

# Controlled Business FAQ

## How does the insurance industry define controlled business?

Insurance business over which an insurance producer is able to exercise personal influence. Some states prohibit a producer from obtaining or continuing to hold a producer license if more than a certain percentage of the producer's business is generated through controlled business.\*

\* [https://www.naic.org/documents/prod\\_serv\\_marketreg\\_stl\\_hb.pdf](https://www.naic.org/documents/prod_serv_marketreg_stl_hb.pdf)

## How does Mutual of Omaha define controlled business?

An application is considered controlled business when the producer is related to the proposed insured or owner. Additional controlled business indicators include same last name and bank account information.

## Why is it important to understand controlled business?

As stated by the National Association of Insurance Commissioners (NAIC), some states only allow a small percentage of a producer's business to be generated through controlled business. If a producer exceeds this percentage, they will no longer be able to hold an insurance license in that state.

It is very important to honestly answer the producer statement questions on the application to adhere to state guidelines and regulations.

## If I am submitting an application for a relative, how do I indicate that it is controlled business on the application?

In the producer statement section of the application there is a question, "Are you related to the proposed insured or owner?" You must answer yes to this question, if applicable.

After answering yes, state the relationship (i.e., mother, sibling, cousin, etc.). Then indicate how long you have known the proposed insured and/or owner.



Underwritten by  
United of Omaha Life Insurance Company  
A Mutual of Omaha Company

### PRODUCER STATEMENT

6. (a) Are you related to the Proposed Insured or Owner?  Yes  No If "Yes," state relationship \_\_\_\_\_
- (b) How long have you known the Proposed Insured? \_\_\_\_\_
- (c) How long have you known the proposed Owner? \_\_\_\_\_

**What happens if an application is submitted as controlled business?**

The application will process like normal. Advanced commissions are not available on controlled business and all commissions will be as earned.

**What products does this affect?**

Term Life Express (TLE), Living Promise (Final Expense), and Indexed Universal Life Express (IUL Express)

**When did Mutual of Omaha begin flagging controlled business?**

Mutual of Omaha has always monitored controlled business. Advanced commissions were no longer available on controlled business (TLE, Living Promise, IULE only) effective September 18, 2021.

**Will I be notified on my commission statement?**

No, there is no special messaging on the commission statement at this time. You will see your commission as earned.

**What if I answer “yes” to the question on the producer statement in error and need to correct it?**

The applications are flagged as controlled business at submission so unfortunately, underwriting cannot change the answer on the application and compensation cannot change the advancing status.

**Who should I contact with questions?**

If you have questions regarding your commission statement, please contact our Compensation team. If you have questions regarding controlled business, please contact your Mutual of Omaha Life Sales team.

**What if I need an exception?**

We do not grant exceptions for controlled business.

**How does this process work for special agents?**

General Agencies (GA's) with special agents pay those agents the percentage of compensation they allocate to the agents in their systems based solely on what Mutual of Omaha pays the GA.