

BROKER

Compensation Guide

**INDIVIDUAL DISABILITY
INSURANCE**



GUARDIAN®

Sell Premier DI Products & Earn More

Guardian's premium individual disability insurance (DI) products, offered through Berkshire Life Insurance Company of America, provide you the opportunity to sell some of the most robust, innovative and competitive disability products in the industry—as well as the opportunity to earn among the highest commission income available over time.

Building your block of Guardian DI business can mean earning additional rewards to help you grow your business and your income—faster!

Broker Commission Highlights Include

- Among the highest commission income available over time
- 100% vested from first dollar
- Renewal commissions earned for life of the policy
- Annualized commission renewals on premiums paid using Guard-o-Matic, Guardian's monthly automatic payment system

Benefits & Rewards

DI Inner Circle Recognition Program Provides Additional Rewards

Earn recognition for writing high volume/high quality business—including rewards that can help you grow your business even further. For example:

- Higher quick issue limits
- Dedicated underwriting & new business services team
- Liberalized, non-medical underwriting requirements
- And much more!

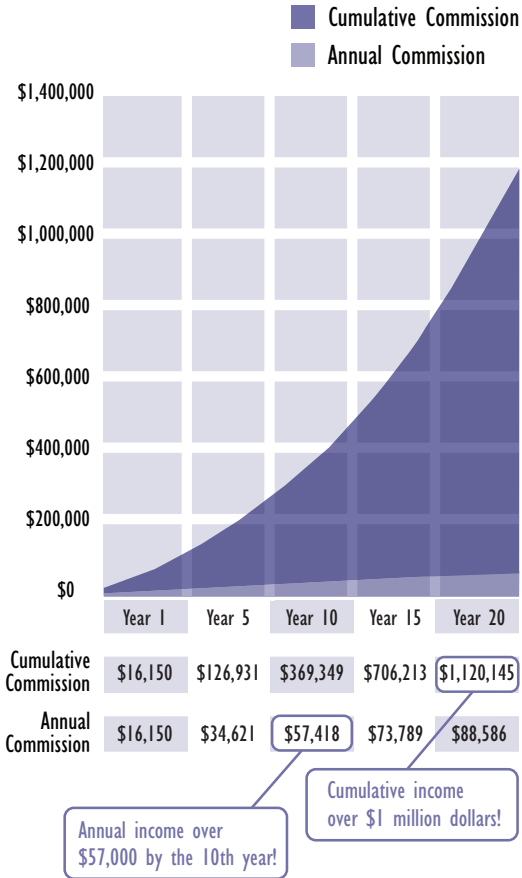
DI Inner Circle status also enjoys many additional benefits that are not typically available in a brokerage relationship, including:

- Invitation to Guardian's annual *Disability Sales Summit*, a unique industry forum for leading and promising DI producers
- Quarterly training, marketing and competition teleconferences
- Opportunity to qualify for our Platinum DI Inner Circle

Be sure to ask about Guardian's Preferred Broker Program.

Commission Over Time

Take a look at what you could earn over the years with Guardian by selling just one DI policy per month at an average annual premium of \$2,500 per policy:



Assumptions:

- \$30,000 new annual DI premium per year
- 98% Persistency

First Year Commissions

Full first year commission rates are paid on:

- The total policy premium including policy fees and any ratings
- Actual premiums paid on policies eligible for discounted premiums
- Increases in coverage through automatic increase riders (ABE/AIR)
- Increases in coverage through exercises of future purchase options (FIO/FPO/BPR)

Your commission rate increases as your sales increase!

ProVider Plus and Overhead Expense			
Occupation Classes ▼	Year-to-date First Year Premium		
	Up to \$12,000	Up to \$25,000	Over \$25,000
6/6M, 5/5M 4/4M 3/3M	50%	55%	60%
2/2M*	35%	40%	45%
1/1M*	25%	30%	35%

* Classes 2/2M and 1/1M available in employer-sponsored situations

Note Commission bands will be prorated in the first calendar year in which any premium is paid based on the number of months remaining in the year starting with the month in which the first premium is paid

Disability Buy-Out and Business Reducing Term			
Disability Buy-Out (DBO)		Business Reducing Term (BRT)	
Occupation Classes	DBO	Occupation Classes	BRT
6, 5, 4, 3	55%	5A, 4A, 2A	50%
2	40%		
1	30%		

Renewal Commissions

ProVider Plus and Overhead Expense		
Policy Renewal Years 2 – 10		
Base Renewals	Variable Renewals Based on Persistency and Volume (VRPV)	Total Potential Renewals
5%	+ 2.5% – 12.5%	= 7.5% – 17.5%
Policy Renewal Years 11+		
Base Renewals	Variable Renewals Based on Persistency and Volume (VRPV)	Total Potential Renewals
2%	+ 2.5% – 12.5%	= 4.5% – 14.5%

Disability Buy-Out (DBO)			
Policy Renewal Year 2			
Occupation Classes	Base Renewals		
6/6M, 5/5M, 4/4M, 3/3M	15%		
Policy Renewal Years 3+			
Occupation Classes	Base Renewals	Variable Renewals Based on Persistency (VRP)	Actual Year 2 Renewals
6/6M, 5/5M, 4/4M, 3/3M	5%	+ 0% – 10%	= 5% – 15%

Business Reducing Term (BRT)	
Policy Renewal Years 2+	
Base Renewals	Your BRT in-force block may be eligible for Health Persistency Payments. Refer to your brokerage contract for specific details
10%	

Terms & Conditions

Refer to your brokerage contract for complete details on all of the terms and conditions associated with your disability income insurance compensation.

Replacements

Commissions on replacements of individual disability insurance products issued by Guardian or Berkshire will be paid as follows:

- *First Year Commissions:*

The full first year commission rate will be paid on new annual premium in excess of the replaced policy premium. Should the new premium be less than the replaced policy premium then no first year commission will be paid.

- *Renewal Commissions:*

The full renewal rate will be paid as outlined above.

Waived Premiums

Commissions will not be paid on premiums waived for any reason.

VRP

Variable Renewals Based on Persistency (VRP) is an additional renewal commission component payable based on persistency of premiums during the previous calendar year. The variable renewal rate will apply to all eligible third year or later premiums due and paid.

VRPV

Variable Renewals Based on Persistency and Volume (VRPV) is an additional renewal commission component payable based on persistency of premiums during the previous calendar year. The variable renewal rate will apply to all renewal premiums in excess of a deductible. The deductible will be \$2,500 in the first year you have eligible renewal premiums paid; in the following calendar year, the deductible will be \$7,500; thereafter, the deductible will be \$12,000.

Leadership & Strength

- Guardian, through its wholly owned stock subsidiary, Berkshire Life Insurance Company of America (Berkshire Life) is one of the nation's leading providers of non-cancellable individual disability income insurance.*
- Berkshire Life has been recognized by DALBAR**, Inc. for excellence in new business services and underwriting.

Company	Berkshire Life Insurance Company of America
Relationship	Wholly owned stock subsidiary
Assets as of 12/31/10	Admitted Assets: \$2.8 billion Surplus: \$0.5 billion
Ratings as of 8/1/11	A.M. Best: A++ Standard & Poor's: AA+
Company	The Guardian Life Insurance Company of America
Relationship	Parent Company
Assets as of 12/31/10	Admitted Assets: \$33.2 billion Surplus: \$4.4 billion
Ratings as of 8/1/11	A.M. Best: A++ Fitch: AA+ Moody's Investors Services: Aa2 Standard & Poor's: AA+

* 2010 LIMRA U.S. Individual DI Insurance participant's report, based on annualized premium.

** DALBAR is recognized as one of the nation's leading financial services research firms.

Disability income products underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, New York, NY.

Product availability, provisions and features may vary from state to state.

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