

[Company Name]
[Department/Address]
[City, State, Zip Code]
[Date]

[Recipient Name]
[Agent/Employee ID]
[Address]
[City, State, Zip Code]

Subject: Official Notification of Insurance Commission and Incentive Structure

Dear [Recipient Name],

This letter serves as formal notification regarding the commission and incentive structure applicable to your role as an insurance representative for [Company Name], effective [Start Date].

1. Base Commission Schedule

You will earn commissions based on the following product categories:

- [Product Type A]: [Percentage]% of first-year premiums.
- [Product Type B]: [Percentage]% of first-year premiums.
- Renewal Commissions: [Percentage]% for years [X] through [Y].

2. Performance Incentives and Bonuses

In addition to base commissions, you are eligible for the following incentives based on production milestones:

- [Tier 1 Milestone]: \$[Amount] bonus upon reaching \$[Volume] in total written premium.
- [Quarterly Growth Incentive]: [Percentage]% override for exceeding quarterly targets by [X]%.

3. Chargebacks and Adjustments

Please note that commissions are subject to chargebacks if a policy is canceled, lapsed, or surrendered within the first [Number] months of issuance, as per the standard company policy.

4. Payment Frequency

Commissions will be calculated on a [Monthly/Bi-Weekly] basis and disbursed on the [Day] of each following month.

Please review the attached detailed schedule for a full breakdown of specific policy codes and vesting rules. If you agree to these terms, please sign and return a copy of this letter.

Sincerely,

[Name of Manager/Executive]
[Title]
[Company Name]

Acknowledgment:

I, [Recipient Name], acknowledge that I have received and understood the commission and incentive structure outlined above.

Signature: _____ Date: _____