

## Procedures to create a Distribution Agreement

The following procedures show how to:

- Create a Distribution Agreement
- Create an Allowable Product
- Setup 'Minimum & Maximum Age Limits' on a commission schedule
- Associate a Distribution Agreement to a Distributor

### Create a Distribution Agreement

**Background:** Distribution Agreements can be unique to a specific distributor or generic and associated to several distributors. The distribution agreement provides information about Commission Events, whether Netting, Back Dating or Advancing is allowed all of the products and their associated commission schedules.

These procedures show how to create a new distribution agreement.

#### Procedures to create a new distribution agreement:

1. Click on Distribution Agreement from the left hand navigation path.



2. Click Add

**Distribution Agreement List**

List of Distribution Agreements [Add]

Agreements (6)		Modified On	
[Del]	[Clone] Generic Selling Agreement	11/22/2010 2:08:00 PM	[View]
[Del]	[Clone] Generic Selling Agreement 1	6/25/2010 9:15:35 AM	[View]
[Del]	[Clone] Generic Selling Agreement II	11/4/2008 12:01:17 PM	[View]
[Del]	[Clone] Generic Selling Agreement III	12/10/2008 8:30:37 AM	[View]
[Del]	[Clone] Height and Weight	3/24/2010 1:31:24 PM	[View]
[Del]	[Clone] Height and Weight	4/6/2010 7:59:59 AM	[View]

[Add]

© Field Definitions

Cancel Save & Return

3. Type in the distribution agreement information:
  - a. Type in the Distribution Agreement Name (i.e. the Distributor's Name)
  - b. Select from the drop down list box to answer the question 'Is Netting Allowed?'
  - c. Select from the drop down list box to answer the question 'Is Advancing Allowed?'
  - d. Select from the drop down list box to answer the question 'Is Back Dating Allowed?'

4. Click on 'Add' in the Commission Remittance popup box to add a commission event:
  - a. Select from the drop down list box to answer the question 'Is Netting Allowed?'
  - b. Select from the drop down list box to answer the question 'Is Advancing Allowed?'
  - c. Select a Commission Event from the drop down list box
  - d. Select a Payment Mode from the drop down list box, if applicable
  - e. Click Save & Return
  - f. Repeat step 4 for each commission event applicable to the distribution agreement

## Create an Allowable Product

5. Click on 'Add' in the Allowable Products popup box to add a product:

Annuity Distribution Agreement Detail (\* - required field)  
Distribution Agreement Detail

[Cancel](#) [Save & Return](#)

Field Definitions

**Distribution Agreement**

Distribution Agreement Name \*

Is Netting Allowed? \*

Is Advancing Allowed? \*

Is Back Dating Allowed? \*

Date Based On

Commission Remittance

Commission Events	Modified On

[Add]

Allowable Products

Policy Product	Comm Schedule	Modified On

[Add]

- Select from the drop down list box to answer the question 'Is Netting Allowed?'
- Select from the drop down list box to answer the question 'Is Advancing Allowed?'
- Select a Product Name from the drop down list box
- Select a Commission Schedule from the drop down list box
- Type in the Default Commission Option
- Type in Effective Date and Expiration Date, if applicable

[Cancel](#) [Save & Return](#)

Field Definitions

Is Netting Allowed?

Is Advancing Allowed?

Product Name

Commission Schedule

Default Commission Option

Effective Date  (yyyy-mm-dd)

Expiration Date  (yyyy-mm-dd)

Allowed Feature Transactions

Trans Type	Effective Date	Expiration Date	Modified On

[Add]

Feature Product Exclude

Annuity Product Exclude Description	Effective Date	Expiration Date	Modified On

[Add]

Available Commission Options

Commission Options	Sequence	Modified On

[Add]

Jurisdiction Approvals

List of Jurisdiction Approvals

Name	Sale Eff	Sale Exp	Infrc Excl Cal	Infrc Excl Con	No New Money	Modified On

[Add]

- 5A. Click 'Add' in the Allowable Feature Transaction Blue Frog 2.20 only.
- Select Transaction Type
  - Enter Effective Date
  - Enter Expiration Date

Annuity Allowed Feature Transaction (\* - required field)  
Distribution Agreement Detail / Allowable Products / Allowed Feature Transaction

Cancel Save & Return

Field Definitions

Transaction Type \*

Effective Date (yyyy-mm-dd)

Expiration Date (yyyy-mm-dd)

Field Definitions

Cancel Save & Return

- 5B. Click 'Add' in the Available Commission Options popup box to add a commission option:
- Type in the Commission Option Name
  - Type in the Commission Option Description
  - Type in the Commission Option Code
  - Sequence
  - Select a Commission Option Type from the drop down list box
  - Type in the Minimum Available Age, if applicable
  - Type in the Maximum Available Age, if applicable
  - Type in the Effective Date and Termination Date, if applicable
  - Click Save & Return
  - Repeat step 5.B for each commission option applicable to the distribution agreement

- 5C. Click Save & Return

Screen prints for the:  
**Setup minimum & maximum age limits on a commission schedule.**

Lets look at this screen print that shows the distribution agreement 'Generic Selling Agreement':

Cancel Save & Return

Field Definitions

**Distribution Agreement**

Distribution Agreement Name: Generic Selling Agreement \*

Is Netting Allowed? Yes \*

Is Advancing Allowed? Yes \*

Is Back Dating Allowed? No \*

Date Based On: [Dropdown]

Commission Remittance

Commission Events (4)		Modified On
[Del] [Clone]	Cash With App	11/22/2010 2:08:00 PM
[Del] [Clone]	External Exchange	11/22/2010 2:08:00 PM
[Del] [Clone]	Internal Exchange	11/22/2010 2:08:00 PM
[Del] [Clone]	Premium (fixed or scheduled)	11/22/2010 2:08:00 PM

[Add]

Allowable Products

Policy Product (1)		Comm Schedule	Modified On
[Del] [Clone]	Annuity - VERTEX Equity Indexed Annuity	Test Schedule	11/22/2010 2:08:00 PM

[Add]

Field Definitions

This screen print shows the commission options associated with the product 'VERTEX Equity indexed Annuity' under the 'Generic Selling Agreement':

Distribution Agreement: Generic Selling Agreement / Allowable Products: Annuity - VERTEX Equity Indexed Annuity

Cancel Save & Return

Field Definitions

Is Netting Allowed? Yes \*

Is Advancing Allowed? Yes \*

Product Name: Annuity - VERTEX Equity Indexed Annuity \*

Commission Schedule: Test Schedule

Default Commission Option: [Dropdown]

Effective Date: 2009-01-01 (yyyy-mm-dd)

Expiration Date: 2015-12-31 (yyyy-mm-dd)

Allowed Feature Transactions

Trans Type	Effective Date	Expiration Date	Modified On
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[Add]

Feature Product Exclude

Annuity Product Exclude Description	Effective Date	Expiration Date	Modified On
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[Add]

Available Commission Options

Commission Options (3)		Sequence	Modified On
[Del] [Clone]	Option 1		11/22/2010 2:08:00 PM
[Del] [Clone]	Option 2		11/22/2010 2:08:00 PM
[Del] [Clone]	Option 3		11/22/2010 2:08:00 PM

[Add]

Jurisdiction Approvals

List of Jurisdiction Approvals

Name	Sale Eff	Sale Exp	Infrc Excl Cal	Infrc Excl Con	No New Money	Modified On
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[Add]

Field Definitions

## Setup minimum and maximum age limits on a commission schedule.

**Background:** VTXML provides the opportunity to create commission schedules that are specific to a product or distribution agreement or that can be flexible to meet the needs of different distribution agreements. This example shows how you can customize a commission schedule to meet the minimum / maximum age requirements of different distribution agreements. For example, the commission schedule created above has the following commission options:

- Option 1 (no age banded 5.50%),
- Option 2 (no age banded 4.25%),
- Option 3 (no age banded 1.25%).

However, the distribution agreement would like to restrict the options by age. They would like:

- Options 1 and 2 to be available for a minimum age '0' and a maximum age '80',
- Option 3 to be available for a minimum age '81' and a maximum age '85'.

Trans Type	Effective Date	Expiration Date	Modified On
			[Add]

Annuity Product Exclude Description	Effective Date	Expiration Date	Modified On
			[Add]

Commission Options (3)	Sequence	Modified On
[Del] [Clone] Option 1		11/22/2010 2:08:00 PM
[Del] [Clone] Option 2		11/22/2010 2:08:00 PM
[Del] [Clone] Option 3		11/22/2010 2:08:00 PM

The procedures below show how to customize the minimum / maximum ages on the distribution agreement to meet the distributor age requirements.

### Procedures:

1. Click on Distribution Agreement in the left hand navigation path.
2. Scroll the list of Distribution Agreements and click on the Distribution Agreement to select it.
3. Scroll the Allowable Products and click from the Policy Product list (Product Name) to select it.

Commission Events (4)	Modified On
[Del] [Clone] Cash With App	11/22/2010 2:08:00 PM
[Del] [Clone] External Exchange	11/23/2010 10:36:43 AM
[Del] [Clone] Internal Exchange	11/22/2010 2:08:00 PM
[Del] [Clone] Premium (fixed or scheduled)	11/22/2010 2:08:00 PM

Policy Product (6)	Comm Schedule	Modified On
[Del] [Clone] Annuity - VERTEX Equity Indexed Annuity	Test Schedule	11/22/2010 2:08:00 PM
[Del] [Clone] Annuity - VERTEX Fixed Deferred Annuity	(*No Comm Schedule selected*)	11/23/2010 10:36:43 AM
[Del] [Clone] Annuity - VERTEX Fixed Immediate Annuity	(*No Comm Schedule selected*)	11/23/2010 10:36:43 AM
[Del] [Clone] Annuity - VERTEX Variable Deferred Annuity V2	(*No Comm Schedule selected*)	11/23/2010 10:36:43 AM
[Del] [Clone] Life - prod check out	(*No Comm Schedule selected*)	11/23/2010 10:36:43 AM
[Del] [Clone] Life - TERM 20	(*No Comm Schedule selected*)	11/23/2010 10:36:43 AM

4. From the Available Commission Options popup box, click on the Commission Option 'Option 1' to select it

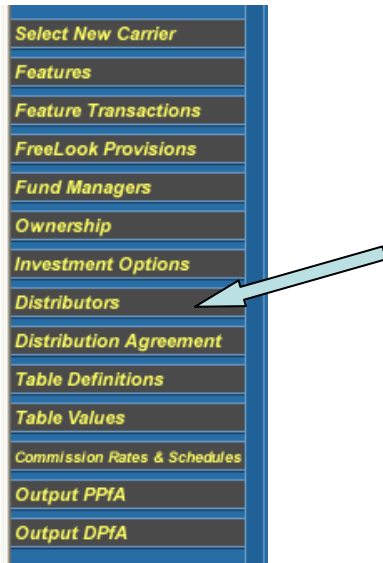
5. From the Available Commission Options Detail page,
  - a. Type '0' in the Minimum Available age field
  - b. Type '80' in the Maximum Available age field
  - c. Click Save & Return
6. Repeat steps 1-5 for Options 2 and 3 inserting the minimum and maximum ages appropriate for the Option.

This screen print shows the Commission Option 'Option 1' set with a minimum age of "0" and a maximum age of "80".

Once this is complete, the Distribution Agreement needs to be associated to a Distributor.

## Associate a Distribution Agreement to a Distributor

Back on the Product Profile/Carrier page, select the Distributor option from the left navigation path.



6. Click Add on the Distributor screen.

List of Distributors [Add]

	Producer Name (6)	Org Code	DTCC Member Code	Intended Receiver	Modified On	
[Del] [Clone]	DA Test	220Test	4444	Blue Frog Affirm	6/28/2010 3:30:06 PM	[View]
[Del] [Clone]	Height and Weight	HW		Blue Frog Affirm	3/24/2010 1:31:24 PM	[View]
[Del] [Clone]	Rich Securities of New England	RICH_SEC	1234	Blue Frog Affirm	12/30/2008 8:16:27 PM	[View]
[Del] [Clone]	Test Distributor	EBIX	0141	EBIX AnnuityNet	11/23/2010 11:20:50 AM	[View]
[Del] [Clone]	VERTEX Brokers of America	VBA1	3333	EBIX AnnuityNet	12/30/2008 8:16:27 PM	[View]
[Del] [Clone]	VERTEX Brokers of America 2	VBA1	3333	EBIX AnnuityNet	10/13/2010 2:54:38 PM	[View]

[Add]

Field Definitions Save & Return

Cancel

7. Type in the distributor information:
- a. Type in the Distributor Full Name.
  - b. Type in the Tax Id Number (if available).
  - c. Type in the Distributor Short Name.
  - d. Type in the Distributor DTCC Code.
  - e. Type in the Org Code (as provided by either Ebix or Blue Frog).
  - f. Select from the drop down list box the Intended Receiver (Generally Affirm or Ebix).



8. Click on 'Add' in the Carrier Appointment popup box to connect a Distribution Agreement to the specific Distributor and Writing Company:
  - a. Enter the intended Writing Company associated with the Carrier.
  - b. In the 'Carrier Name – CarrierCode – (DTCCMemberCode)' field select the proper Carrier Name – Carrier Code – DTCCMemberCode from the drop down list.

Please Note: All Writing Companies associated to the Carrier need to be defined separately even if all Writing Companies share the same Distribution Agreements.

9. Click on Add in the Distribution Agreement Info pop up box.
  - c. Select the intended Distribution Agreement from the drop down list.
  - d. Select 'Yes' or 'No' from the drop down list to answer 'Is Netting Allowed?'
  - e. Select 'Yes' or 'No' from the drop down list to answer 'Is Advancing Allowed?'
  - f. Select 'Yes' or 'No' from the drop down list to answer 'Is Back Dating Allowed?'
  - g. Answer the 'Payment Form', if applicable, by selecting the answer from the drop down list provided.
  - h. Answer the 'Payment Mode', if applicable, by selecting the answer from the drop down list provided
  - i. Repeat steps for each Distributor Agreement associated to the Distributor.
10. Click Add in Distribution Channel(s) pop up box, if applicable.
  - a. Enter the proper name for the Carrier Facing Description.
  - b. Enter the Distribution Name (provided by Blue Frog).
  - c. Save& Return

The Distributor Channel defines the Parent Organization. This allows the carrier to make products available to associated firms that fall under that specific Parent Organization listed as the Distributor Channel.

Only used by Blue Frog at this time.

The screenshot shows a software interface for defining distributor channels. It features a sidebar on the left with a 'Field Definitions' section containing the following items: 'Carrier Facing Description', 'Distribution Name', 'Distribution Channel Code', 'Distribution Channel', and 'Distribution Channel Sub Type'. The main area on the right contains five input fields corresponding to these items. The first two fields, 'Carrier Facing Description' and 'Distribution Name', are text boxes with a red asterisk on the right side, indicating they are required. The 'Distribution Channel' field is a dropdown menu, and the 'Distribution Channel Sub Type' field is also a dropdown menu. At the top left of the form is a red 'Cancel' link, and at the top right is a green 'Save & Return' link. At the bottom left is another red 'Cancel' link, and at the bottom right is another green 'Save & Return' link.