

Team Incentive Plan Complex

COMPANY X PLAN

OBJECTIVE – Create a culture of celebrating company success fostered through a rewards program for all employees. Company Needle Movers along with Departmental Needle Movers will be specifically identified and results will be tracked. Individual departments have the opportunity to celebrate their team success on a quarterly basis, and all employees have the opportunity to celebrate the company overall success together as a team on an annual basis.

Part A - Company Needle Movers:

1. Premium
 - a. \$XM - Target
 - b. \$YM - Mind Blower
2. Loss Ratio
 - a. A% - Target
 - b. B% - Mind Blower
3. Expense Ratio
 - a. C% - Target
 - b. D% - Mind Blower

Company Rewards:

1. Company Lunch for all employees if the Combined Ratio (Loss Ratio + Expense Ratio) meets or exceeds the Target
 - a. Budget = \$25 per person
2. Company Outing (½ Day) if the Combined Ratio (Loss Ratio + Expense Ratio) meets or exceeds the Target and the Premium meets or exceeds the Target (\$XM)
 - a. Budget = \$50 per person

3. Company Outing (1 Day) if the Combined Ratio (Loss Ratio + Expense Ratio) meets or exceeds the Mind Blower and the Premium meets or exceeds the Mind Blower (\$YM)
 - a. Budget = \$150 per person (includes \$50 Company X Bucks - credit to be used by employee to purchase items from the Company Store)

Company Rewards per Year

Company Annual Rewards	Premium	Profitability
Company Lunch	N/A	Combined Ratio A+C% or better
Company ½ Day Outing	DWP = \$X Million or better	Combined Ratio A+C% or better
Company 1 Day Outing	DWP = \$Y Million or better	Combined Ratio B+D% or better

Part B - Departmental Needle Movers:

For scoring, each department has 3 Departmental Needle Movers per quarter that support the Company Needle Movers. The Executive Committee will review the status of each department on a monthly basis and provide encouragement and assistance to point teams toward their Targets. On a quarterly basis, the Executive Team will calculate the points and report rewards to the CEO.

Points

1. 5 points for each Needle Mover that meets or exceeds the Target
2. 2 bonus points for each Needle Mover that meets or exceeds the Mind Blower
3. 3 points deducted for each Needle Mover that misses the Target

Department Rewards

1. Department Lunch with CEO for each quarter with 17 or more points
 - a. Budget = \$10 per person

2. Department Outing (½ Day) with 38 or more cumulative points so long as the Department has earned at least one Department Lunch in the same or an earlier quarter
 - a. Budget = \$25 per person
3. Department Outing (1 Day) with 76 or more cumulative points
 - a. Budget = \$100 per person (includes \$50 Company X Bucks - credit to be used by employee to purchase items from the Company Store)

Department Points per Needle Mover

Department Score Card	Mind Blower Outcome Achieved	Target Outcome Achieved	Target Outcome Not Achieved
Department Needle Mover #1	7 points for this outcome	5 points for this outcome	Negative 3 points for this outcome
Department Needle Mover #2	7 points for this outcome	5 points for this outcome	Negative 3 points for this outcome
Department Needle Mover #3	7 points for this outcome	5 points for this outcome	Negative 3 points for this outcome

Department Points per Quarter

Quarterly Department Point Scenarios	Points Rewarded
No Target Outcomes Achieved	- 9 points
1 Target Achieved	- 1 points
1 Target Achieved & 1 Mind Blower Achieved	+1 points
2 Targets Achieved	+7 points
2 Targets Achieved & 1 Mind Blower Achieved	+9 points
2 Targets Achieved & 2 Mind Blowers Achieved	+11 points

Quarterly Department Point Scenarios	Points Rewarded
3 Targets Achieved	+15 points
3 Targets Achieved & 1 Mind Blower Achieved	+17 points
3 Targets Achieved & 2 Mind Blowers Achieved	+19 points
3 Targets Achieved & 3 Mind Blowers Achieved	+21 points

Department Rewards

Department Rewards	
Accumulate 17 points in a quarter	Team Lunch with CEO
Accumulate 38 points YTD & have qualified for 1 team lunch	½ Day Team Outing
Accumulate 76 points YTD	1 Day Team Outing

Peer Recognition per Quarter

Each quarter (after CEO approval) all Departmental and Company Needle Mover results will be posted. Individual department success will be promoted openly within the company. This will include a CEO memo to all employees, acknowledgement at Town Hall Meetings and results will be posted for all employees to see on the Company X Bulletin Board in the home office.