

Atlantic Financial

Life • Annuity • Long Term Care

IMPORTANT

*ALL LICENSING AND CONTRACTING APPOINTMENT
PAPERWORK IS TO BE FAXED TO 860-331-8551 ATTENTION:
CONTRACTING*

Include:

1. Contract
2. Proof of Errors & Omissions coverage
3. Attach copies of all active insurance licenses
4. Voided Check

For faster processing please use this form as your cover page

Or MAIL to:
Atlantic Financial
171 Market Square
Suite 106
Newington, CT 06111

Sincerely,

The Atlantic Financial Team

American National Insurance Company - Independent Marketing Group

Contract Checklist - Must be submitted with Contract

Failure to submit Checklist, required documentation, or appropriate Hierarchy will delay appointment.

Applicant Name: _____ **Region Number:** _____

Marketing Organization: Atlantic Financial **Telephone:** 1-888-586-4333

REQUIRED DOCUMENTS FOR CONTRACTING

- Applicable Producer Agreement (Agent, GA, SGA or RGA) Return Signature Page Only
- For Solicitor - Solicitor Appointment, Form 9035 (Rev. 01/09)
 - Signature Page Signed & Dated
 - Full Name Printed or Typed
- Application to Represent American National, Form 3779 (Rev. 07/09)
- Production Requirement Agreement - Current year (required for RGA and SGA)
- Proof of Errors & Omission Coverage - copy of declaration page (not required for Solicitor)
- Fair Credit Reporting Act Disclosure, Form 4708 (Rev. 09/07) (required by The Fair Credit Reporting Act)
- Applicable Compensation Schedule
- For Florida appointment** a list of all counties in which applicant will solicit business (non-resident appointments only)
- For Virginia Appointment** a copy of signed Insurance Activities Requiring Persons to Be Licensed in Virginia
- Check for Non-Resident License Appointment Fees (non-contiguous states only)
 - If faxing file, check must be mailed under separate cover to the address listed below.
 - Include a cover letter listing Applicant Name and Social Security Number.
- Anti-Money Laundering** - If applicant has taken an AML basic training course through a vendor other than LIMRA, applicant should submit a copy of certification of completion. If applicant **has not** taken a basic training course, upon appointment, ANICO will register the applicant with LIMRA and applicant must access LIMRA's Web site (aml.limra.com) to complete the basic training course. (**Financial Institutions** - submission of completed Form IMG FIM 001 will satisfy AML basic training course requirement.) See Anti-Money Laundering Compliance, Form 1770.
- New Business** - If contract is for Simultaneous Submission State and New Business is included, list the **New Business Application Date:** _____. If New Business is submitted with contract, file must be mailed. **Do not Fax New Business.**

**Please sign
and date all
applicable
Forms.**

THE FOLLOWING DOCUMENTS MUST BE GIVEN TO EVERY APPLICANT

- Producer's Code of Conduct, Form 4516 (Rev. 08/03)
- Advertising Guidelines, Form 4512 (Rev. 07/07)
- Notice of Privacy Policy, Form 4977
- Company Guide to AML, Form 4475(Rev. 01/09)
- Direct Deposit, Form 4589 (Rev. 01/09) (n/a for Solicitor)
- AML Compliance, Form 1770

HIERARCHY MUST BE LISTED (including Applicant)

	<u>Name</u>	<u>SSN or Personal Code</u>
NMD:	Atlantic Financial _____	V5154 _____
RGA:	_____	_____
SGA:	_____	_____
GA:	_____	_____
Agent/Sol:	_____	_____

Fax or mail contract to IMG Contract Clerk, Life Producer Services Department:

Fax: 1-866-568-0449

Mail: American National Insurance Company, LPS Department, P. O. Box 1762, Galveston, TX 77553-1762

Home Office Use Only: Business Segment: _____77_____ Responsibility Code: _____

**AMERICAN NATIONAL INSURANCE COMPANY
GALVESTON, TEXAS
GENERAL AGENT'S AGREEMENT**

American National Insurance Company (hereinafter designated as "Company") hereby appoints _____ its **GENERAL AGENT ("GA" or "you")** with the authority and obligations set forth in this Agreement, and you accept your appointment subject to the terms and conditions of this Agreement and all related Schedules and Supplements related to it.


Effective Date - This Agreement shall become effective on _____, _____. If any provision of the Agreement is now or shall in the future be in conflict with any applicable law or any valid Department of Insurance ruling or order, it shall be modified to the extent necessary for compliance. This Agreement shall supersede all previous agreements between the parties.

GENERAL AGENT:

By: _____
(Signature)

(Print or Type Name Here)

AMERICAN NATIONAL INSURANCE COMPANY:

By: 
Title: **EXECUTIVE VICE PRESIDENT
INDEPENDENT MARKETING**

Date: _____

(Indicate Appropriate Compensation Schedule)

RECRUITING ORGANIZATION:

By: _____
(Signature of Organization Representative)

Submitted by: Atlantic Financial
(Print or Type Name of Organization)

Recruiter's Personal Code #: V5154

**BENEFICIARY TO RECEIVE COMMISSIONS
PAYABLE AFTER DEATH (LIMITED TO ONE
INDIVIDUAL):**

Name of Beneficiary (Print or Type)

Relationship: _____

Authority - You are hereby authorized to develop and supervise the company's business in conformity with the rules and regulations of the Company. You shall recruit and recommend for appointment by the Company individuals and agencies qualified and experienced in life insurance sales and service as agents. You shall train and supervise such agents in accordance with the standards of the company and the requirements of the state or states in which they function for the Company. You acknowledge that all agents in your hierarchy are independent contractors of the company and, at a subagent's election or at the sole discretion of the Company can be transferred by the Company in accordance with the Company's transfer rules.

You shall solicit applications for ordinary life insurance and annuities to be issued by the Company and submit such applications received to the Company, provided that you are properly licensed as required by any governmental authority applicable to you. You shall deliver policies issued by the company, collect the first premium therefor, transmit all collections immediately to the Company, and make every effort to maintain in force all policies issued by the Company.

You shall at all times comply with the rules and regulations of the Company pertaining to underwriting practices, acceptance of risks, delivery of policies, and all other areas of conduct of the Company's business. The relationship between the Company and you created by this Agreement is that of an independent contractor, and nothing in this Agreement shall be construed as creating the relationship of employer and employee between the Company and you. Neither you nor your employees nor agents shall be deemed to be the employee or servant of the company. You shall not be a fulltime insurance agent as defined by the Federal Social Security Law. None of the benefits provided by the Company to its employees, including, but not limited to, worker's compensation insurance and unemployment insurance are available to you, your employees or agents. If training courses, sales methods and material or similar aids and services are extended or made available to you, it is agreed that their purpose and effect shall not be to give the Company control over your time or direction, but only to assist you in your business.

Licensing of agents shall be in compliance with the statutory and regulatory requirements of the Departments of

or other regulatory agencies and in accordance with the standards and procedures established by the Company. Neither you nor any of your agents shall solicit business for the Company until your or their insurance license is in your or their possession or until the Company notifies you in writing that you or they are qualified to write business for the Company.

You shall assume full responsibility for, and indemnify the Company against, any liability in connection with the payment of all federal, state, and local taxes or contributions imposed or required under unemployment insurance, social security, income tax, and related laws with respect to compensation received under this Agreement by you.

In addition to the requirement that you comply with the rules and regulations of the Company pertaining to underwriting practices, acceptance of risk, delivery of policies, and all other areas of the Company's business, you are required to:

- (1) Comply with the Company's policies and procedures concerning the replacement of life insurance policies and annuity policies. A replacement occurs whenever an existing life insurance policy or annuity is terminated, converted, or otherwise exchanged in value. For any transaction involving a replacement, the Company requires you to:
 - (a) recommend the replacement of an existing policy only when replacement is in the best interest of the customer.
 - (b) fully disclose all relevant information to the customer, which information includes:
 - (1) comparison of old and new premiums, expenses, and surrender charges, cash values, and death benefits;
 - (2) any loss of cash value or policy value by surrendering the existing policy;
 - (3) all guaranteed and maximum values of both policies;
 - (4) the fact that a new contestability and suicide period starts under the new policy; and
 - (5) the requirement that the customer must be re-underwritten for the new policy.
 - (c) provide the customer with all applicable required state and Company forms if replacement is involved.
 - (d) provide state-required replacement notices to customers on the same day the application is taken and indicate on the application the transaction involves the full or partial replacement of an existing policy. never recommend that a customer cancel an existing policy until a new policy is in force, and the customer has determined that the new policy is acceptable.
- (2) Adhere to the Company's rules and regulations concerning ethical market conduct, which require that you:

Insurance

- (a) carefully evaluate the insurance needs and financial objectives of your clients, and use sales tools (e.g., policy illustrations and sales brochures) to determine that the insurance or annuity you are proposing meets these needs.
- (b) maintain a current license and valid appointment in all states in which you promote the sale of the Company products to customers and keep current of changes in insurance laws and regulations by reviewing the bulletins and newsletters that the Company provides.
- (c) comply with Company replacement policies, refrain from making disparaging remarks or providing false or misleading information about a competitor or competing product.
- (d) submit all advertising materials intended to promote the sale of any Company product to the home office for approval prior to use.
- (e) immediately report to the Company any customer complaints, whether written or oral, and assist the Company in resolving the complaint to the satisfaction of all parties.
- (f) communicate these standards to any producers or office personnel that you directly supervise and request their agreement to be bound by these conditions as well.

During the term of this Agreement, you shall have and maintain errors and omissions issuance coverage in an amount satisfactory to the Company underwritten by an insurer satisfactory to the Company insuring against negligent act, error, or omission by you or any person employed by you in the rendering of any services related to this Agreement. You must provide proof of such coverage upon application for appointment with the Company and further provide proof on an annual basis or as requested by the Company.

Territory - You may exercise your authority within any territory in which you are properly licensed, but that territory is not assigned exclusively to you.

Records - You shall keep correct and accurate accounts and records of all business transactions and monies which you or your agents collect for the Company. Such accounts and records shall be open at all times to inspection and examination by the Company's authorized representatives or by the Department of Insurance (as required by law) at all times.

Expenses - You shall pay all expenses of every nature incurred in connection with the performance of this

Agreement, and the Company shall not be liable in any way therefore.

Trade Secrets - All accounts, policyholder files and records (including any names, addresses, and ages of policyholders

or records of policy expiration or renewal date), application forms, rate books, software, and all other records in your possession pertaining to the Company business are trade secrets wholly owned by the Company and shall be returned to the company upon demand.

Prompt Transmittal - You shall immediately transmit to the Company all applications solicited and money received for the Company by you or your agents. All such funds shall be segregated by you and held by you in trust. You shall not use such funds for any purpose. If any citation or other paper shall at any time be served upon or received by you concerning any claim, or any other lawsuit, or any legal proceedings by or against the Company, within twenty-four (24) hours after receipt, you shall transmit it by certified mail to the Home Office of the Company in Galveston, Texas. If you neglect, refuse, or fail to do so, you agree to pay the Company, upon demand, the amount of any loss, damage, cost, attorney's fees, or expenses which may have been incurred by your failure to transmit the document within the 24-hour time period.

Hold Harmless - You agree to indemnify and hold harmless the Company from all losses, expenses, costs (including reasonable attorneys' fees whether in defending claims or enforcing this provision), and damages resulting from any acts by you which breach any terms of this Agreement.

Repayment of Commissions and Service Fees - You agree to repay to the Company, on demand, any unearned commissions and service fees and all other compensation received by you for or with respect to premiums or payments returned to policy or contract owners by the Company for any reason. You understand that it is sometimes necessary for the Company to refund premiums in order to settle disputes with policyholders. This decision is made solely at the discretion of the Company, and you will still be liable for the return of unearned commissions.

Limitation of Authority - You shall not possess or exercise any authority on behalf of the Company other than the power or authority expressly conferred by this Agreement and you shall not assume that any power or authority is implied. Specifically, but not in limitation to the foregoing, you shall have no authority on behalf of the Company to:

- (1) make, alter, or discharge any contract.
- (2) assign this Agreement or any compensation payable under it without the prior written consent of the Company.
- (3) solicit applications for the Company in any manner prohibited by or inconsistent with the provisions of this Agreement or the rules and regulations of the Company.
- (4) induce any Company employee or sales representative to terminate any agreement with the Company or any affiliate of the Company or otherwise interfere with any employee or agent's relationship with the Company of any affiliate of the Company.
- (5) incur any indebtedness or liability, expend, or contract for the expenditure of any funds of the Company.

- (6) extend the time for payment of any premium, bind the Company to the reinstatement of any terminated policy, or accept notes for payment of premiums.
- (7) waive or modify any terms, conditions, or limitations of any policy.
- (8) adjust or settle any claim or commit the Company with respect thereto.
- (9) issue or circulate any advertisement or literature unless the same shall have been first approved in writing by the compliance officer of the Company.
- (10) enter into any legal proceedings in connection with any matters pertaining to the Company, which may in any way involve or affect the Company, its affiliates, their business, operations, or any policy issued by them.
- (11) deliver any policy issued by the Company until the applicant has made settlement for the first premium.
- (12) deliver any policy if you or your agents have knowledge of any impairment of the applicant's health not disclosed on the application or occurring subsequent to the securing of the application or if more than thirty (30) days have elapsed from the date of mailing of the policy by the Company, unless authorized in writing by an officer of the Company.

Compensation - For the purpose of determining compensation, your compensation shall include not only your personal production, but also the production of all agents assigned to you. You shall be compensated according to the related Compensation Schedule, based on premiums received on policies issued by the Company for applications secured under this Agreement. Payment of commissions and service fees shall be made at such times and in the manner the Company considers appropriate for the efficient administration of this Agreement. The Compensation Schedule is subject to change by the Company, but any change shall not apply to business written prior to the effective date of the change. The agent's statements rendered by the Company concerning commissions and service fees paid and/or payable, advances and indebtedness shall be conclusive, unless, within thirty (30) days following receipt of the statement, you notify the Company in writing of a dispute regarding any transactions reported since the last preceding report. If a policy on which you are receiving commission or service fees shall lapse for any reason, no further commission or service fees will be paid unless the policy is reinstated solely by the efforts of you. If, for any reason, the Company refunds any premium on which you received a commission or service fee, you shall immediately repay to the Company the commission or service fee received on such premium.

Compensation After Termination - If this Agreement is terminated by your death or by your total and permanent disability, you or your beneficiary shall receive compensation as provide in the Compensation Section of this Agreement on business written prior to termination. Unless otherwise designated in writing on the face page of this Agreement, your beneficiary shall be your spouse, if then living, otherwise, your estate. If this agreement is terminated for any

cause other than your death or disability, or your acting to prejudice materially the interests of the Company or its affiliates, or your violation of any of its provisions, you shall receive Compensation as provided in the Compensation Section of this Agreement less a collection fee of 1% on the premiums paid. If you have materially violated any of the provisions of this Agreement or acted to prejudice materially the interests of the Company or its affiliates, at, before, or after termination of this Agreement, you shall forfeit all commissions and all other compensation due or to accrue under this or any previous Agreement between you and the Company or any of its affiliates or subsidiaries. In the event your total compensation after termination of this Agreement totals less than \$300.00 during any year after termination no further compensation shall be paid to you or to your beneficiary. All compensation payable after termination of this Agreement shall be subject to the right of recoupment lien established in the Indebtedness Section of this Agreement.

Beneficiary - You may name a beneficiary to receive any commissions payable after your death. The Company reserves the right to require evidence that there are no conflicting claims before making payment to the named beneficiary.

Indebtedness - You shall be responsible to the Company for the acts and collections of you or your agents and employees and for the indebtedness of your agents to the Company. The Company shall have and is hereby given a right of recoupment on all commissions, fees, and any other compensation payable under this or any other contract with the Company and its affiliates for the payment of any and all debts or claims due or to become due to it from you. Without in any way limiting the Company's right to such recoupment, the Company shall have and is hereby given a valid first lien on and right of offset against all commissions, fees, and any other compensation payable under this or any other contract with the Company and its affiliates for the payment of any such debts or claims. This right of recoupment and lien shall not be extinguished by the termination of this Agreement. Following demand for repayment or termination of this Agreement, whichever first occurs, all indebtedness shall thereafter bear interest at the maximum lawful rate until paid. You shall be responsible to the Company for all costs and expenses, including legal fees, incurred by the Company as a part of its efforts to collect indebtedness.

Termination - You acknowledge that the Company has not expressly or by implication agreed to continue the term of this Agreement for any definite period of time. Either party may terminate this Agreement by giving thirty (30) days written notice prior to the date fixed for termination. Any notice may be mailed or delivered to the last known address of the other party. The Company may terminate this Agreement at any time upon the occurrence of any of the following events:

1. Your death or your total and permanent disability as defined under the Company's rules and practices then in effect.
2. The Company's written notice to you of its withdrawal from the territory in which you are licensed.

3. Upon written notice from the Company that your performance has been substandard under the Company's requirements applicable to you regarding production, persistency, or other matters, as they may be amended from time to time.
4. The Company's written notice to you that you have violated any of the provisions of this Agreement or that you have otherwise acted to prejudice materially the interest of the Company or its affiliates.

Upon termination, you shall in no manner thereafter act for the company and shall promptly account for and remit to the Company any monies then held for it. On demand, you shall turn over to the Company all undelivered policies, software, ratebooks, other records, materials, and properties pertaining to your agency business. Your right to any commissions or any other thing of value shall cease if you shall do any act which injures the business or reputation of the Company or if you fail to account for and remit promptly any monies collected by you for the Company or shall withhold any policies, money, or other property belonging or returnable to the Company.

Enforcement - You agree that, in addition to all rights and remedies available to the Company to enforce the provisions of this Agreement, whether before or after its termination, whether by judicial action or otherwise, the Company may compel your compliance with this Agreement by injunction issued by any court of competent jurisdiction.

Award Recognition and Incentive Programs - The Company may, at its sole discretion, provide special award and incentive programs for its agents holding this Agreement. However, the Company is under no obligation to continue any such awards or programs and may discontinue them without notice.

Waiver - No act of forbearance on the part of the Company to enforce any of the provisions of this Agreement shall be construed as a modification of this Agreement, nor shall the failure of either party to exercise any right or privilege granted in the Agreement be considered as a waiver of that right or privilege.

Modification or Amendment - Any modification or amendment of this Agreement must be in writing and must be signed by an officer of the Company; provided, however, that the Company may, by written notice, unilaterally amend any Compensation Schedule or Supplement to this Agreement to affect policies to be issued after the date of the amendment.

Reserved Rights of the Company - The Company reserves the following rights: to refuse to accept any individuals or entity recommended for appointment and to terminate, at its

sole discretion anyone whom you recommend for appointment; to unilaterally adopt rules and practices from time to time establishing compensation on old or new policies, commissions on conversions, or commissions on reinstated policies; to withdraw the availability of any policy; to withdraw from any territory; to modify or change its premium rates; to refuse to issue a policy to any applicant without stating any reason for refusal; to adopt rules and practices from time to time relating to any matter not otherwise provided in this Agreement.

Law Applicable - The execution and performance of this Agreement involves transacting business in the State of Texas by you with the Company. This Agreement shall be governed by and construed according to the laws of the State of Texas. All actions with respect thereto shall be brought in a court of competent jurisdiction in the State of Texas.

Arbitration - Any dispute or controversy arising out of or relating to this Agreement, with the exception of any request for injunctive relief sought by the Company, will be resolved exclusively and finally by arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The arbitration may be filed at any AAA location in the United States upon the payment of \$100 of any applicable filing fee. If the parties cannot agree on a binding Arbitration Agreement, then the arbitration will be conducted before a single arbitrator; however, if the amount in controversy is greater than \$50,000, the arbitration shall be conducted before three arbitrators. In any event, the arbitrator shall not award punitive damages or attorney's fees, those damages hereby being waived, and arbitration will be limited solely to the dispute or controversy between you and the Company. The arbitration may be held in person, by telephone, or online as agreed by the parties. Any decision rendered in such arbitration proceeding will be final and binding on each of the parties, and judgment may be entered thereon in a court of competent jurisdiction. The parties will share the cost of arbitration, (including the arbitrator's fees, if any), in the proportion that the final award bears to the amount of the initial claim.

Sole Agreement - This Agreement, with the related Compensation Schedule, constitutes the sole agreement and supersedes all prior agreements between you and the Company, but this Agreement shall not impair your right to commissions or fees, if any, earned under a prior agreement or agreements with the Company.

APPLICATION TO REPRESENT AMERICAN NATIONAL INSURANCE COMPANY
Independent Marketing Group
Galveston, Texas

Full Name First Middle Last

Mr. <input type="checkbox"/>	Mrs. <input type="checkbox"/>	Ms. <input type="checkbox"/>	Social Security #	Date of Birth	Military Status
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Residence Street Address City State 9-Digit ZIPCode

Residence P/O Box or Mail Address City State 9-Digit ZIPCode

Residence Telephone Cell Phone

Business Street Address City State 9-Digit ZIPCode

Business P/O Box or Mail Address City State 9-Digit ZIPCode

Business Telephone Business FAX E-mail Address

Send all mail to Residence Street Address Residence P.O. Box Business Street Address Business P.O. Box
 Other _____

• Is the contract to be in the name of a **corporation or partnership**? **Yes** **No** If Yes, submit corporate license.
 If Yes Name _____ City & State _____

Tax ID No. _____ Partnership Corporation

• List all non-resident states you wish to be appointed with through Independent Marketing. _____

• **If being appointed non-resident in Florida**, please provide all counties soliciting business. _____

• Have you sold insurance through another name or agency in the past five years? **Yes** **No** If Yes, provide details.

• The Violent Crime & Control Act of 1994 makes it a criminal offense for anyone who has been convicted of any criminal felony involving dishonesty or a breach of trust to willfully engage in the business of insurance.

Have you ever been indicted or convicted of any such felony? **Yes** **No**

Have you been arrested for any other crime? **Yes** **No**

If Yes, please give specifics as to charge, date, jurisdiction and outcome. _____

- Have you ever filed or been declared bankrupt? Yes No
- Are you presently indebted to any insurance company or agency? Yes No If Yes, provide details.

To Whom	Nature of Debt	Amount	Payment Terms
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- Have you ever had, or now have, any federal, IRS, state tax liens or garnishments? Yes No
- Are you currently covered by errors and omissions insurance? Yes No
Proof of E&O coverage required. Submit copy of declaration page (not required for solicitor).
- Have you ever filed an errors and omissions claim? Yes No
- Have you ever been disciplined by a state insurance department? Yes No
- Have you ever been cautioned or disciplined for violating a professional code of ethics in any organization? Yes No
- Have you ever been expelled or disciplined by a professional organization such as the NALU? Yes No

Anti-Money Laundering (AML) Certification (Required to issue business)

- Have you completed AML training within the last 12 months? Yes No
If Yes, check one box. LIMRA Other If Other, attach a copy of your certification of completion.
- Was AML training completed through a Broker/Dealer? Yes No
If Yes, Broker/Dealer name _____ Broker/Dealer CRD _____
See Form #1770 for American National Insurance Company AML Compliance Requirements.

The person signing this form as "Applicant" hereby acknowledges that they are not obtaining a license/appointment with American National Insurance Company for the sole purpose or intention principally to solicit or place insurance on the applicant's own life or that of relatives, employers or employees.

I have received, read, understand, and agree to comply with the contents of the Producer's Code of Conduct, the Advertising Guidelines, the Notice of Privacy Policy, and the Company Guide to Anti-Money Laundering Program adopted by American National Insurance Company.

Furthermore, each of the undersigned declares for himself/herself, and all other interested parties, that all of the answers in the pages of this application and any supplements to it are full, complete, and true to the best of his/her knowledge and belief. In addition, the undersigned specifically attests that the Social Security Number or Tax Identification Number on the application is the correct number for the entity applying for appointment with American National Insurance Company.

I, the Applicant, have read, on the date shown below, a copy of the above statements as required by law. I have also read, understand, and signed a copy of Authorization Form 4708. I understand that in signing this application and Form 4708, I hereby authorize the Company, at any time, to investigate my background, including my credit history.

Applicant has the right to make a written request to Company's Home Office within a reasonable period of time for additional, detailed information concerning the nature and scope of the investigation.

_____ Date

_____ Applicant



**American National Insurance Company (ANICO)
Independent Marketing Group (IMG)
IMG Web Site: www.img.anicoweb.com**

ANTI-MONEY LAUNDERING COMPLIANCE (AML)

Effective May, 2006, ANICO implemented an AML program to comply with federal anti-money laundering regulations for insurance companies. The regulations apply to all individual life insurance and annuities (includes individually sold group products), individual registered life insurance and annuities, and group registered variable annuities.

As a result, in order to obtain an appointment with ANICO, all producers are **required** to provide proof that they have completed basic AML training within the last 12 months that is acceptable to ANICO, and they are **required** to complete ANICO's Company-Specific training course. Producers will be required to receive periodic AML training in order to maintain their appointment.

Mandatory Training Requirements:

1. **Completion of LIMRA's basic AML training course.** LIMRA's training course is offered at no cost to producers appointed with ANICO at www.aml.limra.com. If a producer has completed LIMRA training, confirmation will be provided to ANICO by LIMRA a few days after appointment is processed.

Or

Provide valid certification that the producer has completed AML training through an alternate ANICO approved course. If AML training has been completed through an alternate ANICO approved course, producers must provide a valid certification of that training with their contracting paperwork. Such certification should include their name, name of the training course completed, and the date training was completed. A list of approved courses is also available at IMG's Web site. ANICO will make the final determination as to whether a specific training course will satisfy basic AML training requirements.

2. **Completion of ANICO's Company-Specific training course** (Company Guide to Anti-Money Laundering Program). This requirement can be met by completion of **one** of the following options:
 - Submission to ANICO of Form 3779 (Application to Represent ANICO with a revision date of 06/06 or later) at the time of contracting. New producers must be given a copy of Form 4475 (Company Guide to AML Training Program) at the time of contracting.
 - Submission to ANICO of the version of Form 4475 that includes a Receipt and Acknowledgement section.
 - Through E-Agent, which is available at IMG's Web site (in order to access E-Agent, producers will need their ANICO Personal Code, which is assigned at the time of appointment).

Information regarding ANICO's AML Training Requirements is available at IMG's Web site under the following tabs; Compliance Issues, Anti-Money Laundering Information.

Questions regarding AML compliance requirements should be directed to your marketing organization or IMG's Field Support Center, 1-888-501-4043, option 1.

ANICO will not issue business for applicable products until all AML requirements are satisfied.

Applies to all individual life insurance and annuities (includes individually sold group products), individual registered life insurance and annuities, and group registered variable annuities



American National Insurance Company Company Guide to Anti-Money Laundering Program

As an insurance producer, your skills and services help our clients achieve financial success and security. Since you are on the front lines of a multi-billion dollar industry, you are in a unique position not only to serve our clients, but also to serve this country by helping prevent money laundering and the financing of terrorist activities.

To comply with new federal anti-money laundering regulations for insurance companies, our family of companies is implementing a detailed anti-money laundering program. You have an important role to play in that program. You may often be in a critical position to obtain information regarding the customer, the customer's source of funds for the products we sell, and the customer's reasons for purchasing an insurance product.

That in selling individual annuities and life insurance, the Company's anti-money laundering program requires you must:

- Ensure that all information requested on the product application and associated documents is accurate and complete, including the USA PATRIOT Act Notification and Customer Identification Verification form for all non-variable business.
- **Contact the appropriate Anti-Money Laundering (AML) compliance officer if a customer resists providing information.** (See contact information further in this document.)
 - Records of this information must be retained as long as the contract remains in force and for five years thereafter.
- Notify the appropriate AML compliance officer if you detect any money laundering red flags, so that the Company can determine whether a suspicious activity report (SAR) must be filed with the U. S. Department of the Treasury or any agency thereof.

Possible Red Flag Activity (*for a comprehensive list of red flag activity, contact the AML officer at American National*)

The purchase of a product that appears to be inconsistent with a customer's needs

- The purchase or funding of a product that appears to exceed a customer's known income or liquid net worth
- Any attempted unusual method of payment, particularly by cash or cash equivalents, such as money orders or cashier checks
- Payment of a large amount broken into several smaller amounts
- Little or no concern by a customer for the performance of an insurance product, but much concern about the early termination features of the product
- The reluctance by a customer to provide identifying information, or the provision of information that seems fictitious
- Any other activity which you think is suspicious

AML Contact Information

Report Suspicious Activity To

Contact: **Judith L. Regini (Judy)**, Assistant Vice President, Corporate Compliance, Chief Compliance Officer for Anti-Money Laundering

Mail: P.O. Box 1896, Galveston, Texas 77553-9902

Phone: (800) 933-5975

Fax: (409) 621-3885

Email: AMLCompliance@anico.com

Types of Payments Accepted

Advise customers that only the following types of payment may be accepted:

- Personal checks and pre-authorized check payments.
- Cash (currency or coin) in amounts less than \$1,000. (**Cannot accept cash for variable contracts.**)
- Cash equivalents (money orders, cashier's checks, traveler's checks, bank drafts).
 - Cash and cash equivalents must be reported to the IRS and FinCEN on Form 8300 when payments received by the Company in a single transaction or in two or more related transactions total more than \$10,000. Related transactions occurring within any 12-month period would be aggregated for reporting purposes even if individually they are less than \$10,000. [Agents may have independent reporting obligations and should check their Company's website for additional information.]
 - Limited to \$500 for variable contracts.
- **If a customer provides a form of payment that is not permitted, do not accept the payment and notify the appropriate AML compliance officer if it is in an amount greater than \$1,000.**

NOTE: An employee, agent or broker must not, under any circumstances, disclose that he has reported suspicious activity or red flags to the Company. It is the sole responsibility of the Company's AML officer to determine whether a SAR is filed with the Dept. of Treasury. The AML officer and the Company are prohibited from disclosing to the agent and any other person that a SAR has been filed.

The Company and its producers share an important responsibility to comply with the Company's program and all applicable anti-money laundering laws. A failure to do so will constitute grounds for discipline, up to and including termination. In addition, violation of anti-money laundering laws may expose those responsible to substantial penalties under federal law.

For more details on each of these requirements, contact the AML officer of American National or of SM&R, for broker/dealer questions involving variable contracts.

AUTHORIZATION

Required by The Fair Credit Reporting Act

The Federal Fair Credit Reporting Act, as amended, provides that any consumer reporting agency may furnish a consumer report in accordance with the written instructions of the consumer to whom it relates.

In accordance with that provision, the person signing this form as "Applicant" hereby authorizes any person or agency to give, in writing, orally, or in any other form, to American National Insurance Company or its designated representatives any information gathered or maintained by a consumer reporting agency bearing on the Applicant's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the Applicant's eligibility for credit, employment or any other purpose authorized under Section 604 of the Act.

Further, the Applicant understands that American National Insurance Company may, as part of its normal procedure, request that an investigative consumer credit report be made whereby information on the Applicant's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with business associates, employers, friends, neighbors and others with whom the applicant may be acquainted or who may have knowledge concerning any such items of information. The Applicant authorizes the individual or agency conducting the investigation to give, in writing, orally, or any other form, to American National Insurance Company or its designated representatives any information gathered or obtained during this investigation pertaining to Applicant's production, persistency, commissions, earnings, estimated future earnings, commission advances loans, and debts, including, but not limited to, any indebtedness that may have been charged to the Applicant's manager or agency, or which may have been written off.

The Applicant authorizes American National Insurance Company or its designated representatives to use the reports furnished in accordance with this authorization in any deliberations which it or they may undertake to determine whether or not American National Insurance Company will make an offer of a contract to the Applicant.

For California, Minnesota or Oklahoma applicants only, if you would like to receive a copy of the consumer report, if one is obtained, please check this box.

For California applicants only, if public record information is obtained without using a consumer reporting agency, you will be supplied a copy of the public record information unless you check this box waiving your right to obtain a copy of the report.

(Applicant's Printed Name)

(Applicant's Signature)

(Date)

(Social Security Number)

NOTICE OF PRIVACY POLICY

American National Insurance Company

**One Moody Plaza
Galveston, Texas 77550**

American National Insurance Company is committed to providing insurance and annuity products and services designed to meet your needs. We are equally committed to respecting your privacy and protecting the information about you that we may receive. We have prepared this notice to advise you what information we collect, how we use it and how we protect it.

What Information We Collect

As an essential part of our business, we obtain certain personal information about you in order to provide a financial product or service to you. Some of the information we receive comes directly from you on applications or other forms, and may include information you provide during visits to our Web site. We may also receive information from physicians, testing laboratories and other health providers, and from consumer reporting agencies. The types of information we receive may include addresses, social security numbers, family information, current and past medical history and financial information, including information about transactions with other financial institutions.

What Information We Disclose

We do not disclose nonpublic personal information about our current or former customers to any non-affiliated entity, except as permitted by law. Examples of the disclosures which we are permitted by law to make include: disclosures necessary to service or administer an insurance or annuity product that you requested or authorized; disclosures made with your consent or at your direction; disclosures made to your legal representative; disclosures made in response to a subpoena or an inquiry from an insurance or other regulatory authority; disclosures made to comply with federal, state or local laws and to protect against fraud.

Our Privacy Protection Procedures

We protect information about you from unauthorized access. Our employees and agents receive training regarding our privacy policies, and access to information about you is restricted to those individuals that need such information in order to provide products and services to you. Examples of activities requiring access to personal information include: underwriting; claims processing; reinsurance and policyholder service. Finally, we employ secure technologies in order to safeguard transmission of information about you through our web sites, and we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information.



Producer's Code of Conduct

As a representative of the American National family of companies I recognize my responsibility to:

Conduct myself in the highest character with *honesty, integrity, and fairness* at all times.

Provide information to clients in a professional manner which is *honest, relevant, and designed to meet the client's needs*.

Understand and accurately *represent* the Company's products and services.

Ensure my *personal interests do not conflict* with those of clients or the Company.

Render *prompt and quality service* both before and after the sale to clients and their beneficiaries.

Learn and follow all Company policies and procedures related to my role as a producer.

Keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.

Not replace a life or health insurance or a financial product of a client unless it is in their best interest.

Foster *good will, courtesy, and consideration* in the treatment of policyowners and the general public, while maintaining *respect* for the Company.

Meet all continuing education requirements.

Endorse and support the Insurance Marketplace Standards Association's (IMSA's) Principles of Ethical Market Conduct.

- Conduct business according to high standards of honesty and fairness and to render that service to its customers which, in the same circumstances, it would demand for itself.;
- Provide competent and customer-focused sales and service;
- Engage in active and fair competition
- Provide advertising and sales materials that are clear as to purpose and honest and fair as to content;
- Provide for fair and expeditious handling of customer complaints and disputes;
- Maintain a system of supervision and review that is reasonably designed to achieve compliance with these Principles of Ethical Market Conduct.



AMERICAN NATIONAL INSURANCE COMPANY

Direct Deposit - Mandatory

There are a number of benefits to having your commissions paid by Direct Deposit.

- * *SECURITY* – Transfer is done electronically – no extra trip to the bank to stand in line.
- * *CONVENIENT* – Your commissions will be deposited even though you may be out of the office or out of town.
- * *GUARANTEED* – In your account by Friday of the pay week.
- * *HOW MUCH PAID FOR THE WEEK* – Call 1-888-801-8845 for your commission amount (can begin calling after 12:00 P.M. on Tuesday of the pay week).

If you change banks while on Direct Deposit, we encourage you to continue to maintain your existing account until we can change bank accounts in our systems. This should eliminate delays in receiving direct deposits.

Direct Deposit is one of the steps in American National Insurance Company's automation process that will make it easier for you to access information regarding your payment of commissions.

AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSIT

I authorize American National Insurance Company and the bank listed to deposit my commissions to the account name below. This authority will remain in effect until I provide a new authorization or cancellation. The company reserves the right to initiate debit entries for recovery of sums due to credit entries processed in error, if determined within the week of the credit entry.

A Voided Check must be submitted with your request for Direct Deposit.

AGENT NAME _____

SSN # _____

AGENCY # _____

DEPOSITORY (BANK) NAME _____

ADDRESS _____

CITY, STATE, ZIP _____ / / _____

CHECKING ACCOUNT # _____

SAVINGS ACCOUNT # _____

9 DIGIT ROUTING # _____

9 DIGIT ROUTING # _____

CREDIT UNION _____

MONEY MARKET ACCT. _____

% TO CHECKING ACCT. _____

% TO SAVING ACCT. _____

(Name as it appears on checking account)

(Name as it appears on savings account)

If contract file is submitted electronically through nomoreforms, a voided check should be scanned and submitted as an attachment to the file or you may fax a copy to 1-866-568-0449. If submitting voided check by fax, please include a cover sheet indicating original file was submitted through nomoreforms and list applicant's name.

EFT PROCEDURES

Once you have signed up, your check will be automatically deposited into your checking and/or savings account approximately 3-4 weeks from the day the Home Office received the request. You will receive a "DEPOSIT ADVICE" form which will replace your check stub. This form will show your gross and net pay for the month and year-to-date. It will also show other deductions.

For Agent Use Only

AMERICAN NATIONAL INSURANCE COMPANY GENERAL AGENT COMPENSATION SCHEDULE

This compensation schedule shall cancel and supersede all previously effective Compensation Schedules and Paid Production requirements, but it shall not impair your rights to commissions or fees, if any, earned under the provisions of any prior schedules. Commissions and fees are expressed as a percentage of premiums paid unless otherwise noted. **Schedule consists of 4 pages total.**

Life Products	Ages	1st Year	Additional Deposits/Renewals				
		Target Premium	Yr. 2 - 3	Yr. 4 - 5	Yr. 6 - 7	Yr. 8 - 10	Yr. 11+ ¹
ANICO Indexed UL ²	18-69	80	2	2	2	2	0.6
	<i>excess</i> 18-69	2	2	2	2	2	0.6
	70-85	75	2	2	2	2	0.6
	<i>excess</i> 70-85	2	2	2	2	2	0.6
ANICO Select ROP Term (Annual policy fee of \$60.00 is non-commissionable)							
10 year term ⁴	20-70	75	-	-	-	-	-
15 year term ⁴	20-65	80	-	-	-	-	-
20 year term ⁴	20-60	85	-	-	-	-	-
30 year term ⁴	20-50	85	-	-	-	-	-
ROP Rider commission same rate as policy commission.							
ANICO Executive UL ²	18-69	80	2	2	2	2	2
	<i>excess</i> 18-69	2	2	2	2	2	2
	70-85	75	2	2	2	2	2
	<i>excess</i> 70-85	2	2	2	2	2	2
ANICO LTG UL ³	18-69	80	2	2	2	2	2
	<i>excess</i> 18-69	2	2	2	2	2	2
	70-85	75	2	2	2	2	2
	<i>excess</i> 70-85	2	2	2	2	2	2
Affinity 7 Par Whole Life	0-69	80	2	2	2	2	0.7
	70-79	60	2	2	2	2	0.7
	80-85	30	2	2	2	2	0.7
Paid Up Additions Rider	0-85	2	2	2	2	2	2

Commissions on riders originally issued with the policy are paid at the same rates as the base policy unless otherwise shown, except for the Level Term Rider on ANICO Executive UL. Any additional premium paid because of this rider will be commissioned at the policy's rate for excess premium. Commissions for policy increases and riders added after the policy is issued are paid at the same first year and renewal rates as the policy for the amount of the increase unless otherwise shown. Commissions on increases and on riders added after the policy is issued will be paid to the agent who writes and submits the application for the increase or addition.

Full First-Year Commissions, Renewal Commissions, and Service Fees are paid on the entire premiums of a policy issued with a table rating, with a flat extra premium, or with a temporary extra rating for 6 years or longer. If a policy is issued with a temporary extra rating for 5 years or less, then no First-Year Commissions, Renewal Commissions, or Service Fees are paid on the premium charged for the temporary extra rating. Universal Life products pay commission on all table ratings (1-16). Whole Life products cap at Table 6.

Commissions are only payable on new money premium payments made by the policy owner and received by the Company at its home office. Monthly deductions from cash value made by the Company to continue coverage are not premium payments and are not commissionable.

Life Products Footnotes

- Service Fees are not vested. They are payable only while you are actively under contract with American National Insurance Company.
- First year target commission rate will be paid on all premiums collected until an amount equal to the target premium has been paid regardless of when it is paid.
- LTG UL, for ages 75+ the commissionable premium equals the age 75 commissionable target premium.
- ROP Rider cannot be attached to 10 Year Term or to term riders. ROP Rider cannot be added after issue.

AMERICAN NATIONAL INSURANCE COMPANY GENERAL AGENT COMPENSATION SCHEDULE

Annuity Products									
Palladium MYG Annuity ^{1,2}	Guarantee Period								
	Ages	3 Yr.	4 Yr.	5 Yr.	6 Yr.	7 Yr.	8 Yr.	9 Yr.	10 Yr.
	0-79	1.5	2	4	2.5	2.5	2.5	3	4
	80-85	0.5	1	2	0.5	0.5	0.5	1	2
Palladium Immediate Annuity ¹	Payout periods			All other		All other			
	Ages	<u>5-9</u> 0-90		<u>payouts</u> 0-84		<u>payouts</u> 85-90			
		1.5		3		1.5			
Non-Registered Group Variable Annuity ^{1,4}	0-500k 5.01k-1m 1.01m-3m 3.01m-5m 5.01m +								
	Option A	6	4.25	2.5	1	0.1			
Option B	4.5	2.75	1	0.22	0.02				
Palladium Century ^{1,2}	Ages	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr. +	Trails ⁵		
	0-74	6	5	4	3	2	-		
	75-90	3.5	2.5	1.5	0.5	0.4	-		
Palladium Century ^{1,2,7}	0-74	4	3	2	1	0.75	0.4		
	Trail Option	75-90	1.5	1	0.5	0.5	0.4	0.4	
Palladium Century 1 ^{1,2}	0-74	8	-	-	-	-	-		
	75-90	5.5	-	-	-	-	-		
Palladium Century 1 ^{1,2,7}	0-74	6	-	-	-	-	0.4		
	Trail Option	75-90	3.5	-	-	-	-	0.4	
Palladium Century 3 ^{1,2}	0-74	7	-	-	-	-	-		
	75-85	4.5	-	-	-	-	-		
Palladium Century 3 ^{1,2,7}	0-74	5	-	-	-	-	0.4		
	Trail Option	75-85	2.5	-	-	-	-	0.4	
Palladium Century 5 ^{1,2}	0-74	6	-	-	-	-	-		
	75-80	3.5	-	-	-	-	-		
Palladium Century 5 ^{1,2,7}	0-74	4	-	-	-	-	0.4		
	Trail Option	75-80	2	-	-	-	-	0.4	
Palladium Century 7 ^{1,2}	0-74	5	-	-	-	-	-		
	75-80	3	-	-	-	-	-		
Palladium Century 7 ^{1,2,7}	0-74	3	-	-	-	-	0.4		
	Trail Option	75-80	1	-	-	-	-	0.4	
Ages 1 Yr. 2 Yr. 3 Yr. 4 Yr. 5 Yr. 6 Yr. +									
Palladium Series 1, 3, 5 & 7 available in states where Palladium Century is not approved.									
Palladium ^{1,2}	0-74	4.5	4	3.2	2.4	1.6	1.6		
	75+	2	1.6	1.2	0.4	-	-		
Palladium Plus 1 ^{1,2}	0-74	6	5.6	4.8	4	3.2	-		
	75+	3.5	3.2	2.8	2	1.2	-		
Palladium Plus 3 ^{1,2}	0-74	5	4.5	3.8	3	3	-		
	75+	2.5	2.2	1.9	1.1	1.1	-		
Palladium Ultra 5 ^{1,2}	0-74	4	3.8	3	3	3	-		
	75+	1.5	1.2	1.1	1.1	1.1	-		
Palladium Ultra 7 ^{1,2} - not offered to ages 71+	0-70	3	2.8	2.8	2.8	2.8	-		

**AMERICAN NATIONAL INSURANCE COMPANY
GENERAL AGENT COMPENSATION SCHEDULE**

	Owner	Ages	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.	6 Yr. +	Trails ⁵	
Strategy Index Annuity 10 (Option A) ^{1,2}		0-75	8	-	-	-	-	-	-	
		76-80	6.5	-	-	-	-	-	-	
		81-85	5	-	-	-	-	-	-	
Strategy Index Annuity 10 (Option B - Trails) ^{1,2,8}		0-75	5.5	-	-	-	-	-	0.4	
		76-80	4	-	-	-	-	-	0.4	
		81-85	2.5	-	-	-	-	-	0.4	
Strategy Index Annuity 7 (Option A) ^{1,2}		0-75	5	-	-	-	-	-	-	
		76-80	4	-	-	-	-	-	-	
		81-85	3	-	-	-	-	-	-	
Strategy Index Annuity 7 (Option B - Trails) ^{1,2,8}		0-75	3	-	-	-	-	-	0.4	
		76-80	2	-	-	-	-	-	0.4	
		81-85	1	-	-	-	-	-	0.4	
	Owner	Ages	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.	6 Yr. +		
Value Lock 10 Year EIA ^{1,2}		0-75	10	-	-	-	-	-	-	
		76-80	8	-	-	-	-	-	-	
Value Lock 7 Year EIA(Non-MVA) ^{1,2}		0-75	6	-	-	-	-	-	-	
		76-80	4	-	-	-	-	-	-	
		Ages	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.	6 Yr. +	Trails ⁵	
ANICO EIA ^{1,2}		0-79	5	-	-	-	-	-	-	
		80-85	3	-	-	-	-	-	-	
Group Unallocated Annuity - Fixed ¹		-	4	4	4	4	4	4	-	
Eagle Annuity ^{1,2,3}		0-85	2	1.5	1	0.5	-	-	0.2	
Qualified sales issue age 0-80.										
WealthQuest Citadel Diamond Annuity 5 ^{1,2}		0-80	4	-	-	-	-	-	-	
		81-85	3	-	-	-	-	-	-	
WealthQuest Citadel Diamond Annuity 7 ^{1,2}		0-80	4.5	4.5	4.5	-	-	-	-	
		81-85	3.5	3.5	3.5	-	-	-	-	
	Owner	Ages	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.	6 Yr. +	Trails 2-7 ⁵	Trails 8+
Palladium Advisor (Non-Qualified Sales Only) ^{1,2,6}		0-79	3	-	-	-	-	-	0.4	0.8
		80+	1	-	-	-	-	-	0.4	0.8
Palladium Advisor (Qualified Sales Only) ^{1,2,6}		0-79	3	2	1	0.65	-	-	0.4	0.8
		80+	1	0.2	-	-	-	-	0.4	0.8

AMERICAN NATIONAL INSURANCE COMPANY GENERAL AGENT COMPENSATION SCHEDULE

Annuity Products Footnotes

1. Commission chargeback is 100% on the following products if during the **first policy year** a policy terminates due to a **death claim or full policy surrender** for Palladium MYG (all issue ages), Citadel 5 & 7 (applies to issue ages 80+ for death claims and all issue ages for surrenders), Palladium Advisor (applies to issue ages 80+ for death claims and all issue ages for surrenders), ANICO EIA (all issue ages), Palladium Century (all issue ages), Value Lock EIA 7 & 10 (all issue ages), and Strategy 7 & 10 (all issue ages). Commission chargeback of 50% applies to the **second policy year** for Palladium Advisor (all issue ages) **full policy surrender only** and Palladium Century (all issue ages) **death claim or full policy surrender**.

There is no commission chargeback on the following products for **death claims**; however, a chargeback of 100% for the first policy year and 50% for the second policy year apply if a policy terminates due to a **full policy surrender** for Palladium Series (all issue ages) and Eagle Annuity (all issue ages).

Commission chargebacks for **partial surrenders** are as follows: **First Year** - All issue ages - 100% of the portion of a partial surrender which incurs a surrender charge for Palladium MYG, Citadel 5 & 7, Palladium Advisor, Palladium Series, Eagle Annuity, ANICO EIA and Palladium Century.

Second Year - All issue ages - 50% of the portion of a partial surrender which incurs a surrender charge for Palladium Advisor, Palladium Series, Eagle Annuity, and Palladium Century.

Commission chargebacks do not apply to the following products: Palladium Immediate Annuity, Non-Registered Group Variable Annuity, and Group Unallocated Fixed Annuity.

2. Chargeback and issue age is based on **age of Annuitant** for Palladium MYG, Citadel 5 & 7, Palladium Series, Eagle Annuity, and ANICO EIA.

Chargeback and issue age is based on **age of Oldest Owner** for Palladium Advisor, Palladium Century, Value Lock EIA 7 & 10, and Strategy 7 & 10.

3. Renewal Asset Based Commission: Beginning policy year two and for as long as the policy is in force, you shall receive a percentage of Policy Account Values (as valued on the last day of each month) less outstanding policy loans if any. These commissions will be paid monthly based upon a formula that pays one-twelfth (1/12) of twenty-tenths of one percent (0.20) on the Eagle Annuity.

4. For the writing agent, with Option B there is a 0.25% trail commission up to \$5m and a 0.05% trail commission for \$5.01m and above.

5. Trail commissions start in the 13th month.

6. Renewal Asset Based Commission: Beginning policy year two and for as long as the policy is in force, you shall receive a percentage of Policy Account Values (as valued on the last day of each month) less outstanding policy loans if any. These commissions will be paid monthly based upon a formula that pays one-twelfth (1/12) of forty tenths of one percent (0.40) on the Palladium Advisor for years 2-7 and one-twelfth (1/12) of eighty tenths of one percent (0.80) on the Palladium Advisor for years 8+.

7. Renewal Asset Based Commission: Beginning policy year two and for as long as the policy is in force, you shall receive a percentage of Policy Account Values (as valued on the last day of each month) less outstanding policy loans if any. These commissions will be paid monthly based upon a formula that pays one-twelfth (1/12) of forty tenths of one percent (0.40) on the Palladium Century and Palladium Century 1,3,5,7.

8. Renewal Asset Based Commission: Beginning policy year two and for as long as the policy is in force, you shall receive a percentage of Policy Account Values (as valued on the last day of each month) less outstanding policy loans if any. These commissions will be paid monthly based upon a formula that pays one-twelfth (1/12) of forty tenths of one percent (0.40) on the Strategy Index Annuity 7 & 10 (Option B).