

Medicaid-Annuity.com

Agent Contracting Forms

**Please complete the following contracting package and FAX to
866-866-2232 (toll-free) or 732-521-5113**

**If you have any questions or changes to existing contracts, please contact
Hersh Stern at 866-866-1732.**

**Medicaid-Annuity.com
28 Harrison Ave.
Bldg. D, Suite 209
Englishtown, NJ 07726**

Phone: 866-866-1732

www.medicaid-annuity.com



**JEFFERSON PILOT
FINANCIAL**

Enter your name below (2) and fax to 732-521-5113 with copy of your license.
Have questions? Call Hersh Stern at 800-872-6684

RECRUITER REPORT — AMO CHANNEL

----->> Producer's Name _____ Recruiter's Name Hersh Stern 2011307 AMO
Recruiter's E-Mail Address HS@1ANNUITY.COM

General Questions:

1. How long have you known the applicant? 0-6 mos. 6-12 mos. over 1 year
2. In what capacity have you known applicant? _____
3. Describe briefly what you know about the applicant that would aid Jefferson Pilot in its contracting decision (e.g. business background, integrity, desire to establish long term relationship, reputation in community, etc.)

4. How frequently do you anticipate your future contacts with applicant will be? _____
5. Do you have any reservations in recommending the applicant for an agent's contract? Yes No
If yes, please explain. _____

Marketing Hierarchy (Show all upline Agent Names and Numbers):

Your name

Level	Name	Agent Number
Annuity Marketing Organization		
Regional Annuity Manager	Hersh Stern 2011307 AMO	
Master Annuity General Agent		
Agent – Schedule A ----->>		
Agent – Schedule B		
Agent – Schedule C		
Agent – Schedule D		
Agent – Schedule E		
Licensed Only Subagent		

Home Office communication should be sent to Producer Upline (recruiter).

If upline, complete:

Name _____

Address _____

City, State, Zip _____

Phone _____ Fax _____ Email _____

Special Instructions _____

X Hersh Stern
Recruiter's Signature



INSTRUCTIONS FOR COMPLETION OF FORMS & CONTRACT TRANSMITTAL

PRODUCER SECTION

----->> **Producer's Name:** _____

COMPLETE AND PROVIDE THE FOLLOWING:

- Professional Profile
- Disclosure of Use of Consumer Reports and Authorization
- Signed contract
- Copy of current license for all requested states. Submit appropriate fees for non-resident appointments requested

Optional

- Authorization agreement for automatic deposits
- Assignment Authorization

Return completed packet to your recruiter

RECRUITER SECTION

Recruiter's Name: _____ Hersh Stern 2011307

- Verify that information above has been completed and all requested documents are attached
- Complete Recruiter Report
- Mail completed packet to:
 - Jefferson Pilot Financial
 - Licensing & Activation - 2S 30
 - One Granite Place
 - Concord, NH 03301
 - OR
 - Fax to 1-800-641-6074
 - OR
 - E-Mail to jpfcontracting@jpffinancial.com

NOTE: To avoid an unnecessary delay in processing, please be certain that all items on the contract transmittal checklist have been completed and submitted.

Complete, sign, and fax to 732-521-5113



PROFESSIONAL PROFILE

Confidential

A. Personal Information Male Female

Full Name: _____ Nickname: _____

Date of Birth: _____ Social Security Number: _____

Office Street: _____ City: _____ State: _____ Zip: _____ County: _____

Office Phone: _____ Fax: _____ Email address: _____

Residence Street: _____ City: _____ State: _____ Zip: _____ County: _____

Res Ph: _____ Prof Desig: CLU ChFC CFP CFC RFP MSFS LUTCF Other _____

Target Markets: Wealth Accumulation Wealth Preservation Business Planning Other _____

May we publish your name in Company publications? Yes No If no, is recognition (awards, conference) acceptable? Yes No

Federal and state laws prohibit discrimination in contracting because of race, color, religion, age sex, national origin, or disability.

B. Corporate Information (if applicant is a corporation, agency principal must complete the Professional Profile)

Corporate Name: _____ Tax ID: _____ State of Incorporation: _____

C. Licenses Held

List states in which you wish to be appointed. _____

A current copy of each license must be attached. **Submit appropriate fees for non-resident appointments requested.**

Appointments Requested: Fixed Life Fixed Annuity Variable UL Variable Annuity

NASD License Yes No Broker/Dealer _____

CRD # _____ Prior 12 mos, GDC \$ _____

D. Producer's Production – Insurance Company Affiliations

Current MDRT Status - Qualifying Life Court of the Table Top of the Table

My projected annualized paid life and annuity premium during my first twelve months with Jefferson Pilot Financial will be at least:

Life Premium \$ _____ Annuity Premium \$ _____

E. Please read and answer each question. Attach complete details in writing if the answer to any question is YES.	Yes	No
1. Have you ever been convicted of or pleaded guilty or nolo contendere (no contest) to:		
a. Fraud, embezzlement, forgery, false statements, counterfeiting, extortion, or any other act involving the misappropriation of funds?	<input type="checkbox"/>	<input type="checkbox"/>
b. A conspiracy to commit any of the above offenses?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are you now or have you ever been the subject of any complaint, investigation, or proceeding by any Insurance Department, the SEC, or any federal or state regulatory agency?	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you have any unsatisfied judgements or liens against you, or any pending litigation in which you are a defendant?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are you currently a party, or in the past ten years, have you been a party, to any lawsuit, arbitration, or civil litigation?	<input type="checkbox"/>	<input type="checkbox"/>
5. Have you ever been convicted of a felony or a misdemeanor other than a traffic offense?	<input type="checkbox"/>	<input type="checkbox"/>
6. Have you personally or have any businesses in which you had control or an ownership interest been (or currently are) the debtor in a bankruptcy, made a compromise with creditors, or had a direct payment procedure initiated under the Securities Investor Protection Act?	<input type="checkbox"/>	<input type="checkbox"/>
7. Has any person ever complained to an insurance department or other agency about your conduct as an agent?	<input type="checkbox"/>	<input type="checkbox"/>
8. Has any insurance or security company ever terminated any agency, agent, broker, or representative contract for other than low production?	<input type="checkbox"/>	<input type="checkbox"/>
9. Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accuse you of:		
a. Violating investment-related statutes, regulations, rules or industry standards of conduct?	<input type="checkbox"/>	<input type="checkbox"/>
b. Fraud OR the wrongful taking of property?	<input type="checkbox"/>	<input type="checkbox"/>
c. Failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct?	<input type="checkbox"/>	<input type="checkbox"/>

I certify that the foregoing answers are true and correct to the best of my knowledge and belief.

Signature of Applicant

Date

Complete, sign, and fax to 732-521-5113



DISCLOSURE OF USE OF CONSUMER REPORTS

As part of its contracting process, Jefferson Pilot Financial group of companies (hereafter, "Jefferson Pilot") requests consumer reports on prospective agents. From time to time after contracting, Jefferson Pilot reserves the right to request consumer reports on its agents in connection with their contracts. Occasionally, Jefferson Pilot requests investigative consumer reports, which include personal interviews with sources such as your neighbors, friends, associates and/or former employers. Consumer reports and investigatory consumer reports may include information about any or all of the following: your character, general reputation, personal characteristics, mode of living, education, past employment, credit report, professional credentials or your driving and criminal record. If we request an investigative report, we are required by the Fair Credit Reporting Act to notify you within three days after the report is requested, and if you make a written request, we are obligated to disclose to you within five days the nature and scope of the investigation requested. Consumer reports and investigative consumer reports, as well as other information in your file, may be shared among Jefferson Pilot Financial group of companies unless you direct otherwise.

AUTHORIZATION

I authorize Jefferson Pilot Financial group of companies to request and obtain one or more consumer reports and/or investigative consumer reports about me for contracting purposes, and to share such information within the Jefferson Pilot Financial group of companies. This authorization, in original or copy form, shall be valid for this purpose and any future reports or updates that may be requested in connection with my contract with Jefferson Pilot.

Date: _____

Name (Print): _____

X Name (Sign): _____

Complete, sign and fax to 732-521-5113

(I) Service of Process. You are not our authorized Agent or representative to accept service of legal process, and therefore, you should not accept service. If, however, any paper is served upon you, you shall fax or send by certified mail the same to our General Counsel at our Home Office by certified mail within 24 hours after receipt.

This contract shall take effect on the date shown below after the same has been signed by a Vice President of the Company and provided you have satisfied the licensing requirements of the state(s) where you propose to market our products.

Governing Law

This contract shall be governed by the laws of the State of North Carolina.

Entire Contract

The foregoing represents the entire contract between the parties and we shall not be bound by any other promise, contract, understanding or representation unless it is made by an instrument in writing, signed by a Vice President of the Company.

Agent

[check appropriate line and complete]

 Print name

Individual SSN# _____

X _____

Signed

Partnership Tax ID# _____

 Date Executed

Corporate Tax ID# _____

Home Office Approval

This contract is approved and shall become effective as of _____, 20_____, but notwithstanding such effective date, if you are properly licensed and permitted by law in the state of operation, you are authorized to submit applications for insurance which shall be governed by the provisions of this contract.

Jefferson Pilot Life Insurance Company
Jefferson Pilot Financial Insurance Company

By

Title

Date Executed

Optional



AUTHORIZATION FOR PRE-AUTHORIZED DEPOSITS

To: Field Compensation Services, 100 North Greene Street, Greensboro, NC Fax: 336-691-4624 One Granite Place, Concord, NH Fax: 603-226-5400

From: _____ Date: _____

E-Mail Address: _____

I hereby authorize and request:

Channel: IMO GA ABGA OTHER (Check all that apply)

Tax ID/SSN: _____

Agent #'s: _____ (List All)

to make payment of any amount(s) owed to me by initiating credit or adjustment* entries to my bank(s) as indicated below. I authorize and request my bank(s) to accept credit or adjustment entries initiated by Jefferson Pilot Financial Insurance Company and its affiliates (hereinafter called "Jefferson Pilot") and to enter same into the following account(s):

<p>① Account Name: _____</p> <p>Account #: _____ <input type="checkbox"/> Checking <input type="checkbox"/> Savings</p> <p>ABA #: _____</p> <p>Percent of Payment: _____</p> <p>Bank Name: _____</p> <p>Bank Telephone Number: _____</p>	<p>② Account Name: _____</p> <p>Account #: _____ <input type="checkbox"/> Checking <input type="checkbox"/> Savings</p> <p>ABA #: _____</p> <p>Percent of Payment: _____</p> <p>Bank Name: _____</p> <p>Bank Telephone Number: _____</p>
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(Reminder: Compensation can only be paid to a properly licensed entity. EFT transfers must be deposited into an account registered to the current check payee. Securities compensation can only be paid to a personal account.)

* The only negative adjustment Jefferson Pilot will make to your bank account would be to reverse a credit made in error. This type of transaction is rare, would only occur within 5 days of the initial credit and Jefferson Pilot would notify you of this transaction.

It is understood that this agreement may be terminated by me or Jefferson Pilot at any time by written or verbal notification to Jefferson Pilot. Any such notification shall be effective only after receipt by Jefferson Pilot and has a reasonable opportunity to act on it.

Signature _____ Date _____

IMPORTANT: For checking, please attach a "Void" check. For savings ONLY, a "Deposit slip" will be accepted.

FOR INTERNAL USE ONLY					
<input type="checkbox"/> Add	<input type="checkbox"/> Change	Company #:	Source Code:	Vendor #:	
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
Payroll Effective Date: _____					
Processed by: _____				Date: _____	



JEFFERSON PILOT
FINANCIAL

Optional

ASSIGNMENT

For value received, I, _____, do hereby assign
(Name of Assignor)

unto _____, _____ any and all
(Name and Address of Assignee) (Assignee Tax ID No.) (Assignee Agent No.)

first year and renewal commissions now due me or hereafter to become due me on any contract(s) I now hold with the Jefferson Pilot Financial Group of Companies and its affiliates (hereinafter called "Jefferson Pilot") and direct Jefferson Pilot to pay the Assignee such amounts as otherwise would be credited to my account in accordance with the terms and conditions of my contract(s) with Jefferson Pilot.

This assignment releases Jefferson Pilot of any liability to me for said amounts and payment hereafter shall be a full and complete discharge to Jefferson Pilot of the amount or amounts paid. I agree to indemnify and hold harmless Jefferson Pilot for any and all liability it may incur because of this assignment.

Date

X _____
Signature of Assignor

Witness

Agent's Number

Jefferson Pilot assumes no responsibility for the validity or sufficiency of this assignment.

By

The Effective date of this agreement is

_____ 20_____
(TO BE COMPLETED AT H.O.)



Annuity Commission Schedule - Annuity Marketing Organization

Producer Agreement A

PLEASE NOTE: This schedule amends all previous schedules. The commission rates below are shown at current commission payouts and may reflect Special Product Promotions. Special Product Promotions are subject to change at any time. Please contact Annuity Marketing Support at 1-888-895-4830 for information about current Special Product Promotions and their effect, if any, on the commission rates below.

** Sales Temporarily Suspended

	<u>Plan</u>	<u>Ages</u>	<u>1st Year</u>	<u>Renewal</u>	<u>Years</u>
INDEXED ANNUITIES					
(1)	New Directions, I-66 ¹ Non-Qualified/Qualified	(0-75)	3.50%	N/A	N/A
		(76-80)	2.25%	N/A	N/A
		(81-85)	1.00%	N/A	N/A
(2)	New Directions, I-88 ¹ Non-Qualified/Qualified	(0-75)	4.50%	N/A	N/A
		(76-80)	3.00%	N/A	N/A
		(81-85)	1.50%	N/A	N/A
(3)	Smart Course, Route 78 ¹ Non-Qualified/Qualified	(0-75)	5.00%	N/A	N/A
		(76-80)	3.75%	N/A	N/A
		(81-85)	2.50%	N/A	N/A
(4)	Smart Course, Route 810 ¹ Non-Qualified/Qualified	(0-75)	6.00%	N/A	N/A
		(76-80)	4.50%	N/A	N/A
		(81-85)	3.00%	N/A	N/A
(5)	Eclipse 8 ² Non-Qualified/Qualified Non-Qualified Qualified	(0-75)	5.00%	N/A	N/A
		(76-80)	3.50%	N/A	N/A
		(81-85)	2.00%	N/A	N/A
		(76-80)	3.00%	N/A	N/A
		(81-85)	1.00%	N/A	N/A
(6)	Eclipse 10 ² Non-Qualified/Qualified Non-Qualified Qualified	(0-75)	6.00%	N/A	N/A
		(76-80)	4.00%	N/A	N/A
		(81-85)	2.50%	N/A	N/A
		(76-80)	3.25%	N/A	N/A
		(81-85)	1.25%	N/A	N/A
(7)	Opti 8 ² Non-Qualified/Qualified Non-Qualified Non-Qualified Qualified	(0-75)	5.00%	2.00%	2-3
				1.00%	4-6
		(76-80)	4.00%	2.00%	2-3
				1.00%	4-6
		(81-85)	3.25%	2.00%	2-3
				1.00%	4-6
				1.25%	2-3
				.75%	4-6
		(81-85)	2.00%	1.25%	2-3
		.75%	4-6		
(8)	Opti 10 ² Non-Qualified/Qualified Non-Qualified Non-Qualified Qualified	(0-75)	6.00%	2.00%	2-4
				1.00%	5-8
		(76-80)	4.75%	2.00%	2-4
				1.00%	5-8
		(81-85)	3.75%	2.00%	2-4
				1.00%	5-8
				1.25%	2-4
				.75%	5-8
		(81-85)	2.25%	1.25%	2-4
		.75%	5-8		
(9)	Opti 12 ² Non-Qualified/Qualified Non-Qualified Non-Qualified Qualified	(0-75)	6.50%	2.00%	2-5
				1.00%	6-10
		(76-80)	5.00%	2.00%	2-5
				1.00%	6-10
		(81-83)	4.00%	2.00%	2-5
				1.00%	6-10
				1.25%	2-5
				.75%	6-10
		(81-83)	2.50%	1.25%	2-5
		.75%	6-10		

	<u>Plan</u>	<u>Ages</u>	<u>1st Year</u>	<u>Renewal</u>	<u>Years</u>
FIXED ANNUITIES					
(10)	Classic 5 ¹ Non-Qualified/Qualified	(0-75) (76-80) (81-85)	4.00% 2.75% 1.50%	N/A N/A N/A	N/A N/A N/A
(11)	Classic 7 ¹ Non-Qualified/Qualified	(0-75) (76-80) (81-85)	5.00% 3.50% 2.00%	N/A N/A N/A	N/A N/A N/A
(12)	Classic 10 ¹ Non-Qualified/Qualified	(0-75) (76-80) (81-85)	6.00% 4.50% 3.00%	N/A N/A N/A	N/A N/A N/A
(13)	Classic Flex 8 ¹ Non-Qualified/Qualified	(0-75) (76-80) (81-85)	5.00% 3.25% 1.50%	1.50% 1.00% 1.00% .75% 1.00% .75%	2-3 4-6 2-3 4-6 2-3 4-6
(14)	Classic Flex 12 ¹ Non-Qualified/Qualified	(0-75) (76-80) (81-83)	7.00% 3.50% 2.00%	2.00% 1.00% 1.25% .75% 1.25% .75%	2-4 5-8 2-4 5-8 2-4 5-8
(15)**	Pilot Gold 5 ¹ & 7 ¹ Non-Qualified/Qualified (only Gold 5 suspended)	(0-75) (76-80) (81-85)	3.00% 2.00% 1.00%	N/A N/A N/A	N/A N/A N/A
(16)	Pilot Gold 6 ¹ Non-Qualified/Qualified	(0-75) (76-80) (81-85)	2.25% 1.13% 1.13%	N/A N/A N/A	N/A N/A N/A
(17)	PilotPLUS ^{1, 3} Non-Qualified	(0-75) (76-80) (81-85)	3.50% 2.50% 2.00%	N/A N/A N/A	N/A N/A N/A
	PilotPLUS ^{1, 3} Qualified	(0-70) (71-75)	3.50% 2.50%	N/A N/A	N/A N/A
(18)	SPIA (life option) (period certain)	(15-85) (0-95)	3.00% 3.00%	N/A N/A	N/A N/A

This schedule is for premium amounts up to \$1,000,000.00 (\$500,000.00 if over age 65).

The commissions on any policy not herein specified shall be determined by the Company. The Company reserves the right to change any commissions on this schedule upon written notice.

Issue age for all deferred annuities is the age last birthday of the Owner.

1. Death of the Owner during the first 12 months will result in a 100% commission chargeback the first 6 months and 50% commission chargeback the next 6 months.
2. Full and partial surrender or death of Owner during the first 12 months will result in a 100% commission chargeback the first 6 months and 50% commission chargeback the next 6 months.
3. Commission rates will be effective on applications received after 5/30/03. Reduction in commission is effected by adjusting the premium rather than the actual commission rate on the commission statement. (i.e. A policy on which commissions have been reduced to 50% of normal would show a premium payment of \$50,000 rather than \$100,000. The regular, full commission rate would be applied to the reduced premium.)

AGENT CONTRACT

This contract between Jefferson-Pilot Life Insurance Company and Jefferson Pilot Financial Insurance Company on behalf of themselves and any subsequent affiliate designated from time to time by notice (hereinafter collectively referred to as the "Company" "we", "our" or "us") and

(hereinafter referred to as "you", "your" or "yours") is subject to the following terms and conditions:

Expectation. We expect quality life insurance and annuity business with excellent persistency from you and any persons or organizations recruited by or assigned to you ("Agents"). This can be achieved by soliciting business in a professional and ethical manner, by providing customers with an assessment of the need for our products and by timely servicing policyowners. You expect us to provide you with competitive products, marketing support, and responsive and timely service.

Classification

You are initially classified as a(n)

The Company may reclassify you from time to time. You will be notified of any such reclassification prior to the effective date of the new classification. Any change to a different level would be typically based on announced or required production levels, but may also be based on other considerations such as changes in field management or organization, or changes in marketing strategy. The new classification will apply to business produced after the effective date of your reclassification.

Authority

(a) Appointment. We hereby authorize you:

- (1) to solicit, after being properly licensed under state law and appointed under existing Company guidelines, applications for life insurance and annuity policies on behalf of the Company using forms, rates and guidelines provided by the Company.
- (2) to promptly deliver policies when the conditions governing such delivery have been met.
- (3) to collect the initial modal premium necessary to place in force or to reinstate a policy in the form of a check payable to the Company.
- (4) to service the policyowner.
- (5) to recruit, and recommend the appointment to us, persons and organizations meeting the Company's standards for holding an Agent Contract if authorized by the terms of your Agent Compensation Plan.

(b) Company Independence. Each life insurance company's products are separately underwritten and are the sole obligation of the issuing insurer. The life companies are members of Jefferson Pilot Financial. Jefferson Pilot Financial is the

marketing name for Jefferson Pilot Corporation and its subsidiaries. Jefferson Pilot Corporation is not responsible for financial obligations of these corporations.

(c) Relationship with Company. You are an independent contractor and not an employee of the Company.

(d) Relationship with Agents. Our relationship with Agents will be set forth in written contracts between the Company and the respective Agent, and shall not become effective until we sign a written contract with the Agent and the Agent is properly appointed. You shall have no authority to modify any such contracts. We may refuse to contract any proposed Agent.

(e) Responsibility. You agree to abide by the terms and conditions of this contract, your Agent Compensation Plan, the Market Conduct Manual, and any rules relating to our business as may be published, or contained on our Web site, from time to time.

(f) Limitation of Authority. Your authority shall extend no further than as stated in this contract. You shall not:

- (1) make, waive, or change any questions, statements, or answers on any application for an Agent Contract, the contract itself or any application for insurance, the terms of any receipt given thereon, or the terms of any policy or contract;
- (2) extend or waive any provision of any policy or the time for payment of premiums;
- (3) deliver any policy unless the health of the insured(s) or annuitant is substantially unchanged from the date of the application (not applicable if premium is paid with the application);
- (4) incur any debts or liability for or against us;
- (5) receive any money for us except premiums as authorized in section (a) (3) above, in the form of a check payable to the Company;
- (6) misrepresent, or fail to disclose accurately, the terms or nature of the Company's products;
- (7) pay any premiums on policies other than your own, your immediate family members, or for which you are a fiduciary;
- (8) solicit business in a state where the policy is not approved for sale;
- (9) share any part of your management compensation with an Agent recruited by or assigned to you;
- (10) violate any published Company policy on viatical sales.

(g) No Rebating. You shall not, whether or not permitted by law, pay or allow any rebate of premiums or commissions in any manner, directly or indirectly.

(h) Sales Promotion. No advertising or sales material referencing our products or Company may be used without our prior written consent (see our Advertising and Marketing Compliance Guidelines). While Company stationery may be made available to you, it is to be used only when promoting our products exclusively.

- (3) inducing or attempting to induce our policyowners to relinquish or replace our policies with such frequency as to indicate a pattern of inappropriate activity;
- (4) misappropriation or commingling of our funds; or
- (5) engaging in a fraudulent act or misrepresenting policy benefits, provisions, or premiums.

A termination under either Section (c) or Section (d) immediately above will not preclude a termination under this section at a later date.

(e) Compensation Payable After Termination.

- (1) Vesting of compensation shall be as described in the Agent Compensation Plan for your classification.
- (2) If this contract is terminated due to your death, any compensation which otherwise would have been paid to you shall be paid to your surviving spouse, and at the death of the surviving spouse, to the spouse's estate. If you leave no surviving spouse, then your compensation shall be paid to your estate. You may designate another payment arrangement on forms provided by us and signed by you.
- (3) If you are a partnership or corporation and this contract is terminated due to your termination or dissolution, compensation shall be paid to the licensed agent who signed the application for the policy. You may designate another payment arrangement on forms provided by us and signed by you.
- (4) Notwithstanding the foregoing, if at any time you are notified this contract is terminated for cause no further compensation will be paid.

(f) Indebtedness. Termination will not dismiss or reduce any indebtedness you owe the Company, its subsidiaries or affiliates.

(g) Company Property. All Company supplied material, including but not limited to, manuals, forms, supplies, sales brochures, software, or lists of policy owners or insured persons shall be and remain the property of the Company and shall not be shared with, or made known to, any third party without the written consent of the Company. Upon termination of this contract for any reason, you agree:

- (1) to assemble and deliver promptly to the Company all such material (including copies) whether such be in hard copy form or otherwise; and
- (2) not to use any such material for your commercial purposes or for that of any other entity.

General Provisions

(a) Accounts. We agree to keep an accurate account of all business produced by you and your Agents, and will periodically render to you an itemized statement of said business. You agree to examine said statement immediately and to notify us at once, in writing, of any difference between said statement and personal records. We reserve the right to periodically audit and correct records and compensation to preserve accuracy.

(b) Agent Compensation Plan. We will establish, maintain, and publish an Agent Compensation Plan for each classification of Agent. Each such Plan may be amended from time to time at our sole discretion. The terms and conditions of the Agent Compensation Plan that are for your current classification are made a part of this contract by reference.

(c) Arbitration. All claims or controversies arising out of or relating to this contract shall be settled by arbitration. This paragraph provides the exclusive remedy for any dispute that may arise between you and us (but does not necessarily apply to any third party litigation that may involve you and/or us) which the parties are not able to resolve in good faith. In the event of any unresolved dispute relating to this contract, including but not limited to a dispute about the interpretation of this contract or about your claim to compensation, either party may demand arbitration, by giving written notice to the other party. The party initiating the arbitration ("Claimant") shall give written demand ("Demand") to the other party ("Respondent"), by certified or registered mail, return receipt requested. Any notice given under this provision to you shall be at your last known address and to us shall be to the General Counsel at our Home Office. The parties agree that the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the Demand shall apply to the arbitration procedure, including the selection of a panel of three arbitrators. The arbitrators shall have the authority to determine all disputes, including the applicability of arbitration to the dispute. The award in writing shall be made within sixty (60) days after the appointment of the third arbitrator. The arbitrators may award compensatory damages, plus interest, and specific performance. The award of the arbitration panel shall be final and binding on all parties. Judgement upon the award may be entered in any court having jurisdiction. No demand for arbitration under this section, and no claim under this contract, may be made after the date when such dispute would be barred by the applicable statute of limitations. Each party shall bear its own costs and expenses. Any arbitration arising between the parties with respect to this contract shall be conducted in Greensboro, NC, or in Concord, NH.

(d) Assignment. Neither this contract nor any of the benefits thereof may be assigned or transferred without our prior written consent. Any approved assignments shall be subject to a first lien to us for any indebtedness owed to us.

(e) Indebtedness. Any advance, annualization of compensation or charge back from us to you shall constitute a general indebtedness of yours to us. Your indebtedness is a first lien against any compensation due hereunder, and we may offset, at any time, your indebtedness to the Company, its subsidiaries or affiliates.

(f) Non-Waiver. Failure of the Company to require strict compliance with any of the terms or conditions of this contract shall not constitute a waiver of such terms or conditions nor affect the right of the Company thereafter to require such compliance.

(g) Partnerships. When you are a partnership or corporation, any reference made to you as an individual shall be deemed to mean the partners or the officers of the corporation who are licensed and appointed with us.

(h) Prior Contracts. This contract shall supercede any and all prior contract(s) between you and us, however, any outstanding indebtedness shall survive.

(i) Errors and Omissions Coverage. You shall obtain and maintain a professional errors and omissions liability policy with minimum limits as published from time to time by the Company. To the extent not covered by liability insurance, you shall hold harmless and indemnify the Company, its subsidiaries and affiliates, from any and all expenses, costs, causes of action, penalties and damages resulting from or growing out of:

- (1) Acts or omissions by you or your employees that result in a loss to us.
- (2) Claims made by any of your Agents for compensation over and above that which is specifically agreed upon in such Agent's Contract.

(j) Compliance. You shall abide by all applicable local, state and federal laws and regulations in conducting business under this contract. You also agree to promptly report to the Company's Home Office any and all customer or regulatory complaints of which you have knowledge.

(k) Books and Records. You shall maintain, and we shall have the right to inspect and audit, all records and documents relating to the business of the Company conducted by you, your employees, or Agents assigned to you. This provision shall survive any termination of this contract.

(l) Territory. This contract does not confer any exclusive right or territory upon you and the Company reserves the right:

- (1) To appoint additional individuals or organizations which hold an Agent Contract in such locale who also shall have the right to recommend appointment of Agents by the Company;
- (2) To establish and maintain other or additional offices in the same locale; and
- (3) To appoint Agents in such locale as recommended by others.

Compensation

An adequate level of production and excellent persistency of business are the cornerstones of this contract.

(a) You shall be compensated in accordance with the terms of this contract and the Agent Compensation Plan for your classification.

(b) No commissions will be payable on account of waived premiums, interest collected, or premiums refunded for any reason, and you shall repay to us any compensation paid on account of any such premium or interest.

(c) Compensation on premiums paid in advance on life policies with required periodic premiums will not be payable until the regular due date of such premium.

(d) Compensation on extra premiums, conversions, exchanges, replacements and other special situations not provided herein will be governed by our rules and practices in effect at that time.

(e) The rate of and the right to receive Compensation on any policy not listed in the Schedule of Commissions or requiring special underwriting shall be determined by the published Schedule of Commissions for that product or rules of the Company in effect at that time, or by a separate written agreement with you signed by a Vice President of the Company.

(f) No applications will be accepted nor will any compensation be paid on policies which are not approved in the state where written.

(g) We reserve the right to reject any applications submitted under this contract.

(h) The Company may in its discretion settle any claim of applicants, policyowners or others in connection with any consumer complaint or any threatened or pending lawsuit as a result of any claimed improper or unauthorized action or statement in marketing the policy. Any compensation charge back shall be made in accordance with then Company policy.

(i) In order to receive any compensation you must be licensed and appointed with us in the policy's state of issue at the time of policy issue.

Change or Termination

(a) Changes. We may at any time and from time to time:

- (1) change or modify this contract;
- (2) modify or amend any policy form;
- (3) fix minimum and maximum limits on the amount for which any policy form may be issued;
- (4) modify or alter the conditions or terms under which any policy forms may be sold;
- (5) discontinue or withdraw any policy from any state, without prejudice to continue such form elsewhere;
- (6) cease doing business in any state; or
- (7) change the Schedule of Commissions or the commissions on any or all of our policy forms, but any such change shall apply only to policies which shall be issued on or after the effective date of the change.

(b) Voluntary Termination. This is an at-will contract; this is not a contract for a definite term or period of time. By notice, either of the parties hereto may terminate this contract, without stating any cause, by depositing written notice of termination in regular U.S. mail addressed to the last known address of the other party.

(c) Automatic Termination. This contract automatically terminates upon:

- (1) your death or inability to perform your responsibilities under this contract or as contained in your Agent Compensation Plan;
- (2) your insolvency or bankruptcy occurring after the date of this contract, or if you are a corporation, upon your dissolution or liquidation;
- (3) your failure to meet the minimum production requirements of the Company for continuation of this contract. These requirements may change from time to time. The minimum requirements shall be announced annually and any changes shall be announced prior to the effective date of change;
- (4) failing to maintain in force specified amounts of a professional errors and omissions liability policy

(d) Termination For Cause. Results in forfeiture of any further payments and any accrued rights to participate in plans, programs, or benefits which require an active Agent Contract. Termination for cause shall be:

- (1) material violation of any of the provisions of this contract or published Company policy relating to Agent conduct;
- (2) material violation of any state or federal laws or regulations relating to insurance;