

2011 YEAR-END CLOSING DATES



TO: ALL LEGAL & GENERAL AMERICA GENERAL AGENTS
FROM: FRANK GENCARELLI, SVP, SALES AND MARKETING
DATE: NOVEMBER 4, 2011

We often receive questions regarding year-end closing or cut-off dates. We hope that you find the explanation below helpful.

New Business Processing

December 30, 2011 will be a normal business day and the standard service times for processing documents received that day will apply.

1099 Income Reporting

New business requirements need to be received and processed by Thursday, December 29th to be included in 2011 Miscellaneous Income Tax Reporting (1099 MISC). The commission payments sent Friday, December 30th following the December 29th closing are the final payments for 2011 tax reporting year.

The agent's individual cut-off date depends on when the agent has elected to be paid. For example, if the agent is paid monthly and the most recent scheduled date is December 5th, all commissions applied by December 5th will be included in the 1099 MISC for the year. The next pay date is January 5, 2012.

Most agents choose the standard method which is the 10th, 20th and the last day of the month. If the agent is set up on the standard method, then all commissions applied by December 20th will be included in the 1099 MISC for the year.

General Agent Bonus

The General Agent Bonus for 2011 is based upon all commissions processed through December 30th.

The payment date for each agent in the hierarchy may be different. Consider a situation where the general agent is paid on the standard schedule and the broker is paid monthly with the most recent pay date of December 5th. A case is paid on December 30th. The general agent's share of the commission will process on the 30th and will be included in the bonus for 2011. The broker's share will process on January 5th and will be included in the bonus for 2012.

We reserve the right to extend new business processing through Saturday, December 31st.

11-063LGA

