

# 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

# PARTNERING WITH LINCOLN FINANCIAL GROUP<sup>®</sup>



Licensing, Contracting, Appointment  
Marketing General Agent



Insurance products are issued by insurance affiliates of Lincoln Financial Group.



# Welcome

We are pleased that you have chosen to associate with Lincoln Financial Group® and its affiliates. The instructions, information and forms on the following pages are designed to make the process of licensing, contracting and appointment a smooth and expeditious experience.

Lincoln Financial Group® is focused on offering superior service to superior producers. To avoid an unnecessary delay in processing, please be certain that all items on the contract checklist have been completed and submitted.

Contracts received from agents residing in "Just in Time" (immediate appointment) states will be processed upon receipt of first New Business application. Please note that the paperwork submitted will be reviewed for completeness once New Business is received.

Contracting received from agents residing in "Pre-Appointment" states is processed immediately. Agents may solicit upon receipt of Department of Insurance appointment approval.

## INSTRUCTIONS FOR COMPLETION OF FORMS

**PRODUCER SECTION**

**Producer's Name:** \_\_\_\_\_

**COMPLETE AND PROVIDE THE FOLLOWING:**

- Professional Profile LA02296
- Fair Credit Reporting Act Disclosure and Authorization LA02298
- Signed Producer Agreement BJ-02300
- AML certification LA06554

**Optional**

- Authorization for Pre-Authorized Deposits (Fast Cash) GB02303
- Financial Owner Assignment BJ-02305

**Return completed packet to your recruiter**

**RECRUITER SECTION**

**Recruiter's Name:** \_\_\_\_\_ Atlantic Financial

- Verify that information above has been completed and all requested documents are attached
- Complete Recruiter Report BJ-04736
  - **VERY IMPORTANT** - The hierarchy section dictates Payout (commission & override) - be sure to include names and agent numbers for all parties in the hierarchy.
  - If you **DO NOT** want correspondence to go directly to the agent, complete the bottom section address information on the Recruiter Report.
- Mail completed packet to (Please select only one method of submission)
  - Lincoln Financial Group  
Distribution Gateway - 2S30  
PO Box 515  
Concord, NH 03302-0515
  - OR** E-Mail to [contracting@lfg.com](mailto:contracting@lfg.com)
  - OR** Fax to 603-226-5311



**PROFESSIONAL PROFILE**

**A. Personal Information**

Male  Female

Full Name: \_\_\_\_\_ Nickname: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Business Street: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email address: \_\_\_\_\_

Home Street: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Home Ph: \_\_\_\_\_ Prof Desig:  CLU  ChFC  CFP  CFC  RFP  MSFS  LUTCF  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 orgin, or disability.

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

Corporate Name: \_\_\_\_\_ Tax ID: \_\_\_\_\_

**C. Licenses Held**

List states in which you wish to be appointed. \_\_\_\_\_

If, applicable, submit appropriate fees for non-resident appointments requested.

FINRA License  Yes  No CRD # \_\_\_\_\_ Broker/Dealer \_\_\_\_\_ TIN \_\_\_\_\_

**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 Lincoln will be at least:

Life Premium \$ \_\_\_\_\_ Annuity Premium \$ \_\_\_\_\_

**E. Please read and answer each question.** (Attach a written explanation, including date of the event and date of discharge, for any yes answers. If anything occurs, which results in a change to any of your answers, you must notify Lincoln, in writing, within 30 days of the occurrence.

	<b>Yes</b>	<b>No</b>
1. 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"/>
2. Have you ever been convicted of or pleaded guilty or nolo contendere to a felony or misdemeanor other than a traffic offense?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are you currently, or have you ever been involved in a bankruptcy (personal or any business in which you had control or an ownership interest), pending litigations in which you are a defendant, had a salary garnished or had liens or judgments against you?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are you currently, or have you ever been the subject of any customer complaint or complaint or proceeding by any securities, insurance or commodities regulatory body or organization?	<input type="checkbox"/>	<input type="checkbox"/>
5. Have you ever had your contract, appointment or employment arrangement terminated or have you been permitted to resign from any insurance company or other financial services employer for any reason other than low production?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are you currently, or have you ever been refused a license to sell insurance or been refused membership in any securities regulatory body or organization or had a license suspended or revoked by any securities and/or State Insurance Department?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are 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"/>

By signing below, I certify that the foregoing answers are true and correct to the best of my knowledge and belief. I also give The Lincoln National Life Insurance Company and its affiliates permission to investigate as necessary to verify this information and to share the information with parties recruiting and recommending my appointment unless I direct you otherwise. This authorization, in original or copy form, is valid now or any time in the future.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date



**FAIR CREDIT REPORTING ACT DISCLOSURE & AUTHORIZATION**

**DISCLOSURE OF USE OF CONSUMER REPORTS**

As part of the appointing and/or contracting process, The Lincoln National Life Insurance Company and its affiliates (hereinafter, Lincoln), request consumer reports on prospective producers. From time to time after appointing and/or contracting, Lincoln reserves the right to request consumer reports on its producers in connection with their contracts or new appointments. Occasionally, Lincoln 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 Lincoln Financial Group and its affiliates and parties recruiting and recommending your appointment unless you direct otherwise.

**CALIFORNIA RESIDENTS**

**Summary of the provisions of section 1786.22 of the California Investigative Consumer Reporting Agency Act**

- a. An investigative consumer reporting agency shall supply files and information required under Section 1786.10 during normal business hours and on reasonable notice.
- b. Files maintained on a consumer shall be made available for the consumer’s visual inspection, as follows:
  - 1. In person, if he appears in person and furnishes proper identification. A copy of his file shall also be available to the consumer for a fee not to exceed the actual costs of duplication services provided.
  - 2. By certified mail, if he makes a written request, with proper identification, for copies to be sent to a specified addressee. Investigative consumer reporting agencies complying with requests for certified mailings under this section shall not be liable for disclosures to third parties caused by mishandling of mail after such mailings leave the investigative consumer reporting agencies.
  - 3. A summary of all information contained in files on a consumer and required to be provided by Section 1786.10 shall be provided by telephone, if the consumer has made a written request, with proper identification for telephone disclosure, and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer.
- c. The term “proper identification” as used in subdivision (b) shall mean that information generally deemed sufficient to identify a person. Such information includes documents such as a valid driver’s license, social security account number, military identification card, and credit cards. Only if the consumer is unable to reasonably identify himself with information described above, may an investigative consumer reporting agency require additional information concerning the consumer’s employment and personal or family history in order to verify his identity.
- d. The investigative consumer reporting agency shall provide trained personnel to explain to the consumer any information furnished to him pursuant to Section 1786.10.
- e. The investigative consumer reporting agency shall provide a written explanation of any coded information contained in files maintained on a consumer. This written explanation shall be distributed whenever a file is provided to a consumer for visual inspection as required under Section 1786.22.
- f. The consumer shall be permitted to be accompanied by one other person of his choosing, who shall furnish reasonable identification. An investigative consumer reporting agency may require the consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer’s file in such person’s presence.

**AUTHORIZATION**

I authorize The Lincoln National Life Insurance Company and its affiliates to request and obtain one or more consumer reports and/or investigative consumer reports about me for appointing and/or contracting purposes, and to share such information within Lincoln Financial Group and its affiliates as well as with parties recruiting and recommending my appointment unless I direct you otherwise.

Date: \_\_\_\_\_ Name (Print): \_\_\_\_\_

Name (Sign): \_\_\_\_\_

## PRODUCER AGREEMENT

AGREEMENT by and between The Lincoln National Life Insurance Company, an insurance company organized and existing under the laws of the State of Indiana and Lincoln Life & Annuity Company of New York, an insurance company organized and existing under the laws of the State of New York, and any subsequent affiliate designated from time to time by notice (hereinafter collectively referred to as the “Company” or “Lincoln” and \_\_\_\_\_ (the “Producer”).  
(Name of Organization or Individual)

WHEREAS, Lincoln is the issuer of insurance products (the “Policies”), which are more particularly described in this Agreement in Schedule A1/B1 hereto, as may be amended by Lincoln at anytime; and,

WHEREAS, Lincoln proposes to have the Producer sell the Policies;

WHEREAS, the Producer’s classification is reflected in the Producer’s Compensation Plan. Lincoln may reclassify the Producer from time to time. The Producer will be notified of any such reclassification prior to the effective date of the new classification. Any change to a different level typically would be 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 the Producer’s reclassification.

NOW THEREFORE, in consideration of the foregoing and the mutual promises herein contained, the parties hereto agree as follows:

1. **Appointment of the Producer.** Lincoln hereby appoints the Producer to:
  - (a) solicit sales of the Policies in all jurisdictions in which the Policies may legally be issued using forms, rates and guidelines provided by the Company; and in which the Producer is properly licensed under state law and appointed under existing Company guidelines;
  - (b) to promptly deliver the Policies when the conditions governing such delivery have been met;
  - (c) to collect the initial modal premium necessary to place in force or to reinstate the Policies in the form of a check payable to the Company;
  - (d) to service the policyowner; and
  - (e) to recruit, and recommend the appointment to Lincoln, persons and organizations meeting the Company standards for holding a Producer Agreement if authorized by the terms of the Producer’s Compensation Plan.
2. **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 Lincoln Financial Group. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its subsidiaries. Lincoln National Corporation is not responsible for financial obligations of these corporations.
3. **Independent Contractors.** The Producer is an independent contractor with respect to Lincoln, and nothing in this Agreement shall create or be construed to create the relationship of employer and employee between Lincoln and the Producer. The Producer shall, in its sole discretion, select the persons from whom it will solicit applications for Policies, as well as the time, manner and place of solicitation.
4. **Limitation of Authority.** The Producer’s authority shall extend no further than stated in this Agreement. The Producer shall not:
  - (a) make, waive, or change any questions, statements, or answers on any application for a Producer Agreement, the Agreement itself or any application for the Policies, the terms of any receipt given thereon, or the terms of the Policies;
  - (b) extend the time for payment of premiums or waive any premiums, or forfeiture or guarantee dividends, earnings or rates, or estimate future interest, mortality or expense factors except through the use of authorized illustrations and projections approved by Lincoln;
  - (c) deliver the Policies unless the health of the Insured(s) or Annuitant(s) is substantially unchanged from the date of the application;
  - (d) incur any debts or liabilities for or against the Company;
  - (e) receive any money for the Company except premiums as authorized in Section 1(c) above, in the form of a check payable to the Company;
  - (f) misrepresent, or fail to disclose accurately, the terms or nature of the Company’s Policies;
  - (g) pay any premiums on the Policies other than the Producer’s own or the Producer’s immediate family members;
  - (h) solicit business in a state where the Policies are not approved for sale;

- (i) share any part of management compensation with producers recruited by or assigned to the Producer;
- (j) violate any published Lincoln policy on IOLI/SOLI sales and viatical/life settlements;
- (k) enter into any proceeding in a court of law or before a regulatory agency in the name of or on behalf of Lincoln.

Nothing in this Agreement shall create or be construed to create any exclusive authority to represent Lincoln or to effect sales of policies with respect to a specific geographic territory or otherwise.

5. **The Policies.** The Policies issued by Lincoln to which this Agreement applies are listed in Schedule A1/B1. Schedule A1/B1 may be amended from time to time by Lincoln. Lincoln in its sole discretion and without notice to the Producer, may suspend sales of any Policies or may amend any Policies or contracts evidencing such Policies.

6. **Licensing.** The Producer shall at all times when performing functions under this Agreement, be validly licensed in the states and other local jurisdictions that require such licensing or registration in connection with the Producer's sales activities. Lincoln will, at its option and in its sole discretion, pay state insurance producer appointment fees and any renewals thereof during the term of this Agreement, and the Producer shall be responsible for the payment of all resident and non-resident state insurance license fees and any renewals thereof, as may be necessary to sell or solicit the sale of Lincoln Policies.

If Producer is not an individual, then Producer shall also assist Lincoln in the appointment of its representatives under the applicable insurance laws to sell the Policies. Producer shall submit the required license/appointment papers for all applicants as insurance producers of Lincoln. All such licensing/appointment papers should be submitted to Lincoln or its duly appointed producer. Notwithstanding such submission, Lincoln shall have sole discretion to appoint, refuse to appoint, discontinue or terminate the appointment of any representative as an insurance producer of Lincoln.

7. **Compliance.** The Producer agrees to comply with all applicable local, state and federal laws and with all rules and regulations of the regulatory agencies having jurisdiction with respect to the sales of the Policies. The Producer agrees to abide by the terms and conditions of this Agreement, The Producer's Compensation Plan, the Market Conduct Manual, and any rules relating to the Company's business as may be published, or contained on the Company's Web site, from time to time.

8. **The Violent Crime Control and Law Enforcement Act.** The Producer represents and warrants to Lincoln that neither Producer, nor any producer, employee or representative of the Producer providing services according to the terms of this Agreement has been convicted of any felony involving dishonesty or breach of trust under any state or federal law. The Producer agrees to defend and indemnify Lincoln with respect to any action brought against Lincoln to the extent that such action is based upon a claim that the engagement by Lincoln of the Producer or any such producer, employee or representative of the Producer violated any state or federal proscription against such engagement, including but not limited to The Violent Crime Control and Law Enforcement Act of 1994, as may be amended.

9. **Confidential Information and Protection of Non-Public Personal Information.** The Producer and Lincoln agree to maintain the other party's Confidential Information (defined below) in strict confidence and in a manner to safeguard against unauthorized access, disclosure, use, destruction, loss or alteration in accordance with the Gramm-Leach-Bliley Act, Regulation S-P, the relevant state and federal regulations pursuant thereto and state privacy laws (all the foregoing referred to as "Privacy Law.")

- (a) "Confidential Information" shall mean (1) any data or information that is proprietary to the disclosing party and not generally known to the public, whether in tangible or intangible form, including, but not limited to, any information relating to a party's marketing strategies, business systems, databases, and (2) any customer or consumer specific data deemed to be "non-public personal information" under the Privacy Law.
- (b) Specifically, with regard to non-public personal information, the Producer and Lincoln agree that they are prohibited from using consumer or customer non-public personal information other than (1) to execute the terms and conditions of this Agreement as permitted by Privacy Law or (2) as required by state or federal law, regulation or rule. The Producer and Lincoln agree not to disclose consumer or customer non-public personal information to any third parties without prior written permission of the disclosing party. The Producer and Lincoln shall promptly report to the other party any unauthorized disclosure or use of any Confidential Information of which it becomes aware.
- (c) Upon request, the Producer and Lincoln shall return to the other party or destroy (and provide an appropriate written destruction certificate) all Confidential Information in its possession or control. No disclosure by the Producer or Lincoln hereto of Confidential Information of such party to the other party shall constitute a grant to the other of any interest or right whatsoever in such Confidential Information, which shall remain the sole property of the disclosing party.
- (d) The Producer and Lincoln have the right to make reasonable requests to inspect, during normal business hours, the other's facilities, data and records, associated audit reports, summaries of test results or equivalent measures taken by a party to ensure compliance with the Privacy Law for the purposes of verifying that the confidentiality provisions of this Agreement are being complied with. The terms of this section will survive the termination of this Agreement.

10. **Investigations; Customer Complaints.** Producer agrees to cooperate fully in any insurance or other regulatory or judicial investigation or proceeding arising in connection with the Policies, Company, or Producer. Producer shall permit appropriate federal and state insurance and other regulatory authorities to audit Producer's records and shall furnish the foregoing authorities with any information which such authorities may request in order to ascertain whether Producer is complying with all applicable laws and/or regulations. Producer shall promptly notify Company of any customer complaints with respect to the Policies and to cooperate with Company in resolving all customer complaints with respect to the Policies, or Producer.
11. **Books and Records.** Producer shall maintain thorough and correct books, accounts and records of all transactions covered by this Agreement as required by applicable laws and regulations. Producer shall preserve and hold all documents, correspondence and records that come into the Producer's possession or control relating to the Policies as long as the Policies remain in force. The books, accounts and records of Producer shall clearly and accurately disclose the nature of details of Producer's activities related hereto. Producer shall take appropriate action to keep confidential all information obtained pursuant to this Agreement (including, without limitation, names of purchasers of Policies) as set forth under Section 9. Company shall have access to all books, accounts and records of Producer, its employees, or producers assigned to it. This provision shall survive termination of this Agreement.
12. **Sales Practices.** The Producer shall be responsible for offering the Policies for sale in accordance with all Lincoln rules and procedures then in effect. All applications for Policies shall be made on application forms supplied by Lincoln and all payments collected by the Producer shall be remitted promptly in full, without deduction or setoff, together with such application forms and any other required documentation, including temporary insurance agreements, directly to Lincoln at the address indicated on such application or to such other address as Lincoln may, from time to time, designate in writing. The Producer shall review all such applications for completeness and suitability. Checks in payment on any Policy shall be drawn to the order of "The Lincoln National Life Insurance Company," or "Lincoln Life & Annuity Company of New York," as applicable. All applications are subject to acceptance or rejection by Lincoln at its sole discretion. All records of information obtained hereunder by the Producer shall not be disclosed or used except as expressly authorized herein, and the Producer will keep such records and information confidential, to be disclosed only as authorized or if expressly required by federal or state regulatory authorities.
13. **Sales Promotion Materials and Advertising.** "Sales Promotion Material" and "Advertising" are defined as material designed to create public interest in the Policies, or to induce the public to purchase, increase, modify, reinstate or retain a Policy, including:
- (a) printed and published material, audiovisual material, descriptive literature used in direct mail, newspapers, magazines, radio and television scripts, billboards, and similar displays;
  - (b) descriptive literature and sales aids of all kinds, including circulars, leaflets, booklets, depictions, illustrations and form letters, whether in the form of computer software or printed materials;
  - (c) material used for training and education which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate, or retain a Policy.
- The Producer shall be provided with illustrations relating to the Policies and such other material as Lincoln determines to be necessary or desirable for use in connection with sales of the Policies. No sales promotion materials or any advertising relating to the Policies shall be used by the Producer unless the specific item has been approved in writing by Lincoln. While Lincoln stationary may be made available to the Producer, it is to be used only when promoting the Company's products exclusively.
- In addition, the Producer shall not print, publish or distribute any advertisement, circular or any document relating to Lincoln unless such advertisement, circular or document shall have been approved in writing by Lincoln.
14. **Company Property.** The Producer agrees that all policyholder files, lists of policy owners or insured persons, records and premium accounts are the property of Lincoln, and may be audited or inspected as Lincoln may require. All computer software containing the rates and values of products issued by Lincoln, all Lincoln rate books, computer printouts, forms, policies, brochures, sales promotion materials, whether in hard copy or computer format, containing the name/logo of Lincoln or any affiliated company remains the property of Lincoln and are furnished to the Producer in confidence, and the Producer agrees to refrain from reproducing, publishing or disclosing such material other than in the ordinary course of business or with the written consent of Lincoln. The Producer further agrees that all such property shall be returned to Lincoln upon demand or upon termination of this Agreement. Upon termination of this Agreement for any reason, the Producer further agrees not to use any such material for his commercial purposes or for that of any other entity.
15. **E & O Coverage.** The Producer shall maintain errors and omissions insurance in an amount and with a company satisfactory to Lincoln. Lincoln may require evidence satisfactory to it that such coverage is in force, and the Producer shall give Lincoln prompt written notice of any notice of cancellation or change of coverage.



16. **Territory.** This Agreement does not confer any exclusive right or territory upon the Producer and the Company reserves the right;
- (a) to appoint additional individuals or organizations which hold a Producer's Agreement in such locale who also shall have the right to recommend appointment of Producers by the Company;
  - (b) to establish and maintain other or additional offices in the same locale; and
  - (c) to appoint Producers in such locale as recommended by others.
17. **Producer Compensation Plan.** Lincoln will establish, maintain, and publish a Producer Compensation Plan for each classification of Producer. Each such Plan may be amended from time to time at Lincoln's sole discretion. The terms and conditions of the Producer Compensation Plan that are for the Producer's current classification are made a part of this Agreement by reference.
18. **Compensation.**
- (a) **Commissions.** The Producer shall be compensated in accordance with the terms of this Agreement, the Schedule of Commissions set forth in Schedule A1/B1 and the Producer Compensation Plan for the Producer's classification. Commissions shall accrue only after issuance and delivery of the contract, after the due date of the premium and after the premium is received by Lincoln. Commissions on premiums paid in advance shall accrue only on the regular premium due dates of such premiums. No commissions shall be payable on account of waived premiums or on interest or loan payments collected. Compensation on extra premiums, conversions, exchanges, replacements and other special situations not provided herein will be governed by Lincoln's rules and practices in effect at that time. The rate of and the right to receive compensation on any policy not listed in Schedule A1/B1 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 the Producer signed by a duly authorized representative of the Company. No applications will be accepted nor will any compensation be paid on policies which are not approved in the state where written. In order to receive any compensation, the Producer must be licensed and appointed with Lincoln in the policy's state of issue at the time of policy issue.
  - (b) **Lincoln Refund of Premiums.** Lincoln, in its sole and absolute discretion, may reject any applications or payments remitted through the Producer and may refund an applicant's payments to the applicant. The Company may in its discretion settle any claim of policy owners 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. In the event a refund of premium is made for any reason and if the Producer has received compensation, including renewal commissions, the Producer shall promptly repay such compensation to Lincoln. If repayment is not promptly made, Lincoln may at its sole option deduct any amounts due Lincoln from the Producer from future commissions otherwise payable to the Producer. Any compensation chargebacks shall be made in accordance with then Company policy. This provision shall survive termination of this Agreement.
  - (c) **Changes to Commission Schedule.** Lincoln may change the schedule of sales commissions at any time. Any such change shall apply to compensation due on applications received by Lincoln after the effective date of such change.
  - (d) **Restrictions.**
    - (i) The Producer agrees that Producer shall not, whether or not permitted by law: (1) rebate or offer to rebate all or any part of a premium on a Policy, directly or indirectly; (2) withhold any premium on a Policy; (3) rebate or offer to rebate all or any part of a commission paid or payable upon the sale of a Policy; or (4) promote fee splitting or commission sharing arrangements. Violation of such Company rules, laws or regulations shall be grounds for termination of this Agreement by Lincoln.
    - (ii) If the Producer shall at any time induce or endeavor to induce any owner of a Policy to relinquish the Policy except under circumstances where there are reasonable grounds for believing that the policy, contract or certificate is not suitable for such person, any and all compensation due the Producer so acting shall cease and terminate.
    - (iii) Nothing in this Agreement shall be construed as giving the Producer the right to incur any indebtedness on behalf of Lincoln. Lincoln Life is hereby authorized to set off liabilities of the Producer against any and all amounts otherwise payable to the Producer by Lincoln.
    - (iv) Lincoln shall not be obligated to recognize any assignment of commissions by the Producer until the original assignment or a certified copy thereof is delivered at its home office, nor does Lincoln assume any responsibility for or guarantee the validity or sufficiency of any assignment.
19. **Termination.**
- (a) This Agreement may be terminated by any party, without cause, upon thirty (30) days written notice to the other parties via regular U.S. mail addressed to the last known address of the other party. This is an at-will contract; this is not a contract for a definite term or period of time.
  - (b) This Agreement automatically terminates upon:
    - (i) the Producer's death or inability to perform his responsibilities under this Agreement or as contained in the Producer Compensation Plan;
    - (ii) the Producer's insolvency or bankruptcy occurring after the date of this Agreement, or if the Producer is a corporation, upon its dissolution or liquidation;

- (iii) the Producer's failure to meet the minimum production requirements of the Company for continuation of this Agreement. 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 the change;
  - (iv) failing to maintain in force specified amounts of a professional errors and omissions liability policy.
- (c) 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 Producer's Agreement. Termination for cause shall be:
- (i) material violation of any of the provisions of this Agreement or published Company policy relating to Producer conduct;
  - (ii) material violation of any state or federal laws or regulations relating to insurance;
  - (iii) revocation of the Producer's insurance license by the Insurance Department of any state or barring of any association with a NASD member firm;
  - (iv) inducing or attempting to induce our policyowners to relinquish or replace the policies with such frequency as to indicate a pattern of inappropriate activity;
  - (v) misappropriation or commingling of Company funds; or
  - (vi) engaging in a fraudulent act or misrepresenting policy benefits, provisions, or premiums.

A termination under Section (a) or (b) immediately above will not preclude a termination for cause at a later date.

**20. Compensation Payable After Termination.**

- (a) Vesting of compensation shall be as described in the Producer Compensation Plan for the Producer's classification in effect at the time of termination.
- (b) If this Agreement is terminated due to Producer's death, any compensation which otherwise would have been paid to him shall be paid to his surviving spouse, and at the death of the surviving spouse, to the spouse's estate. If Producer leaves no surviving spouse, then his compensation shall be paid his estate. The Producer may designate another payment arrangement on forms provided by us and signed by him.
- (c) If the Producer is a partnership or corporation and this Agreement is terminated due to his termination or dissolution, compensation shall be paid to the licensed producer who signed the application for the policy.
- (d) Notwithstanding the foregoing, if at any time the Producer is notified this Agreement is terminated for cause, no further compensation will be paid.

**21. Indebtedness.**

- (a) Lincoln is authorized, at any time either before or after the termination of the Agreement, to deduct compensation due from Lincoln to the Producer, whether payable hereunder or with respect to policies which are both administered and co-insured by Company, the entire amount of any funds, including, but not limited to, advances or debts, owed by the Producer to Lincoln or its affiliates, associates, parents or subsidiaries, but only to the extent of the actual amount owed by the Producer as determined by Lincoln.
- (b) Any compensation, regardless of how characterized, paid to the Producer for premiums or considerations, including rollover amounts, later returned or credited to the customer, or any overpayment of such compensation shall be a debt due to Lincoln from the Producer and payable in accordance with (a) above.
- (c) In addition to all other rights available to Lincoln as a creditor, Lincoln shall have a first lien on all compensation payable under the Agreement for any of the funds, advances or debts described herein.
- (d) To the extent that any compensation due the Producer from Lincoln is insufficient to cover advances or other debts, the difference shall become a debt due and payable immediately to Lincoln unless other arrangements have been made with Lincoln. At the sole discretion of Lincoln, interest, at a lawful rate to be determined by Lincoln, shall thereupon begin to accrue.
- (e) In the event Company initiates collection efforts or legal action to collect any indebtedness of Producer or its agents, Producer shall reimburse Company for reasonable attorney fees and expenses in connection therewith. As used in this Section, "Company" shall be deemed to refer to, and shall include, all affiliates of The Lincoln National Life Insurance Company.

**22. Indemnification.**

- (a) Lincoln shall indemnify and hold the Producer and each director and officer of and any person controlling the Producer harmless from any losses, claims, damages or liabilities (or actions in respect thereto), including reasonable attorneys' fees resulting from negligent, fraudulent or unauthorized acts or omissions by Lincoln or its employees.
- (b) The Producer shall indemnify and hold Lincoln harmless from any and all costs, expenses, losses, claims, damages or liabilities (or actions in respect thereof), including reasonable attorneys' fees, resulting from the following:
  - (i) any negligent, fraudulent or unauthorized acts or omissions by the Producer;
  - (ii) any unauthorized use of sales materials or advertising or any oral or written misrepresentations or any unlawful sales practices with respect to the Policies by the Producer; and
  - (iii) claims made by any of the Producer's assigned producers for compensation over and above that which is specifically agreed upon in such Producer's Agreement.

The foregoing indemnities described in paragraph 22 (b) shall, upon the same terms and conditions, extend to and inure to the benefit of each director and officer of and any person controlling, Lincoln. The foregoing indemnities shall not extend to losses, claims, damages or liabilities (or actions in respect thereto) arising out of death claims or claims related to the mortality risks of the Policies.

23. **Arbitration.** All claims or controversies arising out of or relating to this Agreement shall be settled by arbitration. This paragraph provides the exclusive remedy for any dispute that may arise between the Producer and Lincoln (but does not necessarily apply to any third party litigation that may involve the Producer and/or Lincoln) and that, after a good faith attempt, the parties are not able to resolve. In the event of any unresolved dispute relating to this Agreement, including but not limited to a dispute about the interpretation of this Agreement or about the Producer's 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 the Producer shall be at his last known address and to Lincoln shall be to the General Counsel at 1300 S. Clinton Street, Ft. Wayne, IN 46802. 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 single arbitrator or, if either party requests, by the selection of a panel of three arbitrators. The arbitrator(s) shall have the authority to determine all disputes, including the applicability of arbitration to the dispute. The award shall be made in writing within ninety (90) days of the appointment of the final arbitrator. The arbitrator(s) may award compensatory damages, plus interest, and specific performance. The award of the arbitrator(s) shall be final and binding on all parties. Judgment upon the award may be entered in any court having jurisdiction. No demand for arbitration under this section, and no claim under this Agreement, 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 Agreement shall be conducted in Greensboro, NC, Concord, NH, Ft. Wayne, IN, Hartford, CT or Philadelphia, PA.
24. **Assignability.** This Agreement may not be assigned by either party hereto without the express written consent of the other. Any approved assignment shall be subject to a first lien to Lincoln for any indebtedness owed to Lincoln. Any attempt to assign this Agreement without such consent shall effect an immediate termination of this Agreement.
25. **Waiver.** Failure of any party to insist upon strict compliance with any of the conditions of this Agreement shall not be construed as a waiver of any of the conditions, but the same shall remain in full force and effect. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.
26. **Partnerships.** When the Producer is a partnership or corporation, any reference made to the Producer as an individual shall be deemed to mean the partners or the officers of the corporation who are licensed and appointed with Lincoln.
27. **Prior Agreements.** This Agreement shall supercede any and all prior Agreement(s) between the Producer and Lincoln, however, any outstanding indebtedness shall survive.
28. **Service of Process.** The Producer is not our authorized producer or representative to accept service of legal process and therefore, the Producer should not accept service. If, however, any paper is served upon the Producer, the Producer shall fax or send by certified mail the same to our General Counsel at 1300 S. Clinton Street, Ft. Wayne, IN 46802 by certified mail within 24 hours after receipt.
29. **Definitions.**
- (a) **Notice.** Unless otherwise provided in this Agreement, all notices, requests and other communications provided pursuant to this Agreement shall be in writing and shall be deemed to have been given on the date of delivery if delivered personally to the party to which notice is to be given, or upon the date of mailing if deposited in the mail, sufficient first-class postage affixed, and addressed to the party at the address(es) shown below, unless otherwise specifically provided.

All notices shall be sent to: The Lincoln National Life Insurance Company or Lincoln Life & Annuity Company of New York  
c/o Lincoln Financial Distributors  
Producer Solutions MPC2  
350 Church Street  
Hartford, CT 06103-1106

Producer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (b) **Lincoln.** Lincoln shall include The Lincoln National Life Insurance Company, Lincoln Life & Annuity Company of New York and any subsidiary, parent, or affiliate.
- (c) **Contract Year.** Contract Year shall mean the period of one year commencing with the date of issue of any Policy or contract and the subsequent anniversaries of such date of issue.

- 30. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.
- 31. **Entire Agreement.** The foregoing represents the entire Agreement between the parties and the parties shall not be bound by any other promise, contract, understanding or representation unless it is made by an instrument in writing and executed by a duly authorized officer of the Company.
- 32. **Effective Date.** This Agreement shall take effect as of the effective date or the date it is approved in writing by a duly authorized officer of Lincoln, whichever is later.

Please only sign as Individual ***OR*** Organization.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

PRODUCER - IF INDIVIDUAL

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Individual

Its: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK

PRODUCER - IF ORGANIZATION

By: \_\_\_\_\_

\_\_\_\_\_  
Name of Organization

Its: \_\_\_\_\_

\_\_\_\_\_  
Print Name and Title of Signer

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

**AUTHORIZATION FOR PRE-AUTHORIZED DEPOSITS**

**IMPORTANT: To avoid processing delays, please verify the following:**

- 1. Voided check for checking or deposit ticket for savings account is attached.**
- 2. Fields are filled in completely and form is signed.**
- 3. The account you have chosen for deposit is associated with your SSN/Tax ID.**

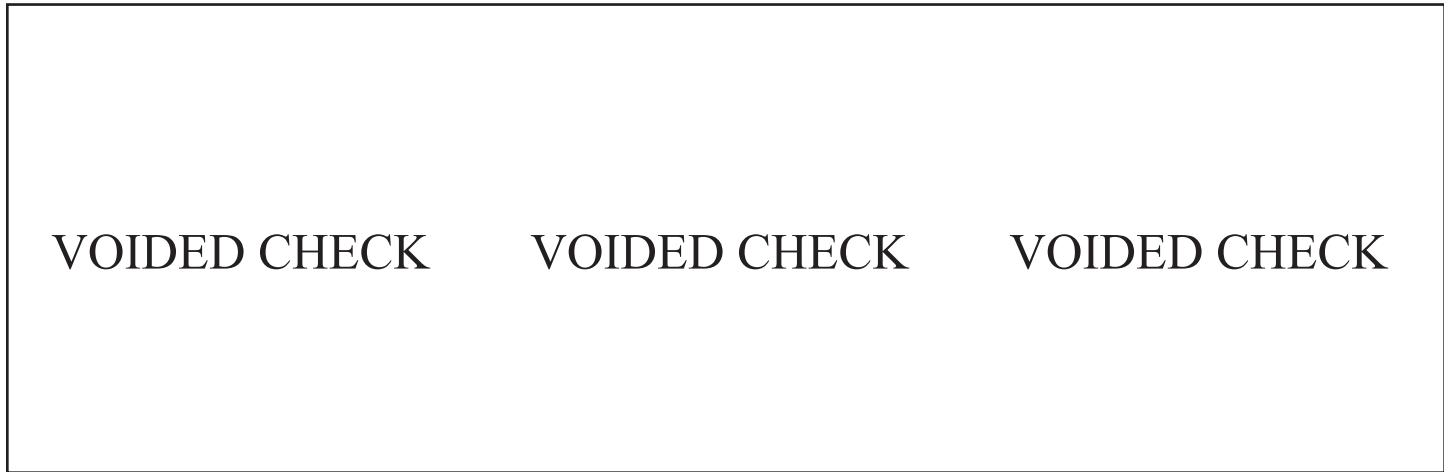
To: Distribution Compensation ,  
P.O. Box 2348, Fort Wayne, IN 46802  
Fax: 260-455-1587  
Phone: 800-238-6252, option 1

From: \_\_\_\_\_ Date: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Tax ID/SSN: \_\_\_\_\_

Agent #'s: \_\_\_\_\_ (List All)



I hereby authorize and request The Lincoln National Life Insurance Company (hereinafter called "the Company") 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 the Company and its affiliates and to enter same into the following account(s):

<p>① Account Name: _____</p> <p>Account #: _____ <input type="checkbox"/> Checking <input type="checkbox"/> Savings (Attach void check or savings deposit ticket)</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 (Attach void check or savings deposit ticket)</p> <p>ABA #: _____</p> <p>Percent of Payment: _____</p> <p>Bank Name: _____</p> <p>Bank Telephone Number: _____</p>
--	--

**Reminder: Compensation can only be paid to an entity properly licensed and appointed with the Company. EFT transfers must be deposited into a bank account registered under the Tax ID/SSN noted above.**

- The only negative adjustment the Company 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 the Company would notify you of this transaction.
- Upon election of EFT, please register and use your Lincoln website to access your commission statement online.
- It is understood that this agreement may be terminated by me or the Company at any time by written notification. Any such notification shall be effective only after receipt and processing by the Company.
- Compensation for registered insurance products can only be paid to broker dealers with effective selling agreements.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **ANTI-MONEY LAUNDERING COMPLIANCE**

The insurance companies of Lincoln Financial Group (“LFG”) have implemented an anti-money laundering program to comply with federal anti-money laundering regulations for insurance companies, effective May 2006. The regulations apply to all individual life and annuity products offered through LFG.

As a result, producers are required to show proof that they have completed Anti-Money Laundering training that is acceptable to Lincoln within the last 24 months in order to obtain an appointment with LFG. They are also required to receive periodic anti-money laundering training in order to maintain such appointment. Producers may either take AML training provided by Lincoln Financial Group through LIMRA or provide suitable proof of other training from another insurance carrier, a FINRA registered broker/dealer or through a bank that sells our insurance products. Acceptable proof must be included with the contracting paperwork at the time of submission.

- Further information regarding the Lincoln Anti-Money Laundering Program is available at [www.lfg.com/AML](http://www.lfg.com/AML).
- In the event you have already completed AML training that satisfies Lincoln Financial Group’s requirements stated above, you will need to provide a valid certification of that training with your contracting paperwork. The certification must include your name, the name of the training course you completed, and the date your training was completed. Lincoln Financial Group will make the final determination as to whether a specific training course will satisfy the AML training requirement.

Questions regarding the AML compliance requirement should be directed to Lincoln Financial Group - Distribution Gateway at [AMLINQ@LFG.com](mailto:AMLINQ@LFG.com) or by calling 1-800-238-6252 option 1, option 2.

If AML Completed through LIMRA, Date Completed \_\_\_\_\_

**Schedule of Products  
Schedule of Commissions  
A1/B1**

The Lincoln National Life Insurance Company  
(Subject to availability and state variations thereof)  
Compensation is listed as a percentage of premiums paid

**Annuity Commission Schedule  
Executive General Agent/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 Fixed Annuity Sales Desk at 1-888-895-4830 for information about current Special Product Promotions and their effect, if any, on the commission rates below.

Plan		Ages <sup>2</sup>	1st Year	Renewals <sup>3</sup>	Years	Trails <sup>4</sup>	
<b>FIXED INDEXED ANNUITIES</b>							
1. <i>Lincoln New Directions</i> <sup>SM</sup> 6 <sup>1</sup>	Schedule A	0-75	3.50%	N/A	N/A	N/A	
		76-80	2.75%	N/A	N/A	N/A	
		81-85	1.75%	N/A	N/A	N/A	
	Schedule B	0-75	2.50%	N/A	N/A	N/A	0.25%
		76-85	N/A	N/A	N/A	N/A	N/A
	Schedule C	0-85	N/A	N/A	N/A	N/A	N/A
	2. <i>Lincoln New Directions</i> <sup>SM</sup> 8 <sup>1</sup>	Schedule A	0-75	4.50%	N/A	N/A	N/A
			76-80	3.50%	N/A	N/A	N/A
			81-85	2.25%	N/A	N/A	N/A
Schedule B		0-75	3.25%	N/A	N/A	N/A	0.25%
		76-80	2.25%	N/A	N/A	N/A	0.25%
Schedule C		81-85	N/A	N/A	N/A	N/A	N/A
		0-85	N/A	N/A	N/A	N/A	N/A
3. <i>Lincoln OptiPoint</i> <sup>®</sup> 8 <sup>1</sup>		Schedule A	0-75	6.00%	2.00%	2-3	N/A
				1.00%	4-6	N/A	
	76-80		4.00%	2.00%	2-3	N/A	
			1.00%	4-6	N/A		
	81-85		2.00%	1.25%	2-3	N/A	
			0.75%	4-6	N/A		
	Schedule B	0-75	4.75%	2.00%	2-3	0.25%	
			1.00%	4-6	0.25%		
		76-80	2.75%	2.00%	2-3	0.25%	
	Schedule C	81-85	N/A	N/A	N/A	N/A	
			1.00%	4-6	0.25%		
		0-75	3.50%	2.00%	2-3	0.50%	
4. <i>Lincoln OptiPoint</i> <sup>®</sup> 10 <sup>1</sup>	Schedule A	0-75	7.00%	2.00%	2-4	N/A	
			1.00%	5-8	N/A		
		76-80	4.75%	2.00%	2-4	N/A	
	Schedule B	0-75	5.50%	2.00%	2-4	0.25%	
			1.00%	5-8	0.25%		
		76-80	3.25%	2.00%	2-4	0.25%	
			1.00%	5-8	0.25%		

	Schedule C	0-75	4.00%	2.00%	2-4	0.50%
				1.00%	5-8	0.50%
		76-80	N/A	N/A	N/A	N/A
5.	Lincoln <i>OptiPoint</i> <sup>®</sup> 12 <sup>1</sup>	Schedule A	0-75	8.00%	2-5	N/A
				1.00%	6-10	N/A
	Schedule B	0-75	6.50%	2.00%	2-5	0.25%
				1.00%	6-10	0.25%
	Schedule C	0-75	5.00%	2.00%	2-5	0.50%
				1.00%	6-10	0.50%
6.	Lincoln <i>OptiChoice</i> <sup>SM</sup> 5 <sup>1</sup>	Schedule A	0-75	5.00%	2	N/A
				1.00%	3-4	N/A
		76-80	3.75%	1.00%	2	N/A
				0.50%	3-4	N/A
		81-85	2.50%	1.00%	2	N/A
				0.50%	3-4	N/A
	Schedule B	0-75	4.25%	1.50%	2	0.25%
				1.00%	3-4	0.25%
		76-80	3.00%	1.00%	2	0.25%
				0.50%	3-4	0.25%
		81-85	1.75%	1.00%	2	0.25%
				0.50%	3-4	0.25%
	Schedule C	0-75	3.50%	1.50%	2	0.50%
				1.00%	3-4	0.50%
		76-80	2.25%	1.00%	2	0.50%
				0.50%	3-4	0.50%
		81-85	N/A	N/A	N/A	N/A
7.	Lincoln <i>OptiChoice</i> <sup>SM</sup> 7 <sup>1</sup>	Schedule A	0-75	6.00%	2	N/A
				1.25%	3-4	N/A
		76-80	4.50%	1.25%	2	N/A
				0.75%	3-4	N/A
		81-85	3.00%	1.25%	2	N/A
				0.75%	3-4	N/A
	Schedule B	0-75	4.75%	1.75%	2	0.25%
				1.25%	3-4	0.25%
		76-80	3.25%	1.25%	2	0.25%
				0.75%	3-4	0.25%
		81-85	1.75%	1.25%	2	0.25%
				0.75%	3-4	0.25%
	Schedule C	0-75	3.50%	1.75%	2	0.50%
				1.25%	3-4	0.50%
		76-85	N/A	N/A	N/A	N/A
8.	Lincoln <i>OptiChoice</i> <sup>SM</sup> 9 <sup>1</sup>	Schedule A	0-75	7.00%	2	N/A
				1.25%	3-4	N/A
		76-80	5.25%	1.40%	2	N/A
				0.80%	3-4	N/A
	Schedule B	0-75	5.50%	2.00%	2	0.25%
				1.25%	3-4	0.25%
		76-80	3.75%	1.40%	2	0.25%
				0.80%	3-4	0.25%
	Schedule C	0-75	4.00%	2.00%	2	0.50%
				1.25%	3-4	0.50%
		76-80	2.25%	1.40%	2	0.50%
				0.80%	3-4	0.50%



## FIXED ANNUITIES

9.	<i>Lincoln Classic</i> <sup>SM</sup> 5 <sup>1</sup>	0-75	4.00%	N/A	N/A	N/A
		76-80	2.75%	N/A	N/A	N/A
		81-85	1.50%	N/A	N/A	N/A
10.	<i>Lincoln Classic</i> <sup>SM</sup> 7 <sup>1</sup>	0-75	5.00%	N/A	N/A	N/A
		76-80	3.50%	N/A	N/A	N/A
		81-85	1.75%	N/A	N/A	N/A
11.	<i>Lincoln MYGuarantee</i> <sup>SM</sup> Plus 3 Year <sup>1</sup>	0-75	1.00%	N/A	N/A	N/A
		76-80	0.65%	N/A	N/A	N/A
		81-85	0.50%	N/A	N/A	N/A
12.	<i>Lincoln MYGuarantee</i> <sup>SM</sup> Plus 4 Year <sup>1</sup>	0-75	1.00%	N/A	N/A	N/A
		76-80	0.65%	N/A	N/A	N/A
		81-85	0.50%	N/A	N/A	N/A
13.	<i>Lincoln MYGuarantee</i> <sup>SM</sup> Plus 5 Year <sup>1</sup>	0-75	2.00%	N/A	N/A	N/A
		76-80	1.30%	N/A	N/A	N/A
		81-85	0.75%	N/A	N/A	N/A
14.	<i>Lincoln MYGuarantee</i> <sup>SM</sup> Plus 6 Year <sup>1</sup>	0-75	2.25%	N/A	N/A	N/A
		76-80	1.50%	N/A	N/A	N/A
		81-85	0.75%	N/A	N/A	N/A
15.	<i>Lincoln MYGuarantee</i> <sup>SM</sup> Plus 7-10 Year <sup>1</sup>	0-75	2.50%	N/A	N/A	N/A
		76-80	1.60%	N/A	N/A	N/A
		81-85	1.00%	N/A	N/A	N/A
16.	<i>Lincoln Insured Income Immediate Annuity</i> (Life Option) (Period Certain)	15-85	3.00%	N/A	N/A	N/A
		0-95	3.00%	N/A	N/A	N/A
17.	<i>Lincoln SmartIncome</i> <sup>SM</sup> Inflation Annuity <sup>1</sup>	50-85	3.00%	N/A	N/A	0.25%

This schedule is for premium amounts up to \$2,000,000.00.

The commissions on any contract not herein specified shall be determined by the Company.

The Company reserves the right to change any commission on this schedule.

Reduced commissions generally apply if the Company considers a policy to be an internal replacement.

1. Full and partial surrender (excluding free partial withdrawals), annuitization or death will result in a 100% commission chargeback the first 6 months and 50% chargeback the next 6 months. For annuitizations in NY and FL (non-New Directions), 100% chargeback for first 6 months and a 50% chargeback for the next 54 months. For annuitizations of New Directions in FL (not available in NY), 100% chargeback for the first 6 months and a 50% chargeback for the next 18 months.
2. The oldest issue age of the owner, joint owner or annuitant is used to determine commission payout.
3. Renewal commission rates shown for flexible premium annuity products are for additional premiums paid into the contract after year one.
4. The trail shown is annual amount. The trail paid at the end of each quarter is the annual trail divided by 4. Trails begin in second policy year (i.e. first payment in month 15). Trail commissions are a percentage of the account value.