

AGENT COMPENSATION PLAN – LEVEL 8 CLASSIFICATION

I. REMUNERATION SYSTEM

The Company shall, in accordance with the Commission Schedule, and subject to the provisions contained elsewhere in the Agreement, pay to the Agent first year, renewal and excess commissions, for service on policies issued and paid for which are attributable to the Agent.

1. Individual Life Insurance

- a) **New insurance contract.** When a new insurance contract other than a single premium contract comes into force, the Company credits the Agent's account with the commission obtained by multiplying the premium by the percentages determined according to the Commission Schedule. A new insurance contract comes into force when the application is approved by the Underwriting Department of the Company, the policy is issued and the premium, according to the mode of payment selected by the applicant, is paid.

When a new single premium insurance contract comes into force, the Company credits the Agent's account with the first year commission obtained respectively by multiplying the single premium payable under the contract by the percentages determined according to the Commission Schedule.

- b) **Renewal of an insurance contract.** For each renewal of an insurance contract for which a renewal commission is provided in the Commission Schedule, the Company credits the Agent's account with the renewal commission obtained by multiplying the premium received and payable under the contract by the percentage determined according to the Commission Schedule.
- c) **Termination of an insurance contract.** When an insurance or annuity contract terminates for a reason other than the death of the insured, the Company charges the Agent's account with the unearned commission.

When an insurance contract terminates because of the death of the insured, the Company does not charge the Agent's account except if the benefit payable is limited to the premiums paid as in the case of the death of the insured by suicide.

- d) **Reinstatement of an insurance contract.** When a policy is reinstated, the commissions and bonuses are credited to the Agent who was charged for them upon termination.

However, if the reinstating Agent is not the one who was charged upon termination of the policy and the reinstatement takes place more than three (3) months after the end of the grace period, the commissions charged upon termination are credited to the reinstating Agent.

- e) **Modification of an insurance contract, as appropriate.** Whenever an insurance contract is modified, the Company credits or charges the Agent's account.
- f) **Renewal of a term insurance contract.** Whenever a term insurance contract is renewed, the Company proceeds in the manner described in section 1(a) of this provision as for a new insurance contract if satisfactory evidence of insurability is submitted by the insured and accepted by the Company; otherwise, the Company proceeds in the manner described in section 1(b) of this provision.
- g) **Conversion of a term insurance contract.** Whenever a term insurance contract or an insurance contract term rider is converted, after the first policy year, to a permanent insurance contract issued at the insured's then attained age, full first year commission will be allowed on the "net" new first year premium less any reserve or conversion credit.
- h) **Replacement of an insurance contract.** Whenever one or more of the Company's insurance contracts are replaced by the General Agent, a first (1st) year commission shall be allowed in the amount by which the commission on the new policy exceeds the commission on the replaced policy, provided in the opinion of the Company a commission should be allowed.

Replacement occurs whenever one or more new insurance contracts come into force on the life of the same insured within six (6) months preceding or following the termination date of one or more insurance contracts in the same line of business. This regulation concerns the two following lines of business: the life insurance line of business in which insurance in case of death is the principal element and the annuity line of business in which the contributions are mainly paid to purchase a life annuity.

The term "replacement of an insurance contract" means the replacement in whole or in part of an insurance contract or an annuity contract.

Notwithstanding the preceding, a universal life insurance contract that is replaced by another universal life insurance contract will be subject to a replacement charge of 100%, regardless of the duration of the replaced contract.

- i) **Cancelled insurance contracts.** If the Company, for any reason whatsoever, cancels an insurance contract and refunds the premiums, it cancels the transactions made when such insurance contract came into force, as described in section 1(a) of this provision.

2. Individual Annuities

- a) **New annuity contract.** When a new annuity contract comes into force, the Company credits the Agent's account with the commission obtained by multiplying the premiums received by the percentage determined according to the Commission Schedule.
- b) **Termination of an annuity contract.** When an annuity contract terminates, the Company charges the Agent's account with amounts determined according to the Company rules then in force.
- c) **Modification of an annuity contract, as appropriate.** Whenever an annuity contract is modified, the Company credits or charges the Agent's account according to the type of modification to the annuity contract and the Company rules then in force.
- d) **Cancelled annuity contract.** If the Company, for any reason whatsoever, cancels an annuity contract and refunds the premiums, it cancels the amount credited to the Agent's account when such annuity contract came into force.
- e) **Annuity contracts in force.** Whenever a subsequent premium is received and according to the Company rules then in force, the Company credits the Agent's account with the commission obtained by multiplying the premium received by the percentage determined according to the Commission Schedule.

II. COMMISSION SCHEDULE

The Company reserves the right to correct any errors or omissions contained within this commission schedule. Where any errors or omissions are discovered, the Company will take reasonable steps to notify agents on a timely basis.

Annuity deposits equal-to or greater-than \$500,000 require prior Home Office approval.

INSURANCE CONTRACTS

<u>Life Insurance Products</u> ¹	<u>First year %</u>	<u>Renewal years %</u>		
		<u>2</u>	<u>3 - 5</u>	<u>6 - 10</u>
SecureLife (POL-2200)				
Premium (up to target)				
• Ages 16 - 60	85.00	85.00	2.00	2.00
• Age 61	83.69	83.69	2.00	2.00
• Age 62	82.38	82.38	2.00	2.00
• Age 63	81.08	81.08	2.00	2.00
• Age 64	79.77	79.77	2.00	2.00
• Age 65	78.46	78.46	2.00	2.00
• Age 66	77.15	77.15	2.00	2.00
• Age 67	75.85	75.85	2.00	2.00
• Age 68	74.54	74.54	2.00	2.00
• Age 69	73.23	73.23	2.00	2.00
• Age 70	71.92	71.92	2.00	2.00
• Age 71	70.62	70.62	2.00	2.00
• Age 72	69.31	69.31	2.00	2.00
• Age 73	68.00	68.00	2.00	2.00
• Age 74	66.69	66.69	2.00	2.00
• Age 75	65.38	65.38	2.00	2.00
• Age 76	64.08	64.08	2.00	2.00
• Age 77	62.77	62.77	2.00	2.00
• Age 78	61.46	61.46	2.00	2.00
• Age 79	60.15	60.15	2.00	2.00
• Age 80	58.85	58.85	2.00	2.00
• Excess premium ²	2.00	2.00	2.00	2.00

III. VESTING

- a) **Termination with vesting.** Upon cancellation of this Agreement, the Agent will be fully and immediately vested in the commission provided in the Commission Schedule included herein, so long as the Agent continues to maintain a valid license and has not been terminated for cause.

If in any calendar year after the cancellation of the Agreement, the total amount payable under this and any prior Agreement falls below \$100.00, no further commission will be payable under this Agreement or any prior Agreement and the Company will have no further obligations under these Agreements. In the event the balance payable is negative, this constitutes a debt due the Company by the Agent and is immediately payable.

If the termination of the contract is due to the Agent's death or if the Agent dies after the termination date of this contract, any amount owed to the Agent by the Company is paid to Agent's estate by the Company and any amount owed to the Company by the Agent is payable by the estate to the Company.

- b) **Termination without vesting.** The contract shall terminate immediately and the Agent shall forfeit any and all compensation under this or any other contract with the Company if termination is for cause as provided under paragraph 21(c) of the Agent Agreement.

¹ For current product state approvals, please contact the Home Office.

² Excess Premium for a Universal Life policy is the premium paid in excess of Target Premium.