CSPAR/SPAR

Definition of a SPAR

> (Single Premium Adds Rider) A non-commissionable rider which provides an increasing death benefit with cash values through the purchase of paid-up additional insurance. Payable in one lump sum, after policy has been accepted and initial premium has been paid. Two types of SPARs: (1) LOAD - funded by external incoming cash, (2) NO LOAD - handled by Cash Disbursements, from surrender of policy.

Definition of a CSPAR

> (Commissionable Single Premium Adds Rider) Same terms as a SPAR, however it enables the servicing agent to receive a commission on the purchase amount of the adds rider.

FORMS NEEDED TO IDENTIFY A SPAR OR CSPAR

A. * 596
> The second page of the 596 (NEW ISSUE form), the purchase amount of the SPAR or CSPAR is indicated.

B. * LCQN Screen   OR LCQR for LS POLICIES on the old Legacy System
> see below for policies issued on the new Ascend platform.

> This Screen shows (1) The purchase amount (2) The face amount. (3) If the SPAR is commissionable (a "Y" is located under the "COMM" field.

HOW TO PROCESS A CSPAR

C. * Status DVDV9
> In the plan field, if the 4th digit is a 9, it is a CSPAR

> Servicing agent with 100% participation receives 3.0% commission of the purchase amount of the CSPAR

> General agent with 100% participation receives 1.0% commission of the purchase amount of the CSPAR.

D. * DVPI screen
> This screen will remove the money from policy suspense and pay the SPAR or CSPAR due.

> On OMNI system, type "DVPI" {ENTER}
> Input policy number. Input **B** {Enter} The **B** indicates external money, 3% loan will be subtracted, money will be removed from policy suspense.

Input appropriate information in the specified fields on the screen which appears: See sample #

Effective Date field - Date in which the policy was issued.

Money Receipt Date field - If money received prior to issue day, use issue date. Otherwise, use date money received at home office.

Amount - Found on 596 form (NEW ISSUE form) & LCQN screen. Need decimal point.

Commissionable Adds Rider (Y/N) field - Input "Y" for CSPAR or "N" for SPAR. This field is **very important**, as if a "Y" or "N" is not encoded correctly, the plan code field on the policy will erroneously change.

F. * Statistical Information -

This is to inform the statistical department to allow for the proper crediting of CCV (Converted Commission volume).

G. * 1938   To calculate the commissions generated on the CSPAR. As of 01/21/92, the rates are as follows: If the 4th digit of the plan code is 9, 7% load will be subtracted for a CSPAR. $ will be taken from suspense.

* All of the preceding referenced letters (A,B,C,D,E,F,G) coincide with the attached prints. Detailed directions can be found on all prints. If there should be any questions regarding this information, please contact your team leader or technical advisor.