

August 12, 2005
(revised for codes change)

Suggested Usage

Suggested New CBRC's for Rolling Targets

Approved by Commissions Working Group

<u>Positive Commissions</u>	<u>Description</u>	<u>Negative Commissions</u>	<u>Description</u>
PR1	Commission Payment for First Rolling Target	CR1	Reversal of Commission Payment for First Rolling Target
PR2	Commission Payment for Rolling Target 2	CR2	Reversal of Commission Payment for Rolling Target 2
PR3	Commission Payment for Rolling Target 3	CR3	Reversal of Commission Payment for Rolling Target 3
PR4	Commission Payment for Rolling Target 4	CR4	Reversal of Commission Payment for Rolling Target 4
PR5	Commission Payment for Rolling Target 5	CR5	Reversal of Commission Payment for Rolling Target 5
PR6	Commission Payment for Rolling Target 6	CR6	Reversal of Commission Payment for Rolling Target 6
PR7	Commission Payment for Rolling Target 7	CR7	Reversal of Commission Payment for Rolling Target 7
PR8	Commission Payment for Rolling Target 8	CR8	Reversal of Commission Payment for Rolling Target 8
PR9	Commission Payment for Rolling Target 9	CR9	Reversal of Commission Payment for Rolling Target 9
PR0	Commission Payment for Rolling Target 10	CR0	Reversal of Commission Payment for Rolling Target 10
PRX	Commission Payment for Rolling Targets 11+	CRX	Reversal of Commission Payment for Rolling Targets 11+

New Rolling Target Example

Product A Imaginary Commission Schedule

Target Premium 1	100% of premium
Targets 2-3	5%
Targets 4-5	4%
Targets 6-10	2%
Targets 11+	1%

Example 1

Client's target premium is \$10,000.
Payment Due Date: February 1
Client pays \$11,000 on January 31st

Result:	DTCC CBRC	Rate Paid
\$10,000 is Target 1	PR1	100%
\$1,000 is Target 2	PR2	5%

Suggested Usage:

Column No:	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
What's in this Column:	Commission Basis Reason	Commission Rate	Commission Basis Amount	Commission Earned or	Commission Previously	Commission Due - NSCC

	Code (Item 2060)	(Item 2062)	(Item 2061)	Calculated (Item 2063)	Netted or Advanced (Item 2064)	Settling Amount (Item 2096)
Target 1	PR1	1.0000	(10000.00)	(10000.00)	0.00	(10000.00)
Target 2	PR2	0.0500	(1000.00)	(.50.00)	0.00	(50.00)

Example 2

In same scenario client pays 2nd year premium on January 1st of \$12,000.

Result:	DTCC CBRC	Rate Paid
\$9,000 is Target 2	PR2	5%
\$3,000 is Target 3	PR3	5%

Suggested Usage:

Column No:	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
What's in this Column:	Commission Basis Reason Code (Item 2060)	Commission Rate (Item 2062)	Commission Basis Amount (Item 2061)	Commission Earned or Calculated (Item 2063)	Commission Previously Netted or Advanced (Item 2064)	Commission Due - NSCC Settling Amount (Item 2096)
Target 2	PR2	0.0500	(9000.00)	(450.00)	0.00	(450.00)
Target 3	PR3	0.0500	(3000.00)	(150.00)	0.00	(150.00)

Example 3

In same scenario client pays 3rd & 4th year premium on March 1st of \$23,000.

Result:	DTCC CBRC	Rate Paid
\$7,000 is Target 3	PR3	5%
\$10,000 is Target 4	PR4	4%
\$6,000 is Target 5	PR5	4%

Suggested Usage:

Column No:	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
What's in this Column:	Commission Basis Reason Code (Item 2060)	Commission Rate (Item 2062)	Commission Basis Amount (Item 2061)	Commission Earned or Calculated (Item 2063)	Commission Previously Netted or Advanced (Item 2064)	Commission Due - NSCC Settling Amount (Item 2096)
Target 3	PR3	0.0500	(7000.00)	(350.00)	0.00	(450.00)
Target 4	PR4	0.0400	(10000.00)	(400.00)	0.00	(400.00)
Target 5	PR5	0.0400	(6000.00)	(300.00)	0.00	(300.00)