2004	1.50
AM451457	4574	0.00		1/9/2001	Ackerman, Joseph	Base	Base	9/9/2004	1.50
Sub Total Applied American Life									**116.62**
Total									**116.62**

Expected Pending Commissions Report by Agent

From: 1/1/2004 Through: 10/7/2004

Policy Number	Case Number	Agent Split	Inforce/Pending	Policy/Case Date	Client Name	Commission Type	Payment Type	Due Date	Expected Commission
Agent Name: Odell, Daniel									
Carrier: Applied American Life									
AM451457	4574	100.00		1/9/2001	Ackerman, Joseph	Base	Base	6/9/2004	13.50
AM451457	4574	100.00		1/9/2001	Ackerman, Joseph	Base	Base	7/9/2004	13.50
AM451457	4574	100.00		1/9/2001	Ackerman, Joseph	Base	Base	8/9/2004	13.50
AM5413258	14757	0.00		1/9/2001	Ackerman, Kathleen	Base	Override	4/9/2004	2.25
AM5413258	14757	0.00		1/9/2001	Ackerman, Kathleen	Base	Override	7/9/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	1/10/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	2/10/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	3/10/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	4/10/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	5/10/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	6/10/2004	2.25
AM589944		100.00		8/10/2001	Nakamoto, Roy	Base	Base	7/10/2004	2.25
92091745		0.00		1/11/2001	Hollister, Bertha	Base	Override	1/11/2004	0.24
09332631		100.00		1/4/2001	Holman, Mariko	Base	Base	1/4/2004	8.20
092837917	552	0.00		1/15/2001	Mineo, David	Base	Override	1/15/2004	7.59
06357914		100.00		5/5/2001	Nimersheim, Gene	Base	Base	5/5/2004	24.84
06564680		100.00		5/29/2001	Tarumoto, Lucy	Base	Base	5/29/2004	4.40
AM451457	4574	100.00		1/9/2001	Ackerman, Joseph	Base	Base	1/9/2004	13.50
AM451457	4574	100.00		1/9/2001	Ackerman, Joseph	Base	Base	9/9/2004	13.50
AM5413258	14757	0.00		1/9/2001	Ackerman, Kathleen	Base	Override	1/9/2004	2.25
Sub Total Applied American Life									**189.28**
Total									**189.28**
Grand Total									**305.89**

For all of the commission reports in the Crystal Report format, you can select the agents, the carriers, the date range, and the type of business. These selections control the data that will populate the reports. But because Crystal Reports are programmed reports, not just spreadsheets, no modifications to the formatting of the Crystal Reports is possible. If you need a customized Crystal Report, you will need to talk with your sales representative about having a customized report created for your company and about the costs involved.

Aged Commission Report

The Aged Commissions Report shows open commission items with aging from 0-29 days, 30-59 days, 60-89 days, 90-119 days, and 120+ days. The report is typically run with Carrier as the Primary Sort to track current and overdue commission payments from vendors. The Primary Sort could be set to Agent to track overdue commissions to agents. The aging is calculated as the current date minus the Commission Due date.

Aged Commissions Report by Carrier

From : 1/1/2004 Through: 10/7/2004

Policy Number	Policy Date	Agent Name	Commission Type	Client Name	Status	0-29	30-59	60-89	90-119	120+	Total
Carrier: Applied American Life											
Agent Name: Agency											
AM451457	1/9/2001	Agency	Base	Ackerman, Joseph	Open	1.50	0.00	0.00	0.00	0.00	1.50
AM451457	1/9/2001	Agency	Base	Ackerman, Joseph	Open	0.00	1.50	0.00	0.00	0.00	1.50
AM451457	1/9/2001	Agency	Base	Ackerman, Joseph	Open	1.50	0.00	0.00	0.00	0.00	1.50
AM451457	1/9/2001	Agency	Base	Ackerman, Joseph	Open	0.00	1.50	0.00	0.00	0.00	1.50
06984222	5/4/1995	Agency	Base	Ohara, Sammy	Open	0.40	0.00	0.00	0.00	0.00	0.40
06984222	5/4/1995	Agency	Base	Ohara, Sammy	Open	0.00	0.00	0.40	0.00	0.00	0.40
06984222	5/4/1995	Agency	Base	Ohara, Sammy	Open	0.00	0.40	0.00	0.00	0.00	0.40
06984222	5/4/1995	Agency	Base	Ohara, Sammy	Open	0.40	0.00	0.00	0.00	0.00	0.40
06984222	5/4/1995	Agency	Base	Ohara, Sammy	Open	0.00	0.00	0.40	0.00	0.00	0.40
06984222	5/4/1995	Agency	Base	Ohara, Sammy	Open	0.00	0.40	0.00	0.00	0.00	0.40
06357914	5/5/2001	Agency	Base	Nimersheim, Gene	Open	0.00	0.00	0.00	0.00	2.76	2.76
AM554125	6/9/2000	Agency	Base	Ackerman, Joseph	Open	0.00	0.00	0.00	7.50	0.00	7.50

Agent Production Report

The Agent Production Report shows the production by agents within a given date range. Production is considered policies that are Inforce and generating commissions. In order for a policy and its commissions to be included in the report, commission records have to have been created on the policy. Also, in order for the complete list of policies under each agent or carrier to display, the Tertiary Sort selection must be set to Policy Number, Plan Name, or Policy Date. Only commissions that become due within the date range are calculated in the total field.

TESTING   Thursday, October 07, 2004

Agent Production Report by Agent

From : 10/7/1994 Through: 10/7/2004

Policy Number	Policy Date	Carrier	Policy Type	Client Name	Commissionable Annual Premium	Annual Premium	New/Renewal
Agent Name: Antonsen, Robert							
u	1/1/1996	Colony Life	Life	Halverson, Randall	16,000.00	4,000.00	New
Case Count : 1		Total			16,000.00	4,000.00	
Agent Name: Odell, Daniel							
06357914	5/5/2001	Applied American Life	Life	Nimersheim, Gene	345.00	600.00	Renewal
06564680	5/29/2001	Applied American Life	Life	Tarumoto, Lucy	61.17	734.04	Renewal
09332631	1/4/2001	Applied American Life	Life	Holman, Mariko	91.12	1,093.44	Renewal
09347488	2/1/1995	Applied American Life	Life	Ericson, Nancy	700.44	700.44	Renewal
09389493	12/22/1993	Applied American Life	Life	Nelson, Yolanda	700.00	700.00	Renewal
239487987	2/1/1998	Applied American Life	Life	Antille, Eugene	1,200.00	1,200.00	Renewal
42390073	4/4/1992	Applied American Life	Life	Garrison, Harold	680.00	680.00	Renewal
6203915	1/15/1991	Applied American Life	Life	Le Duque, Joanne	1,310.25	1,310.25	Renewal
92046291	1/28/1992	Applied American Life	Life	Bicosta, Stephen	1,800.00	720.00	Renewal
92193584	6/2/1995	Applied American Life	Life	Osterman, Karen	1,800.00	1,800.00	Renewal
92773528	9/15/1995	Applied American Life	Life	Wolton, Peter	5,600.00	5,600.00	Renewal
93066438	11/26/1994	Applied American Life	Life	Yamagata, Yoshio	2,400.00	2,400.00	Renewal
AM17864	6/25/2001	Applied American Life	Life	Ackerman, Kathleen	600.00	600.00	New
AM451457	1/9/2001	Applied American Life	Life	Ackerman, Joseph	1,800.00	1,800.00	Renewal
AM4871129	2/14/2000	Applied American Life	Life	Christiansen, Carolina	1,800.00	1,800.00	New
AM554125	6/9/2000	Applied American Life	Life	Ackerman, Joseph	2,000.00	2,000.00	Renewal
AM589944	8/10/2001	Applied American Life	Life	Nakamoto, Roy	300.00	300.00	Renewal
test	1/1/2004	Applied American Life	Life	Anthony, Brian	1,000.00	3,800.00	New
Case Count : 18		Total			24,187.98	27,838.17	

Annualized Premium Summary Report

The Annualized Premium Summary Report displays a list of policies, their modal premiums, annual premiums, and commissionable premium amounts. As with other commission-based reports, only policies that have had commission records created for them can appear in this report. The From and Thru dates selected when running the report will impact the field values as will the actual Policy Date on the policy.

Annualized Premium Summary Report by Carrier

From : 1/1/2004 Through : 10/7/2004

Policy Number	Policy Date	Client Name	Carrier	Product	Commissionable Annual Premium	Annual Premium	Mode	Modal Premium
Carrier: Applied American Life								
test	1/1/2004	Anthony, Brian	Applied American Life	Test	0.00	0.00	Semi Annua	
test	1/1/2004	Anthony, Brian	Applied American Life	Test	2,400.00	2,400.00	Semi Annua	2,400.00
92123432	12/23/1995	Vasquez, Kyle	Applied American Life	Revolutionary	8,304.00	8,304.00	Monthly	692.00
92091745	1/11/2001	Hollister, Bertha	Applied American Life	Assurable Life	5,000.00	5,000.00	Annual	5,000.00
934567892	3/13/1997	Gueller, Frances	Applied American Life	Assurable Life 5	2,500.00	2,500.00	Monthly	2,500.00
test	1/1/2004	Anthony, Brian	Applied American Life	Test	219.72	219.72	Semi Annua	
92091745	1/11/2001	Hollister, Bertha	Applied American Life	Assurable Life	0.00	0.00	Annual	
6915570	8/18/1999	Farmer, Eileen	Applied American Life	American Level 20	0.00	0.00	Monthly	
Total					**18,423.72**	**18,423.72**		**10,592.00**
Carrier: Bankers Coverage Life								
5342484	9/1/1994	Killinger, Ethel	Bankers Coverage Life	Preferred Whole Life	0.00	0.00	Annual	
Total					**0.00**	**0.00**		
Carrier: Colony Life								
u	1/1/1996	Halverson, Randall	Colony Life	Select-20	0.00	0.00	Quarterly	
u	1/1/1996	Halverson, Randall	Colony Life	Select-20	0.00	0.00	Quarterly	
u	1/1/1996	Halverson, Randall	Colony Life	Select-20	0.00	0.00	Quarterly	
Total					**0.00**	**0.00**		

Commission Production Summary Report

The Commission Production Summary Report displays a total of all commissions due an agent by premium type and per carrier. The report can be sorted by agent or by carrier. A Tertiary Sort option is not available. The report also breaks down the commissions by First Year commissions and Renewal commissions. Only commissions that are generated from the Base Commissionable Premium are shown.

Commission Production Summary Report

From: 1/1/2004 Through: 7/10/2004   Page 1 of 2

Commission: First Year

Carrier	Base	Rider	Level 1	Level 2	Level 3	Level 4	Level 5	Total Commission
Agent Name: Agency								
Applied American Life	$ 90.00	$ 0.00	$ 195.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 285.00
Bankers Coverage Life	$ 1,307.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 1,307.00
Colony Life	$ 144.00	$ 0.00	$ 200.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 344.00
Nations Life Insurance	$ 453.06	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 453.06
Prevention Life	$ 3,403.58	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 3,403.58
Prudent Insurance Comp	$ 644.92	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 644.92
Agent Name: Antonsen, Robert								
Colony Life	$ 3,240.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 3,240.00
Agent Name: Odell, Daniel								
Applied American Life	$ 720.00	$ 0.00	$ 300.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 1,020.00
Agent Name: Russom, Mike								
Applied American Life	$ 90.00	$ 0.00	$ 5.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 95.00
Colony Life	$ 216.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 216.00
Total Commission:	$ 10,308.57	$ 0.00	$ 700.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 11,008.57

Commission: Renewal

Carrier	Base	Rider	Level 1	Level 2	Level 3	Level 4	Level 5	Total Commission
Agent Name: Agency								

Commission Received Discrepancy Report

The Commission Received Discrepancy Report shows the differences in payments received from a vendor and the expected commissions you should receive from the vendor. In order for a short- or over-payment to display in this report, an adjusting entry must be created in the vendor's posting for the differing amount paid and assigned to an agent in the adjustment. The Agent Payout will then calculate the agents' and agency's adjusted totals based on the Agent Payout.

TESTING   Thursday, October 07, 200

Commission Received Discrepancy Report by Carrier

From: 10/7/1990 Through: 10/7/2004

Policy Number	Policy Date	Commission Type	Payment Type	Carrier	Product Name	Client Name	Due Date	Expected Amount	Paid Date	Paid Amount	Differenc
Carrier: Applied American Life											
Agent Name: Agency											
6203915	1/15/1991	Base	Base	Applied American Life	Whole Executive Life	Le Duque, Joanne	1/15/1993	13.10		0.00	13.1
Sub Total Agency								**13.10**		**0.00**	**13.1**
Agent Name: Odell, Daniel											
6203915	1/15/1991	Base	Base	Applied American Life	Whole Executive Life	Le Duque, Joanne	1/15/1993	117.92		0.00	117.9
Sub Total Odell, Daniel								**117.92**		**0.00**	**117.9**
Total								**131.03**		**0.00**	**131.0**
Grand Total								**131.03**		**0.00**	**131.0**

Commission Report

The Commission Report shows a detailed list of all created commission records that included the agent in the Supervisor Hierarchy. Commission records will either be Open, meaning no payment has been posted from the vendor for the associated commission, or Reconciled, meaning the Agency has received a payment from the vendor for the commission and the payment has been posted. The report can be run with six different Primary Sort fields, with the remaining sort fields available as the Secondary and Tertiary Sort Order selections. The Commission Report includes the Commission Type, Due Date, Paid Date and Status fields, fields not shown in the Commission Statements Report.

Commission Report by Agent

From: 1/1/2004 Through: 10/7/2004

Policy Number	Policy Date	Commission Type	Payment Type	Client Name	Due Date	Status	Paid Date	Expected Amount	Paid Amount
Agent Name: Antonsen, Robert									
Carrier: Colony Life									
u	1/1/1996	Base	Base	Halverson, Randall	1/1/1996	Reconciled	9/7/2004	3,240.00	3,240.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/1997	Reconciled	9/7/2004	180.00	180.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/1998	Reconciled	9/7/2004	180.00	180.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/1999	Reconciled	9/7/2004	180.00	180.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/2000	Open		180.00	0.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/2001	Open		180.00	0.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/2002	Open		180.00	0.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/2003	Open		180.00	0.00
u	1/1/1996	Base	Base	Halverson, Randall	1/1/2004	Open		180.00	0.00
Sub Total Colony Life								**4,680.00**	**3,780.00**
Total								**4,680.00**	**3,780.00**
Agent Name: Odell, Daniel									
Carrier: Applied American Life									
06357914	5/5/2001	Base	Base	Nimersheim, Gene	12/27/2003	Open		24.84	0.00
06564680	5/29/2001	Base	Base	Tarumoto, Lucy	10/7/2004	Open		4.40	0.00
06564680	5/29/2001	Base	Base	Tarumoto, Lucy	10/7/2003	Reconciled	8/11/2004	4.40	4.40

Commission Statements Report

The Commission Statements Report is similar to the Commission Report but contains some different fields. The columns included in the Commission Statements Report that are not available in the Statement Report are: Case Number, Carrier, Product, and Statement Date. Status and Due Date are not shown in this report.

Commission Statements Report by Agent

From : 1/1/2004 Through: 10/7/2004

Policy Number	Case Number	Policy Date	Carrier	Product	Client Name	Statement Date	Expected Amount	Paid
Agent Name: Odell, Daniel								
Carrier: Applied American Life								
AM589944		8/10/2001	Applied American Life	Continental Max	Nakamoto, Roy		2.25	0.00
AM589944		8/10/2001	Applied American Life	Continental Max	Nakamoto, Roy		2.25	0.00
test		1/1/2004	Applied American Life	Test	Anthony, Brian	9/22/2004	360.00	360.00
test		1/1/2004	Applied American Life	Test	Anthony, Brian	9/22/2004	280.00	280.00
test		1/1/2004	Applied American Life	Test	Anthony, Brian	9/22/2004	150.00	150.00
test		1/1/2004	Applied American Life	Test	Anthony, Brian	9/22/2004	360.00	360.00
test		1/1/2004	Applied American Life	Test	Anthony, Brian	9/22/2004	280.00	280.00
test		1/1/2004	Applied American Life	Test	Anthony, Brian	9/22/2004	150.00	150.00
Sub Total Applied American Life							3,069.12	2,171.35
Total							3,069.12	2,171.35
Agent Name: Paladian, Mark								
Carrier: Applied American Life								
92123432		12/23/1995	Applied American Life	Revolutionary	Vasquez, Kyle		24.22	0.00
92123432		12/23/1995	Applied American Life	Revolutionary	Vasquez, Kyle		24.22	0.00
92123432		12/23/1995	Applied American Life	Revolutionary	Vasquez, Kyle		24.22	0.00
92123432		12/23/1995	Applied American Life	Revolutionary	Vasquez, Kyle		24.22	0.00
92123432		12/23/1995	Applied American Life	Revolutionary	Vasquez, Kyle		24.22	0.00
92123432		12/23/1995	Applied American Life	Revolutionary	Vasquez, Kyle		24.22	0.00
Sub Total Applied American Life							145.32	0.00

Expected Commissions Forecast Report

The Expected Commissions Forecast Report is used to forecast commissions earned over a date range. The example below was run from the current date to 2 years in the future. The report was run with Agent selected as the Primary Sort order. The report will display a month-by-month breakdown of what each agent is expected to earn from the paid and written business (Both Paid and Written Business was selected) through October 8, 2006. If the report were run with Carrier as the Primary Sort order, the expected commissions the Agency is scheduled to receive from each vendor each month would have displayed instead of the agents' portions of the expected commissions. Also, if no one is scheduled to receive a commission in a month, no column will display for that month.

Expected Commissions Forecast Report by Agent

From : 10/8/2004 Through: 10/8/2006

Year : 2004	Oct	Nov	Dec	Total
Agency	21.04	42.45	143.97	207.46
Odell, Daniel	31.63	34.63	61.63	127.90
Paladian, Mark	52.50			52.50
Ridder, Nancy	7.00	7.00	7.00	21.00
Singer, Edward	5.25			5.25
Warnings, Eileen	3.17	3.17	3.17	9.51
Total	120.59	87.25	215.78	423.62

Year : 2005	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Agency	248.23	15.64	9.04	21.04	45.11	12.79	77.04	6.04	72.14	21.04	41.87	141.14	711.09
Antonsen, Robert	180.00												180.00
Odell, Daniel	131.59	115.78	56.38	31.63	58.63	90.13	105.63	29.38	36.13	31.63	29.38	36.13	752.42
Paladian, Mark	103.22			52.50			52.50			52.50			260.72

Expected Pending Commissions Report

The Expected Pending Commissions Report allows you to display a list of Inforce and Pending commissions that will become due in a specific date range. Like the Expected Commissions Forecast Report, you can select a future date range. The difference between the Forecast and Pending reports is that the Expected Pending Commission Report shows a detailed list of all of the policies with commissions becoming due during the date range instead of just a total value of the commissions becoming due. The report includes Client Name, Agent Split, Commission Type, Payment Type, and Due Date columns. Each agent is sub-totaled within each carrier and then each carrier is totaled for the Grand Total.

TESTING   Friday, October 08, 2004

Expected Pending Commissions Report by Carrier

From: 10/8/2003 Through: 10/8/2006

Agent Name	Policy Number	Case Number	Policy/Case Date	Agent Split	Inforce / Pending	Client Name	Commission Type	Payment Type	Due Date	Expected Commission
Carrier: Colony Life										
Agent Name: Agency										
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2001	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2000	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/1996	144.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/1996	200.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/1997	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/1997	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/1998	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/1998	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/1999	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/1999	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2000	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2001	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2002	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2002	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2003	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2003	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2004	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2004	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2005	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2005	40.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Base	Base	1/1/2006	8.00
Agency	u		1/1/1996	0.00	Inforce	Halverson, Randall	Level1	Override	1/1/2006	40.00
Sub Total Agency										**824.00**
Agent Name: Antonsen, Robert										
Antonsen, Robert	u		1/1/1996	100.00	Inforce	Halverson, Randall	Base	Base	1/1/1996	3,240.00
Antonsen, Robert	u		1/1/1996	100.00	Inforce	Halverson, Randall	Base	Base	1/1/1997	180.00

Reconciliation Report

The Reconciliation Report is used to view payments received from the Vendor by your Agency, or payments received by your agents from your Agency, and check for any shortages or over-payments on commissionable items. The Expected Amount of each commission item and the actual Paid Amount are displayed. The Sub-Total and Total amounts alert you to discrepancies with the Expected Amount and Paid Amount fields are out of balance.

Reconciliation Report by Agent

From : 10/8/2000 Through: 10/8/2004

Policy Number	Policy Date	Carrier	Due Date	Expected Amount	Statement Date	Paid Amount
Agent Name: Ridder, Nancy						
Carrier: Applied American Life						
934567892	3/13/1997	Applied American Life	9/13/2000	7.00	12/29/2000	7.00
934567892	3/13/1997	Applied American Life	12/13/2000	7.00	3/30/2001	7.00
934567892	3/13/1997	Applied American Life	3/13/2001	7.00	5/31/2001	7.00
934567892	3/13/1997	Applied American Life	5/13/2001	7.00	7/31/2001	7.00
982734882	1/15/1997	Applied American Life	10/15/2000	175.00	12/29/2000	175.00
982734882	1/15/1997	Applied American Life	1/15/2001	175.00	3/30/2001	175.00
982734882	1/15/1997	Applied American Life	4/15/2001	175.00	5/31/2001	175.00
982734882	1/15/1997	Applied American Life	10/15/2000	175.00	12/29/2000	175.00
982734882	1/15/1997	Applied American Life	1/15/2001	175.00	3/30/2001	175.00
982734882	1/15/1997	Applied American Life	4/15/2001	175.00	5/31/2001	175.00
982734882	1/15/1997	Applied American Life	1/15/2004	175.00	9/15/2004	175.00
Sub Total Applied American Life				1,319.86		1,319.86
Total				1,319.86		1,319.86
Agent Name: Russom, Mike						
Carrier: Applied American Life						
test	1/1/2004	Applied American Life	7/1/2004	45.00	9/22/2004	45.00
test	1/1/2004	Applied American Life	7/1/2004	7.00	9/22/2004	7.00
test	1/1/2004	Applied American Life	7/1/2004	2.50	9/22/2004	2.50
test	1/1/2004	Applied American Life	1/1/2004	45.00	9/22/2004	45.00
test	1/1/2004	Applied American Life	1/1/2004	7.00	9/22/2004	7.00
test	1/1/2004	Applied American Life	1/1/2004	2.50	9/22/2004	2.50

Unpaid Commission Report

The Unpaid Commission Report shown below complements the Reconciliation Report. The Unpaid Commission Report is used to view all of the Open status commissionable items waiting to be paid. Until a payment is posted from the vendor and the commission item is selected during the posting, the commissionable item will display in this report when the applicable Date Range is selected when the report is run.

The Unpaid Commission Report can show you what each vendor owes your agency, what each agent is owed from each vendor or policy, or what the vendor owes the Agency or each agent on each policy. If you are expecting a payment from a vendor on a commission item and an open commission record does not appear in the Unpaid Commission Report, then the commission record most likely has not been created. In order for a commissionable item to appear in the Unpaid Commission Report, it must be unpaid, and Create Commission Records must have been run on the policy and the Due Date of the commissionable item must have fallen within the Date Range selected when commission records were created.

Unpaid Commission Report by Carrier

From : 1/1/2004 Through: 10/8/2004

Policy Number	Commission Type	Payment Type	Client Name	Product	Due Date	Expected Amount
Carrier: Applied American Life						
Agent Name: Odell, Daniel						
AM17864	Base	Base	Ackerman, Kathleen	American Level 10	9/25/2004	2.25
AM17864	Fee	Fee	Ackerman, Kathleen	American Level 10	9/25/2004	4.50
920331435	Base	Override	Ackerman, Joseph	Assurable Life	7/21/2004	12.00
AM589944	Base	Base	Nakamoto, Roy	Continental Max	8/10/2004	2.25
AM589944	Base	Base	Nakamoto, Roy	Continental Max	9/10/2004	2.25
AM589944	Base	Base	Nakamoto, Roy	Continental Max	8/10/2004	2.25
AM589944	Base	Base	Nakamoto, Roy	Continental Max	9/10/2004	2.25
6915570	Base	Override	Farmer, Eileen	American Level 20	6/18/2004	0.03
6915570	Base	Override	Farmer, Eileen	American Level 20	7/18/2004	0.03
6915570	Base	Override	Farmer, Eileen	American Level 20	8/18/2004	0.03
6915570	Base	Override	Farmer, Eileen	American Level 20	9/18/2004	0.03
92773528	Base	Base	Wolton, Peter	Assurable Life	9/15/2004	403.20
92123432	Base	Override	Vasquez, Kyle	Revolutionary	7/23/2004	1.04
92123432	Base	Override	Vasquez, Kyle	Revolutionary	8/23/2004	1.04
92123432	Base	Override	Vasquez, Kyle	Revolutionary	9/23/2004	1.04
92123432	Base	Override	Vasquez, Kyle	Revolutionary	7/23/2004	1.04
92123432	Base	Override	Vasquez, Kyle	Revolutionary	9/23/2004	1.04
92123432	Base	Override	Vasquez, Kyle	Revolutionary	8/23/2004	1.04
Sub Total Odell, Daniel						897.77
Agent Name: Paladian, Mark						
92123432	Base	Base	Vasquez, Kyle	Revolutionary	7/23/2004	24.22
92123432	Base	Base	Vasquez, Kyle	Revolutionary	8/23/2004	24.22
92123432	Base	Base	Vasquez, Kyle	Revolutionary	9/23/2004	24.22
92123432	Base	Base	Vasquez, Kyle	Revolutionary	7/23/2004	24.22
92123432	Base	Base	Vasquez, Kyle	Revolutionary	9/23/2004	24.22
92123432	Base	Base	Vasquez, Kyle	Revolutionary	8/23/2004	24.22
Sub Total Paladian, Mark						145.32

The Commission Reports in the Crystal Reports format are not the only reports available for commissions. The Commission Reports offer you a lot of different views using different sets of information. If none of the Crystal Report Commission Reports offer you the collective data you need, you can create Dynamic Reports based on the three available commission tables. As mentioned earlier, you can also have custom Crystal Reports created to meet your needs. The costs of custom reports are dependant on the customizations needed and the time involved in programming the report. Contact your sales representative for more information on customizing Crystal Reports.

Using CTM - Commission Tracking System Scenarios

Two walk-through scenarios have been included with this guide. The first walk-through takes you through setting up commissions for a policy with a single agent. The second walk-through takes you through setting up commissions for a policy with split agent payouts. The scenarios take place in the stock DEMO database that is installed with the base Client Data System installation. If your DEMO database has been deleted, or if you have connection problems to the DEMO database, contact our technical support staff for assistance in reinstalling and connecting your DEMO database.

CTM Scenario 1: One Agent Receives a 100% Commission Split

What you will do in the Single Agent Walk-through

1. Create a Vendor with assigned risk classes.
2. Create an annuity life product for the vendor.
3. Add a sub-account to the VA product.
4. Create a commission schedule for the product.
5. Create an Agent Payout schedule (default) for agents.
6. Add a policy to a client in the database.
7. Create commission records for the policy.
8. View the commission splits in the commission records.
9. Post a check from the Vendor.
10. Reconcile commission records.
11. Run a Commission Report.
12. Run an Expected Pending Commissions Report.

Create a Vendor and assign Risk Classes

1. Click the **Vendor** button.
2. Enter Vendor Name: **Grand 45**.
3. Click the **Save** button to open the Risk Class choice window. Click **Yes** to begin selecting the Risk Classes. If no Risk classes are selected for a Vendor, they will not be available to select when creating products for the vendor.
4. Select the Risk Classes offered by the vendor: **Standard, Non-Smoker, Rated, and Cigarettes**. Risk classes that are not included in CDS by default can be added in on this screen
5. Click the **Save & Close** button. Your Vendor is now created with the minimum info required.

Create a Product

1. Click the **Products** tab within the Vendor screen (Products can all be added by returning to the CDS main screen and clicking on the Product Insurance button. You will have to use this method if standard policy modal fees and/or state availabilities need to be set.)
2. Click the **Add Record** button. A Quick Add Products dialog box opens.
3. Enter the Product Name: **Test Annuity**.
4. Enter the Code: **A101**.
5. Select the Insurance Type from the drop-down list: select **Annuity**. Because we are already within a vendor record, the product is assigned to this vendor.
6. The product we are creating is going to be a variable annuity with sub-accounts. To access the tab associated with variable annuities, select the **Variable Product** option under **Options**. The VA Sub-Account tab becomes available from the Product Insurance screen. This is where you will go to add the sub-accounts for this product. Click the **Save** button.
7. The Select the Risk Class window opens. You need to select which risk classes this product covers (important if also using the Pending Case Module). Select all four risk classes and then click **OK**.
8. Click the **OK** button to create the product. You will be returned to the Product/Rider screen.

Add a VA Sub-Account

1. Double-click the **Test Annuity** record in the Insurance Carriers Summary list. You will be taken to the Test Annuity Life summary page.
2. Click on the **VA Sub-Account** tab.
3. Click the **Add** button. The VA Sub-Account entry window opens.
4. Enter in the information for the sub-account:

   - Sub-Account = **Test SA**.
   - CUSIP/Port ID = **222333444**.
   - Asset Class, select **Equity Assets**.
   - Current Price = **5,000.00**.
   - As of Date = **Today's Date**.
   - Price Factor = **1.0**.
   - Fixed Price = **unchecked**.

5. Click the **OK** button to finish.

Create a Commission Schedule

1. Within this product, click the **Commission Schedule** tab. This schedule determines the payment from the vendor to the agency. Click the **Add** button.
2. Enter a name for the commission schedule. Enter: **Standard**.
3. The Paid Mode selection determines how often the vendor will pay the agency, with choices of Annualized, Annualized First Year Only, or As Paid. Select: **Annualized**.
4. The Flat Amount refers to a flat commission amount that is paid during the first year of the policy. If the Paid Mode is Annualized, the entered value is the value paid. If As Paid is selected, the value is paid with each modal payment the first year as determined by the Policy. Enter **$100.00**.
5. The Default Schedule option will determine if this payout schedule is to be the default payout schedule for this product. Different bandings can be set up for Age, Face Amounts, as well as Excess Commissions and Premium Banding (available when the Premium Banding option is selected). Here, we will stick with the standard commission schedule and set this commission schedule as the **Default**. Select the Default Schedule option.
6. Next, we create the First Year and Renewal commission schedules. Under Commission Schedule, click the **Add** button to open the Commission Schedule Details dialog box. The **From Years** number will always be the year following the last year entered in the commission record and it is not modifiable. For example, if Year 1-1 is created now, the next entry created will be populated with 2 in the From Year box. Enter the following information:

   - Thru Years: **1.**
   - Base Points: **70** (this number will be divided by 100 in the calculations. Do not enter .70 to represent 70% or points).
   - Level 1: **10** (Level 1 – 5 are overrides and are based on the commission).
   - Click **OK** to save the First year commission schedule.
   - Click the **Add** button again and create the commission schedule for years **2-4** with a **10%** commission on base.

- Click the **Add** button again to create the commission schedule for years **5-12** with a **5%** commission on base.

7. Click **Save** and then click the **OK** button to save the commission schedule.

Create an Agent Payout Schedule

1. You have a choice of creating a Standard Payout or an Agent Payout Schedule. The Standard Payout is designed to create a payout for many agents. In this case, the payout is for a single agent so we will click the **Agent Payout** tab. This payout applies to this agent/product only.

2. Click the **Add** button to open the Agent Payout Creation dialog box.

3. The Name field is the name for this payout. Give it a name that you can associate with this product so that it is easy to pick out of a list. We will call this payout: **Test Agent Payout**.

4. Since we are working on the Agent Payout tab within the Product screen, **Test Annuity** is already populated for us.

5. Click **Writing Agent** that becomes a link to the Agent/Producer list. This is where the writing agent for this policy will be selected. Select: **Daniel Odell**.

6. The Supervisor assignment is typically performed on the Agent/Producer info screen. Selecting a supervisor here would overwrite the hierarchy that is in place by default. We will leave it blank.

7. Since this is the only payout (or would be the most common payout) for Daniel Odell and this product, we select the Default Payout Schedule option. Box: **Checked**.

8. The Writing Agent Payment Schedule determines what the agent will be paid on this policy. Two choices exist in the drop-down list. Expected Commission means the agent commission will be calculated against the percentage of the premium paid to the agency (determined by the commission schedule). The Premium selection gives the agent a commission based off the full premium. Daniel's schedules will pay him 80% of Expected Commission of Base only, in both the First Year and Renewal years. He will receive 80% of what the agency receives from the vendor on the base only for as long as the commission schedule is in effect. Set the Base Percentage to **80%** in the **First Year** and **Renewal** Percent columns. In each of the associated Percent Of drop-down lists, select: **Expected Commission**.

9. If you had assigned a Supervisor on this screen, we could click on the Show Supervisor's Schedule. Entering data here is the same as for the Agent's payout screen with one difference. The Percent Of drop-down list has one more choice, Agent Pay, that bases the commission amount the supervisor receives on the amount of commission the agent received on the policy.

Add a Policy to a Client

1. Policies are added from the Policy screen. From the CDS desktop, click the **Policy** button to open the Find Policy dialog box.

2. Do not enter any information and click the **OK** button.

3. Click the **Add** button.

4. In the Select Policy Type window, select **Annuity** and then click the **OK** button.

5. On the Basic Information tab, click the **Primary Contact** button. Search through your list of database contacts. Select **Harold Garrison** by highlighting his name and then click the **OK, Select** button. You can also click the **Add** button here to add a new contact to the database, if needed. Harold Garrison will now display in the Primary Contact field.

6. Give the policy a policy number. Enter **TA101**.

7. Click **Carrier** to open the Find Insurance Carrier Information dialog box. Earlier, we created a vendor called Test Vendor. Enter **Grand 45** in the Name field of the Find window and then click the **OK** button.

8. Test Vendor should be the only record found. It should be highlighted in a spreadsheet. Click the **OK, Select** button to accept this choice. You will be returned to the Basic Information screen and Test Vendor will now display in the Carrier text box.

9. Click the textbox to the right of Plan Name/Code. A drop-down list displays and you will be presented with a list of all annuity products offered by Test Vendor. Select **Test Annuity**. The Code and Insurance Type boxes will populate with information from the Product screen.

10. Enter in the Policy Date/Age for this policy. We will use a date from May of 1999 so that we generate commission records for multiple years. Enter: **05/01/1999.** The information that displays in the Age box is the age of the primary contact on the day of the Policy Date.

11. We next select the Primary Agent for this sale. By default, the agent associated with this CDS login will populate this text field. We will accept this selection of **Daniel Odell**.

12. The Premium/Mode textbox and drop-down list will determine the premiums paid to the vendor per year. The cost of this policy is $500 per quarter. In the textbox, enter **500.00**. In the drop-down list, select **Quarterly**. The commissionable premium box should populate with 500.00 and the Ann.Prem box with 2,000.00.

13. In order to create commission records, policies must be INFORCE. The first field of the Status/Paid To area is a drop-down list. Select: **Inforce.**

14. Click the **Save** button. You will be prompted three times. The first prompt asks you about assigning additional agents to the policy. Click **No**. The next prompt is to assign Interested Parties. We have no changes to make, so click **Close**. The final prompt is to Create Commission Records. We want you to see the Related Agent List before creating commission records to verify that an Agent Payout has been assigned. Click **No**.

15. The policy is now finished with minimal entries. If the Agent Payout we created earlier had not been set as the default payout for this product, the Agency would receive all commissions. To ensure the Agent Payout is assigned, locate the Primary Agent's name you selected earlier. Click the **Selection (…)** button.

16. The Related Agent List opens with the Writing Agent's name listed in the spreadsheet. The percentage reads 100% because this is the only agent associated with this sale. We created an Agent Payout schedule for this agent and this product earlier and made it the default. Because we did this, the Agent Payout column will be populated with the name of the schedule assigned.

17. Click the **Close** button. The payout is assigned and commission records can be created. New Commission Records use the percentages of the commission schedule and agent payouts assigned at the time of creation. If presented with a prompt to Create Commission Records, click **No**.

Create Commission Records for a Policy

1. Commission records are created within each individual policy screen. First, a commission schedule needs to be assigned to the policy. We already created a commission schedule for this product earlier, so it is already assigned to this policy. If we needed to create a commission schedule, or needed to select a different schedule, we would select **Assign a Commission Schedule** from the **Tools** drop-down list.

2. Since we have a commission schedule assigned, select **Create Commission Records** from the **Tools** drop-down list.

3. A Date Range dialog box will already have a date range from the policy inception to today's date populated. Change the Thru Date Range to **11/01/2004**. To accept the date range, click the **OK** button.

4. A List of Commission Records for the Test Annuity window displays. A record for each payment due date and commission type will display in the spreadsheet. Here is a breakdown of what you should see (customize the layout to display these columns):

	Type	Policy Date	Policy No	Due Commission	Expected	Component Premium
	Base	05/01/1999	TA101	05/01/1999	1,400.00	2,000.00
	Flat	05/01/1999	TA101	05/01/1999	100.00	100.00
	Level1	05/01/1999	TA101	05/01/1999	200.00	100.00
	Base	05/01/1999	TA101	05/01/2000	200.00	2,000.00
	Base	05/01/1999	TA101	05/01/2001	200.00	2,000.00
	Base	05/01/1999	TA101	05/01/2002	200.00	2,000.00
	Base	05/01/1999	TA101	05/01/2003	100.00	2,000.00
	Base	05/01/1999	TA101	05/01/2004	100.00	2,000.00

View Commission Splits

1. The List of Commission Records shows a value that is based on the Commission Schedule and represents the total payment from the Vendor to the Agency. Until a check is posted from the vendor, and a record is selected as a record to reconcile with the payment, it will remain open.

2. To view the splits based on Agent Payouts, Supervisor Overrides, and Agency Net, highlight the payment you want to expand into splits and then click the **Show** button.

3. The expected values based on the payouts will each display as individual records.

4. The expected commissions for Years 1, 2, and 5 are listed below. All commission splits listed are an 80/20 split, except for the Override. No override payments were set in Odell's agent payout. Because of this, 100% of the Level 1/Override 1 goes to the Agency. The Levels/Overrides 1 through 5 are all computed against the base premium amount.

Year 1 Base Commission (05/01/1999)

Agent No		Policy No	PayType	Status	ExpComm
Odell, Daniel		TA101	Base	Open	1,120.00
Agency		TA101	Base	Open	280.00

Year 1 Flat Commission (05/01/1999)

Agent No		Policy No	PayType	Status	ExpComm
Odell, Daniel		TA101	Flat	Open	80.00
Agency		TA101	Flat	Open	20.00

Year 1 Override Commission (05/01/1999)

Agent No	Policy No	PayType	Status	ExpComm
Agency	TA101	Base	Open	200.00

Year 2 Base Commission (05/01/2000)

Agent No	Policy No	PayType	Status	ExpComm
Odell, Daniel	TA101	Base	Open	160.00
Agency	TA101	Base	Open	40.00

Year 5 Base Commission (5/1/2003)

Agent No	Policy No	PayType	Status	ExpComm
Odell, Daniel	TA101	Base	Open	80.00
Agency	TA101	Base	Open	20.00

Post a Payment Received from a Vendor

1. From the CDS desktop, click the **Vendor** button.
2. A search dialog box opens. Type in **Grand 45** and then click **OK**.
3. Click the **Postings** tab.
4. We will be adding a new payment from the vendor. Click the **Add** button. The Commission Payment Posting window opens.
5. Enter in **Today's Date** in the Statement Date field. Tab down to the Check Number field. The Date of Payment field will populate.
6. Enter in the check number of the check you received from the vendor. Enter: **1001**.
7. Tab to the Amount Paid field. Enter the Amount of the check received. Enter **2500** and then click the **OK** button.

Reconcile Commission Records

1. The Commission Payment Posting dialog box opens with a spreadsheet of commission records available to apply payments against. Placing a checkmark to the left of the record will add it to the list of commission records to be reconciled. The amount expected box displays the total outstanding commission expected from this vendor. Amount Paid is the amount of the current check. The Amount Posted keeps a running total of the commissions checked. Select each of the listings for Policy No. **TA101**. The Amount Posted should equal the Amount Paid. This will move this Posting into the Status of Reconciled.
2. Click the **OK** button.
3. If the amount of the check does not exactly match the commission records checked, you will have an option of writing off the difference. If No is selected, the posting will stay open until more commission records can be applied to the payment. This does not affect the commission records that were selected to be reconciled. They will display as reconciled in the Agents' Commission screens.

Run the Commission Report

1. From the CDS desktop, select **Commission Reports** from the **Reports** drop-down menu to open the Commission Report Setup list.

2. Select **Commission Report** and then click the **Modify Record** button.

3. Keep the settings for Steps 1 of 6 and 2 of 6. In Step 3 of 6, click the **Add Record** button to open the Find Insurance Carrier Information dialog box. Click **OK** to display the vendor list, select **Grand 45** and then click the **OK, Select** button. Grand 45 will be the only vendor listed in the list for Step 3 of 6. Click **Next**.

4. Click **Next** through Step 4 of 6. Step 5 of 6 should have **Paid Business Only** selected. Click **Next** to move on to Step 6 of 6, which already has all of the correct information. Click **Finish**.

5. You are returned to the Commission Report Setup screen. With Commission Report highlighted, click the **Run** button. The date range that populates by default is today's date in both the To and From fields. Keep the date range and then click the **OK** button to display the commission report.

Commission Report by Agent

From : 11/2/2004 Through : 11/2/2004

Policy Number	Policy Date	Commission Type	Payment Type	Client Name	Due Date	Status	Paid Date	Expected Amount	Paid Amount
Agent Name: Agency									
TA101	5/1/1999	Level1	Override	Garrison, Harold	5/1/1999	Reconciled	11/2/2004	200.00	200.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2000	Reconciled	11/2/2004	40.00	40.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2001	Reconciled	11/2/2004	40.00	40.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2002	Reconciled	11/2/2004	40.00	40.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2003	Reconciled	11/2/2004	20.00	20.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2004	Reconciled	11/2/2004	20.00	20.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/1999	Reconciled	11/2/2004	280.00	280.00
TA101	5/1/1999	Flat	Flat	Garrison, Harold	5/1/1999	Reconciled	11/2/2004	20.00	20.00
Total								**660.00**	**660.00**
Agent Name: Odell, Daniel									
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/1999	Reconciled	11/2/2004	1,120.00	1,120.00
TA101	5/1/1999	Flat	Flat	Garrison, Harold	5/1/1999	Reconciled	11/2/2004	80.00	80.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2000	Reconciled	11/2/2004	160.00	160.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2001	Reconciled	11/2/2004	160.00	160.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2002	Reconciled	11/2/2004	160.00	160.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2003	Reconciled	11/2/2004	80.00	80.00
TA101	5/1/1999	Base	Base	Garrison, Harold	5/1/2004	Reconciled	11/2/2004	80.00	80.00
Total								**1,840.00**	**1,840.00**
Grand Total								**2,500.00**	**2,500.00**

6. The Commission Report shows commission breakdowns by agent and carrier, policy information, due dates, payment status and amounts paid. For the current scenario, the following totals display:

- The Agency will receive $660 from 5/1/99 through 5/1/04.
- Daniel Odell will receive $1840 from 5/1/99 through 5/1/04.
- The Total received by the Agency will be $2500.

Run an Expected Pending Commissions Report

1. From the CDS desktop, select **Commission Reports** from the **Reports** drop-down menu to open the Commission Report Setup list.

2. Select **Expected Pending Commissions Report** and then click the **Modify Record** button.

3. Keep the settings for Step 1 of 6 and 2 of 6. In Step 3 of 6, click the **Add Record** button to open the Find Insurance Carrier Information dialog box. Click the **OK** button to display the vendor list. Select **Grand 45** and then click the **OK, Select** button. Test Vendor will be the only vendor listed in the list for Step 3 of 6. Click **Next**.

4. Click **Next** through Step 4 of 6. Step 5 of 6 should have **Written and Paid Business** selected. Click **Next.**

5. Step 6 of 6 already has all of the correct information. Click **Finish**.

6. You are returned to the Commission Report Setup screen. With Commission Report highlighted, click the **Run** button. Set the date range to run through **12/31/2006** and then click the **OK** button. The Expected Commissions Forecast Report displays.

7. The following amounts will display in the commission report:
   - **Agency:** Three $20 payments on the dates for 05/01/2004, 05/01/2005, and 05/01/2006.
   - **Daniel Odell:** Three $80 payments on the dates for 05/01/2004, 05/01/2005, and 05/01/2006.
   - **Yearly payments due:** On 05/01/1999 through 05/01/2006.

This concludes the Commission Tracking Walk-through for a single agent on a policy. The same scenario you just completed can be used with any product type. The Variable Annuity was selected for the scenario because it included the most steps. If you want to repeat the scenario with a different product type, skip over the steps for adding subaccounts to the product. You can also vary the amounts assigned to the policy to see the effects on the reports.

CTM Scenario 2: Two Agents Receiving a 60/40 Commission Split with a Supervisor Attached to the 60% Split Agent

The Two Agent Split Commission scenario can be performed without first going through CTM Scenario 1. Scenario 2 walks you through adding a Term Life policy to an already existing client in the DEMO database. The Vendor and the Term Life product already exist. The process will take you through the Related Agent List and the Policy Agent Relationship screens, plus show you what an Expected Commission Forecasting Report looks like for the assigned agents.

What you will do in the Split Commissions Walk-through

1. Add a policy to a client in the database.
2. Modify the Primary Agent's split percentage value.
3. Create the Primary Agent's payout.
4. Add a secondary agent on the policy.
5. Create the secondary agent's payout.
6. Create a Commission Schedule for the product.
7. Create commission records for the policy.
8. View the commission splits in the commission records.
9. Post a check from the Vendor.
10. Reconcile commission records.
11. Run a Commission Statement Report.
12. Run an Expected Commissions Forecast Report.

Add a Policy to a Client

1. From the CDS desktop, click the **Policies** button to open the Find Policy dialog box. Enter **Horley, E** in the Primary Contact field and then click the **OK** button to display the Contact List.
2. With the Horley, Elan record selected, click the **OK, Select** button to return to the Find Policy dialog box.
3. Click the **OK** button to open the All Policies [By Primary Contact] – Horley, Elan Summary. A list of policies held by Elan Horley will display. Elan Horley is buying a new Term Life policy. To add the new policy, click the **Add Record** button to open the Select Policy Type dialog box.
4. Select **Life** and then click the **OK** button.

5. The Primary Contact field should already show Elan Horley's name. In the Policy# field, Enter **SPA201**.

6. Click the **Carrier** field button to open the Find Insurance Carrier Information dialog box. Enter **Colony Life** in the Name field and then click the **OK** button.

- Colony Life should be the only record found in the Insurance Carrier Information window. It should be highlighted in the list. Click the **OK, Select** button to accept this choice. You will be returned to the Basic Information screen and Colony Life will now appear in the Carrier text box.

- Click the textbox to the right of Plan Name/Code. A drop-down box displays and you will be presented with a list of all Life products offered by Colony Life. Choose **Select-20** from the drop-down list. The Code, if any, and Insurance Type boxes will populate with information from the Product screen. The Insurance Type box will populate with **Term**.

- Enter the Policy Date/Age for this policy. Enter: **07/01/2004**. The information that displays in the Age box is the age of the primary contact on the day of the Policy Date.

- Next, select the Primary Agent for this sale. By default, the agent associated with the Demo user on the DEMO database will populate this text field because the user's login is linked to the Daniel Odell agent record in the User's Profile. The actual primary agent on this policy is going to be Stanley Summers. To select **Stanley Summers** as the Primary Agent:
  o Remove Daniel Odell's name from the Primary Agent field.
  o Click the **Primary Agent** button.
  o Enter **Summers** in the Find Agent/Broker/Producer Information dialog box and then click the **OK** button.
  o Stanley Summers will display in the Agent List. His record will be highlighted. Click the **OK, Select** button to return to the Policy Basic Information screen.

8. The Premium/Mode textbox and drop-down will determine the premiums paid to the vendor per year. The cost of this policy is $140 per month. In the Premium textbox, enter **140.00**. In the Premium drop-down list, select **Monthly**. The commissionable premium box should populate with 140.00 and the Ann.Prem box with 1,680.00.

9. The vendor is going to charge the client a $15 modal fee for paying monthly instead of annually. The modal fee is commissionable. To add the Modal Fee, click the **Commissionable Prem** button to open the Premium Breakdown dialog box.

10. The Modal Fee Premium field holds the Modal Fee value. Type **15** in the Modal Fee Premium textbox.

11. Click the **OK** button to return to the Policy Basic Information screen. The Premium field has been updated to show 155.00 and the Ann. Prem field shows 1,860.00. These changes reflect the addition of the modal fee.

12. In order to create commission records, policies must be INFORCE. The first field of the Status/Paid To area is a drop-down list. Select: **Inforce**.

13. The policy now has all of the required information and is ready to be saved. To save the policy, click the **Save** button.

Modify an Agent's Split Percentage

1. Now that the policy is saved, you will be prompted by a message to make changes to the primary agents split percentage when multiple agents are assigned commissions on the policy. The split percentage of the Primary Agent must first be reduced prior to assigning additional agents. Click the **Yes** button.

2. The Related Agent List displays. Stanley Summers name displays. The corresponding Percentage% field will read 100.00. This value needs to be changed. With Stanley's record highlighted, click the **Modify Record** button.

3. The Policy Agent Relationship dialog box displays. Delete the Percentage% field value of 100.00. In its place, type in **60.** Click the **OK** button. You will be returned to the Related Agent List.

Create the Primary Agent's Payout

1. The Percentage% field for the Primary Agent now reads 60, but the Payout field is blank. This means that no default Agent Payout has been assigned to the agent on the product. An Agent Payout is going to need to be created. In order to create or assign an Agent Payout to the agent in the Related Agent List, the Policy Agent Relationship window needs to be reopened. With Stanley Summers highlighted, click the **Modify Record** button.

2. The Policy Agent Relationship dialog box displays. The Payout field is blank. When an Agent Payout is assigned, the name of the payout populates the Payout field. To add or assign a payout, click the **Payout** field button.

3. The Agent Payout window displays a list of payouts that have been created for this agent on the product being sold. For this policy, a new payout is going to be needed. To create a new Agent Payout, click the **Add Record** button. The Agent Payout Scheduling dialog box opens.

4. Enter the following data for the Agent Payout:

   - Name: **Prim90**.
   - Default Payout Schedule: **Checked**.
   - First Year Base: Percent = **90**.
   - First Year Base: Percent Of = **Expected Commission**.
   - First Year Fee: Percent = **90**.
   - First Year Fee: Percent Of = **Expected Commission**.
   - Renewal Base: Percent = **90**.
   - Renewal Base: Percent Of = **Expected Commission**.
   - Renewal Fee: Percent = **90**.
   - Renewal Fee: Percent Of = **Expected Commission**.
   - Click the **Show Supervisor's Schedule** button. The Agent Payout view will switch to the Supervisor Payment Schedule.
   - Click the **Supervisor** field button to open the Find Agent/Broker/Producer Information dialog box.
   - Enter **Odell** in the Last Name field and then click the **OK** button.
   - The Agent List displays. Daniel Odell is selected. Click the **OK, Select** button to select Daniel as the Supervisor for Stanley Summers. Odell, Daniel will populate the Supervisor field.
   - First Year Base: Percent = **8**.
   - First Year Base: Percent Of = **Expected Commission**.
   - First Year Fee: Percent = **25**.
   - First Year Fee: Percent Of = **Expected Commission**.
   - Renewal Base: Percent = **8**.
   - Renewal Base: Percent Of = **Expected Commission**.

- Renewal Fee: Percent = **25**.
- Renewal Fee: Percent Of = **Expected Commission**.

5. Click the **OK** button to accept the Agent Payout settings

6. You will be returned to the Agent Payouts list and the payout you just created will be highlighted in the list. Click the **OK, Select** button to select the new payout for the agent. You will be returned to the Policy Agent Information screen.

7. The Supervisor Hierarchy will now display the actual percentage the agents will receive based on the Agent Payout and the Split Percentage. Click the **OK** button to accept the payout assignment. You will be returned to the Related Agent Payout dialog box. A payout will now display for Stanley Summers in the spreadsheet.

Add a Secondary Agent for the Policy

1. The second agent can now be added to the policy. To add the second agent, click the **Add Record** button to open the Policy Agent Relationship dialog box. The Policy No, Role, and Percentage% fields will already be populated.

2. The secondary agent on the policy is going to be Norma Peterson. Click the Agent textbox and then enter **Peterson** in the textbox. Press the **Tab** key to open the Agent List.

3. Norma Paterson will already be highlighted in the Agent List. To accept Norma as the second agent on the policy, click the **OK, Select** button to return to the Policy Agent Relationship dialog box.

4. The Agency only pays 90% of expected commissions to its agents. The Primary Agent was assigned 60% of the expected commission, leaving a 40% remainder. Since the Agency requires 10%, this leaves 40% to be assigned the secondary agent. Change the 40 Percentage% field value to **30**.

Create the Secondary Agent's Payout

1. Norma Peterson also needs an assigned Payout in order to get paid. Click the **Payout** field name to open the Agent Payout window.

2. No Payouts exist for Norma Peterson on this product so a Payout will need to be created. Click the **Add Record** button to open the Agent Payout dialog box.

3. Enter the following data for the Agent Payout:
- Name: **Second90**.
- Default Payout Schedule checkbox: **Checked**.
- First Year Base: Percent = **90**.
- First Year Base: Percent Of = **Expected Commission**.
- First Year Fee: Percent = **90**.
- First Year Fee: Percent Of = **Expected Commission**.
- Renewal Base: Percent = **90**.
- Renewal Base: Percent Of = **Expected Commission**.
- Renewal Fee: Percent = **90**.
- Renewal Fee: Percent Of = **Expected Commission**.

4. Click the **OK** button to accept the Agent Payout settings

5. You will be returned to the Agent Payouts list and the payout you just created will be highlighted in the list. Click the **OK, Select** button to return to the Policy Agent Information screen.

6. The Supervisor Hierarchy will now display the actual percentage the agents will receive based on the Agent Payout and the Split Percentage. Click the **OK** button to return to the Related Agent Payout dialog box. A payout will now display for Norma Peterson in the spreadsheet.

7. Click the **Close** button to return to the Policy screen.

8. You may be prompted for the Interested Parties on the policy at this point or another point in the process. You can add a beneficiary to the Interested Parties list, or you can click Close. Neither option will affect the commission creation process.

Create a Commission Schedule for the Product

1. You will next be presented with a message prompting that "No Default Commission Schedule" has been assigned to this product and if you would like to create one. Click **Yes** to open the Commission Schedule Assignment dialog box.

2. The Commission Schedule Assignment window displays a list of available Commission Schedules for this product. The Commission Schedule you want to use does not currently exist so a new schedule will need to be created. Click the **Add Record** button to open the Commission Schedule dialog box.

3. In the General Information area, enter the following for the Schedule Name: **Select85**.

4. In the Paid Mode drop-down list, select the Paid Mode: **Annualized First Year Only**.

5. This will be the default commission schedule for this product. Select the Default Schedule option.

6. The yearly commission percentage schedules need to be created. To create the commission schedule for the first year, click the **Add Record** button to open the Commission Schedule Details dialog box.

7. The From (Years) field is already populated with the number 1. Enter the following information to create the balance of the commission schedule:
   - Thru [Years] = **1**.
   - Base Points = **85**.
   - Fee Points = **85**.

8. Click the **OK** button to accept the commission schedule for Year 1.

9. The commission percentages need to be added for the years following the first year. The carrier will typically pay less in Year 2 on. In this instance, the carrier will pay 7.5 percent for the Base premium and 12% for the Fee. Click the **Add Record** button to enter the following information in the corresponding fields:
   - Thru [Years] = **8**.
   - Base Points = **7.5**.
   - Fee Points = **12**.

10. Click the **OK** button to accept the commission schedule for Years 2-8.

11. The second Commission Schedule year banding will display in the list. Click **OK** to return to the Commission Schedule Assignment window.

12. The newly created commission schedule will be highlighted in the list of commission schedules. Click the **OK** button to return to the Policy screen.

13. You will be prompted if you want to create commission records. If you already know how to create commission records through the Tools menu, click **Yes** and skip Step 7.a. Otherwise, click **NO** and continue to Step 7.a.

Create Commission Records for the Policy

1. The commission records for the policy are ready to be created. From the Policy screen, select **Create Commission Records** from the **Tools** menu.

2. When run from within a single policy, the From and Thru dates of the Date Range are populated with the Policy Date value and the current date's value. All due commissions that have not been created during the date range will now be created. Click the **OK** button to accept the date range and create commission records.

View the Commission Splits in the Commission Records

1. The List of Commission Records For: SPA201 dialog box displays. The window will display a spreadsheet of all newly created commission records. For the first year, since Annualized First Year Only was selected in the Commission Schedule, only two commission records will be created. In Years 2-8, a total of 24 commission records will be created for each year, or two per month to represent a Base payment and a Fee payment.

2. Each Commission Record includes a view of the split payments as determined by the supervisor hierarchies on the policy. To view the agent splits for a payment, highlight a commission record and then click the **Show** button. In this instance, highlight the Base commission record from **07/01/2004** and then click the **Show** button.
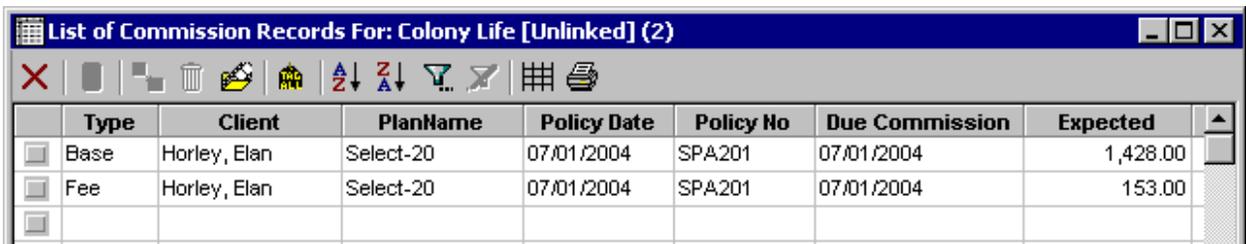
	Type	Client	PlanName	Policy Date	Policy No	Due Commission	Expected
	Base	Horley, Elan	Select-20	07/01/2004	SPA201	07/01/2004	1,428.00
	Fee	Horley, Elan	Select-20	07/01/2004	SPA201	07/01/2004	153.00

Clicking the **Show** button opens the Agent's Commission Postings window. You should expect to see this information in the Agent's Commission Postings window.
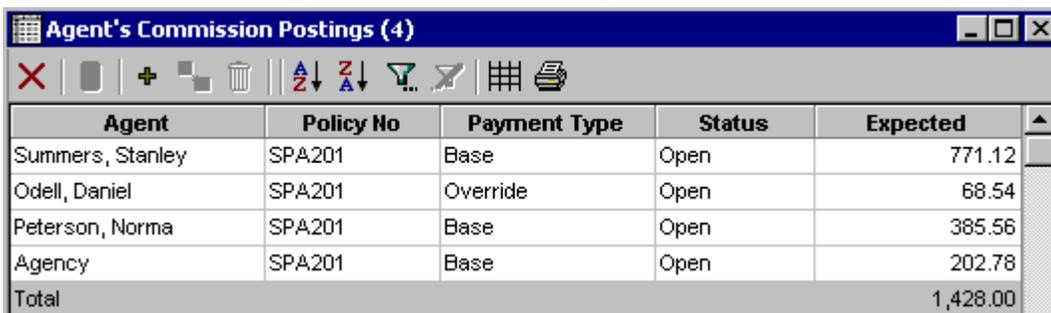
Agent	Policy No	Payment Type	Status	Expected
Summers, Stanley	SPA201	Base	Open	771.12
Odell, Daniel	SPA201	Override	Open	68.54
Peterson, Norma	SPA201	Base	Open	385.56
Agency	SPA201	Base	Open	202.78
Total				1,428.00

3. The $1428.00 represents the amount of commission expected from the carrier on the base commission the first year. After paying the agents per the Agent Payouts, the balance of $202.78 goes to the Agency.

Post a Check from the Vendor

Once commission records have been created, payments from the carrier can be posted against them. Close all windows until you are back at the CDS desktop and then click the **Carrier Insurance** button.

- A Search dialog box displays. Type in **Colony** and then click **OK**. The Colony Life Detail screen will display.

- Click the **Postings** tab. The Postings tab shows a list of payments received from the vendor, the amounts of the postings, and the statuses of the postings.

- We will be adding a new payment from the vendor. Click the **Add Record** button to open the Commission Payment Posting window.

- Enter in **Today's Date** in the Statement Date field. Tab down to the Check Number field. The Date of Payment field will populate.

- Enter in the check number of the check you received from the vendor. Enter: **2501**.

- Tab to the Amount Paid field. Enter the Amount of the check received. Enter **1581** and then click **OK**.

Reconcile Commission Records

1. The Commission Payment Posting window will open with a spreadsheet of commission records available to apply payments against.

2. Placing a checkmark to the left of the record will add it to the list of commission records to be reconciled. The amount expected box displays the total outstanding commission expected from this vendor. Amount Paid is the amount of the current check. The Amount Posted box keeps a running total of the commissions checked.

3. Select each of the listings for Policy No. **SPA201**. The Amount Posted should equal the Amount Paid. This will move this Posting into the Status of Reconciled. The highlighted Commission Paid on record displays the corresponding Agent payments above.

4. After both of the commission records for the 07/01/2004 Due Date are selected, the Amount Posted value will be equal to the Check's value. Reconciled commission records also change from black to green in the list. When all the appropriate commission records have been selected, click **OK**. The record will display in the Commission Payments Summary Spreadsheet.

5. If the amount of the check does not exactly match the commission records checked, you will have an option of writing off the difference. The balance will be added to or subtracted from the Agency. If No is selected, the posting will stay open until more commission records can be applied to the payment. This does not affect the commission records that were selected to be reconciled. They will appear as reconciled in the Agents' Commission screens.

Run a Commission Statement Report

1. Close all windows until you are back at the CDS desktop. Select **Commission Reports** from the **Reports** menu and then select **Commission Statement Report** from the list.

2. Click the **Modify Record** button.

3. Keep the settings for Steps 1 of 6. For Step 2 of 6, select **Agent** as the Primary Sort and **Carrier** as the Secondary Sort. Click **Next**.

4. In Step 3 of 6, click the **Add** button. In the vendor list, select only **Colony Life** and then click the **OK, Select** button. Colony Life will be the only vendor listed in the list for Step 3 of 6. Click **Next**.

5. Click **Next** through Step 4 of 6. Step 5 of 6 should have **Paid Business Only** selected. Click **Next** to move to Step 6, which already has all of the correct information. Click **Finish.**

6. You will be returned to the Commission Report Setup screen. With Commission Statement Report highlighted, click the **Run** button. The date range that populates by default is today's date in both the To and From fields. Keep the date range and then click **OK**. The commission report will generate.

7. You should see these amounts listed in the commission report:
   - Agency: $ 245.62 Total
   - Odell, Daniel: $ 91.49 Total
   - Norma Peterson $ 426.87 Total
   - Stanley Summers $ 817.02 Total
   - Grand Total: $1581.00 Total

Run an Expected Commissions Forecast Report

1. The Expected Commissions Forecast Report allows you to see how much commission your Agency and agents can expect to receive per month over a date range. In this scenario, we will look at how much this policy will generate in commissions in 2005 and 2006. To run this report. Close all windows until you are back at the CDS desktop. Select **Commission Reports** from the **Reports** menu and then select the **Expected Commissions Forecast Report** from the list.

2. Click the **Modify Record** button.

3. Keep the settings for Step 1 of 6. Click **Next** to advance to Step 2 of 6.

4. In Step 2 of 6, select **Agent** as the Primary Sort. Click **Next** to advance to Step 3 of 6.

5. In Step 3 of 6, click the **Add** button. In the vendor list, select only **Colony Life** and then click the **OK, Select** button. Colony Life will be the only vendor listed in the list for Step 3 of 6. Click **Next**.

6. Click **Next** through Step 4 of 6. In Step 5 of 6, select both **Paid** and **Written Business** from the options. Click **Next**.

7. Step 6 of 6 already has all of the correct information. Click **Finish.**

8. You are returned to the Commission Report Setup screen. With Expected Commissions Forecast Report highlighted, click the **Run** button. Set the date range from **01/01/2005** to **12/31/2006** and then click **OK**. The Expected Commissions Forecast Report displays.

9. You should see these amounts listed in the commission report:

Expected Commissions Forecast Report by Agent
From : 1/1/2005 Through : 12/31/2006

Year : 2005	Jul	Aug	Sep	Oct	Nov	Dec	Total
Agency	2.00	2.00	2.00	2.00	2.00	2.00	11.97
Odell, Daniel	0.77	0.77	0.77	0.77	0.77	0.77	4.64
Peterson, Norma	3.32	3.32	3.32	3.32	3.32	3.32	19.93
Summers, Stanley	6.21	6.21	6.21	6.21	6.21	6.21	37.26
Total	12.30	12.30	12.30	12.30	12.30	12.30	73.80

Year : 2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Agency	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	23.94
Odell, Daniel	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	9.29
Peterson, Norma	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	39.85
Summers, Stanley	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21	74.52
Total	12.30	12.30	12.30	12.30	12.30	12.30	12.30	12.30	12.30	12.30	12.30	12.30	147.60

The report shows a breakdown of what each agent will receive per month for a two-year period. Notice that no payments are shown from January through June in 2005. This is because the only policy generating commissions from Colony Life during that time span is the Spa201 policy. The Paid Mode of the policy is Annualized First Year Only. All of the first year's commissions were received 7/1/2004.

This concludes Scenario 2, the Commission Tracking Walk-through for split agents on a policy. The same scenario you just completed can be used with any product type and any number of additional agents and linked supervisors. The scenario can also be repeated with the selection of different products from the database, or you can add your own products. Vary the amounts assigned to the policy to see the effects on the reports and run different reports, with different sort orders and date ranges, to see how the data is presented.

Troubleshooting Tips

Issue: No Commission Records are Generated when Create Commission Records is Run

1. The Commission Schedule has incorrect settings, check the following information:

   - The Commission Schedule year bands do not have values in any of the percentage fields.

   - Use Premium Banding checkbox is checked and Premium Bands have not been created for any of the year bands.

   - The Year Spans have all expired so no commission on this policy is due from the vendor.

   - All payments owed on the policy have been created through the last Policy Due Date.

   - All Percent Of fields must contain a selection for each of the Percent fields that contain values; if the field is left blank, the agent will not receive commissions on the premium type with the blank Percent Of field.

   - If the Use Premium Banding option is selected, each of the Year Bands in the commission schedule must have Premium Bands created. If Premium Bands are not linked to a band of years, no commissions will be created for each year in the year band.

2. The policy does not have a Premium or Commissionable Premium amount entered on the Policy screen.

3. The policy does not have a policy date.

Issue: Commission Records are Created but an Agent or Agents are not Receiving Commissions

A number of causes can prevent an agent from receiving commissions on a policy. The causes:

- The agent was not added on the policy. If the Agent's name does not appear on the Related Agent List window, or in the Supervisor Hierarchy of another agent on the Policy Agent Relationship window, then the Agent is not scheduled to receive commissions on the policy. Check all of the hierarchies prior to Creating Commission Records to see who is getting paid on the policy.

- An Agent Payout has not been assigned to the agent. The Related Agent List will show the name of the Payout assigned to the agent. If the field is blank, the agent and everyone in the agent's hierarchy will not get paid on the policy.

- The premium types given percentages in the Commission Schedule do not match the Premium Types given percentages in the Agent Payout. For example, in order for an agent to receive commissions on a Modal Fee, the Commission Schedule must have a percentage in the Fee Points field. The agent's Agent Payout must also have a percentage value in the Fee field.

- The premium types given percentages in the Commission Schedule and the Agent Payouts did not have dollar values entered in the Premium Breakdown window on the Policy. In effect, zero commissions were collected on these premium types if the Premium Breakdown window does not contain values for them. The Modal Fee Premium field must have a value in order to receive commissions from the vendor.

- The Agent Payout must have a percentage for the premium type for the appropriate year. If a percentage value is entered in the First Year Base field, but the Renewal Years Base field is left blank, the agent will only receive commissions on the first year of the policy.

- The Percent Of field must contain a selection for each of the Percent fields that contain values. If the field is left blank, the agent will not receive commissions on the premium type with the blank Percent Of field.
- If the Agent is receiving commissions but the linked Supervisor in the Payout is not, the appropriate percentages have not been added to the supervisor's schedule in the payout. Click the **Show Supervisor's Schedule** button to check the supervisor's percentages.
- If the Agent is receiving commissions but the supervisor is not, check the Agent Payout. The supervisor's name needs to be linked in the Supervisor field. If the field is blank, no supervisor will appear in the agent's Supervisor Hierarchy.
- The Primary Agent field of the Policy screen is blank. Adding the primary agent through the Tools > Related Agent List method does not populate the Primary Agent field on the Policy screen. The Primary Agent should be linked from the Policy screen.
- If an agent's name does not appear in the Supervisor Hierarchy, then they are not scheduled to receive any commissions. If the agent does appear in the Supervisor Hierarchy but the columns for specific premium types are blank, the agent will not receive any commissions on that premium type.
- If an agent's split percentage value shown on the Related Agent List and Policy Agent Relationship windows is 0 (Percentage% = 0), the agent will not receive any commissions.
- If you made changes to the Agent Payout to correct the missing commission records, but the agents are still not receiving their commissions, then the Payout needs to be deleted from the Policy Agent Relationship window and then re-linked. Unless the payout is removed and then re-linked, the old information from the payout before changes persists and is used in CTM calculations.
- If you have made changes to the Agent Payout, re-linked the payout, ran Create Commission Records and the Commission Records are still missing split payments for the agent, you need to delete the commission records that display in the List of Commission Records For: window. They will not recreate because the commission records were already created for the date range and are still open. They will still exist with the old calculations. They have to be deleted prior to running Create Commission Records again.

Issue: Commissions Records do not Display in Posting List

If a commission record does not display in the Commissions Summary of the Vendor Commissions tab or in the Commissions Paid on the Following Policies list during a posting, then the Commission Records you are looking for:

1. Have not been created.
2. Could not be created because of incorrect information in the Agent Payout or Commission Schedule.
3. Were, in the case of the Commissions Paid on the Following Policies list, previously created and reconciled.
4. Were not actually due within the date range specified when Creating Commission Records.

Quick Commission Tracking Checklist

These are the basics steps to follow in the Commission Tracking Process. They will take you through the CTM steps, from verifying that the necessary information is included on the Policy through verifying report information. These steps must always be performed in order to complete the Commission Tracking process for each policy.

1. Create a policy, or add to an existing policy, a Policy Date, Premium information, Modal, and an Inforce status.

2. The product must have a Commission Schedule to determine what and when the carrier will pay the Agency on the policy. This can be added at the product level or at the policy level.

3. If agents are to receive a split of the commissions on a policy, an agent must be assigned to the policy on the policy screen and an Agent Payout must be assigned to the agent on the Policy Agent Relationship screen.

4. Commission Records have to be created in order for them to appear in an agent's commission list and to be available for payment postings. Commission records can be created for an individual policy from the policy screen or for all of a vendor's policies from the Insurance Carrier screen. All uncreated commission records that are scheduled to become due within the selected date range will be created.

5. Post the carrier's payment from the Vendor Posting tab. Select the commission records the check applies to from the list of Open Commission Records.

6. View your reports. If information is incorrect in your reports, then the information will also be incorrect in the individual commission records that you created. This is where the reports pull their information. To troubleshoot errors in the report, find the commission records that have the incorrect values and fix the attached schedules and payouts so that the commission records are generated with the correct values. Correcting the values in the commission records is the only way to affect changes in the Commission Reports.