



Genworth®  
Financial

Genworth Life & Annuity  
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# Producer information and appointment form (PIF) and execution of producer agreement

from Genworth Life and Annuity Insurance Company, Genworth Life Insurance Company and Genworth Life Insurance Company of New York†

Page 1 of 9

- **Please print clearly** using blue or black ink, and **initial any corrections** or we may not be able to process your appointment.
- Keep a copy of this form for your records.

## Form purpose

- Initial Appointment/Additional Company Appointment** Complete all sections
- Additional State Appointment with current companies** Complete the appropriate appointment information below, the appointment states requested section, and sign and date on page 8
- Change Hierarchy** Complete the appointing company and commission hierarchy information on page 9, then sign and date it
- EFT Setup/Change** Complete page 1 and complete and sign page 8 in order to authorize payments

## Individual applicant appointment information

Appointment type entity *Select one*

- Individual       Officer/Principal

Name *First, Middle, Last, Suffix (As it appears on your Residence License)*

•

Social Security Number (SSN)

National Producer Number (NPN) **Required**

•

Date of birth

Gender

- Female       Male

Residential address *Not a P.O. Box*

•

City

State

Zip

•

Business address

*c/o Agent Support Services, Inc., 99 Park Ave., suite 1100*

City

State

Zip

*New York*

*NY*

*10016*

Business phone

Business fax

•

Preferred mailing address *Select one*

E-mail address **Required**

- Residential       Business

**Previous names** *List all other names or aliases you have used in the last 7 years*

•

List **all** previous names. Attach a separate sheet if more space is required for additional names.

## Incorporated Entity, Partnership or LLC appointment information

Appointment type entity *Select one*

- Partnership       LLC       Incorporated Entity  
 Other

Entity name *As it appears on your Domicile State License*

Tax Identification Number (TIN) **Required**

•

Entity address

•

City

State

Zip

•

Entity phone

Entity fax

•

Website address

E-mail address **Required**

•

**Producer information and appointment form (PIF)**

**Appointment states requested**

County listings are required in Florida for in-person solicitation.

For non-pre-appointment states, appointments will not be processed until new business is received.

Resident license state \_\_\_\_\_ Non-resident state(s) where appointment is requested \_\_\_\_\_

Counties in which appointment is requested *Required in Florida* \_\_\_\_\_

- Provide certification or evidence of required training for states that require information for long term care insurance/LTC Partnership appointment requests (See training matrix at [www.genworth.com/produceronboarding](http://www.genworth.com/produceronboarding) for state specific requirements).
- Provide certification or evidence of required training for states that require information for annuity appointment requests. (See training matrix at [www.genworth.com/produceronboarding](http://www.genworth.com/produceronboarding) for state specific requirements).

**Business practices questions *If the answer to all questions is "No," you do not need to complete pages 3 through 6***

If you answer "Yes" to any of these questions, provide details in the corresponding fields of the **Business practices details section** on pages 3 through 6.

If completing for an officer and entity, indicate details for yes answers for each as appropriate.

If the answer to all questions is "No," you do not need to complete pages 3 through 6, so please proceed to page 7.

	Individual/Officer		Entity	
	Yes	No	Yes	No
1. Have you ever had an insurance license or securities registration denied, suspended, cancelled or revoked?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Has any state, federal, or self-regulatory agency ever sanctioned, censured, penalized or otherwise disciplined you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Has any state, federal or self-regulatory agency filed a complaint against you, fined, sanctioned, censured, penalized or otherwise disciplined you for a violation of their regulations or state or federal statutes?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Has a bonding or surety company ever denied, paid on or revoked a bond for you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Has any Errors & Omissions (E&O) carrier ever denied, paid claims on or cancelled your coverage?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. In the past ten years, have you personally filed a bankruptcy petition or declared bankruptcy?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. In the past ten years, has any insurance or securities brokerage firm with whom you have been associated filed a bankruptcy petition or been declared bankrupt either during your association or within five years after termination of such association?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Are there any unsatisfied judgments, garnishments or liens against you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Are you in debt to any insurance company?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. Have you ever been convicted of, or pled guilty or no contest to any felony or misdemeanor other than a minor traffic offense?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11. Are you currently a party to any litigation or a subject of any investigation(s)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12. Have you ever been denied appointment or terminated for cause by another insurance company, broker/dealer or insurance agency?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*If the answer to all questions is "No," you do not need to complete pages 3 through 6.*

**Producer information and appointment form (PIF)**

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**Business practices details** *If the answer to all questions is "No," do not complete pages 3 through 6*

If you answered "Yes" to any of the **Business practices questions** on page 2, provide details for the corresponding question(s) only.

**Question 1: Insurance license or securities registration denied, suspended, cancelled or revoked** Month and year

Attach a separate sheet with question number and details if more space is required for additional information.

Action taken and reasons

.....  
.....  
.....

Your account of the circumstances leading to the situation

.....  
.....

**Question 2: Sanction, censure, penalty or other action against you by state, federal or self-regulatory agency** Month and year

Action taken and reasons

.....  
.....

Nature of the activity resulting in the fine or disciplinary action

.....  
.....  
Your account of the circumstances leading to the situation

.....  
.....

**Question 3: Complaint, fine, sanction, censure, penalty or other disciplinary action against you for violation of any state, federal or self-regulatory agency regulations or statutes** Month and year

Amount of the fine and/or specific disciplinary action taken

.....  
.....

Nature of the activity resulting in the fine or disciplinary action

.....  
.....  
Your account of the circumstances leading to the situation

.....  
.....

**Question 4: Bond denied, paid on or revoked for you by bonding or surety company** Month and year

Reason for denial, revocation or payment

.....  
.....

Your account of the circumstances leading to the situation

.....  
.....

Amount of the payment

\$ .....

**Producer information and appointment form (PIF)**

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**Business practices details *If the answer to all questions is "No," do not complete pages 3 through 6***

If you answered "Yes" to any of the **Business practices questions** on page 2, provide details for the corresponding question(s) only.

**Question 5: Coverage denied, paid claims on, or cancelled by any E&O carrier ever**

Month and year

Nature of the circumstances resulting in the claim

.....  
.....

Disposition of the claim

.....

Amount claimed

Amount paid by E&O carrier *If any*

\$

\$

Your account of the circumstances leading to the situation

.....  
.....

**Question 6: Filing of personal bankruptcy petition or declared bankruptcy in past 10 years**

Date of discharge *mm/dd/yyyy*

**For Chapter 7, 11 and 12**

Reason for filing (i.e., divorce, loss of employment, business failure, etc.)\*

.....  
.....

Provide type of business and role/relationship in the business *If result of business failure*

.....

Dollar amount discharged

Average annual income for the last two years

\$

\$

**For any outstanding obligations not discharged in bankruptcy, (i.e., taxes, mortgage, car, etc.) provide:**

Dollar amount

Explanation of obligation

\$

Payment schedule amount

Frequency *i.e., weekly, monthly, etc.*

\$

**For Chapter 13**

Date of filing *mm/dd/yyyy*

Date of discharge\* *mm/dd/yyyy*

.....  
.....

.....  
.....

Provide type of business and role/relationship in the business *If result of business failure*

.....  
.....

**\*If payments are still being made please provide:**

Amount

Frequency *i.e., weekly, monthly, etc.*

\$

Projected completion date *mm/dd/yyyy*

Current balance

.....

\$

Average annual income for the last two years

\$

**Producer information and appointment form (PIF)**

**Business practices details *If the answer to all questions is "No," do not complete pages 3 through 6***

If you answered "Yes" to any of the **Business practices questions** on page 2, provide details for the corresponding question(s) only.

**Question 7: Bankruptcy petition or declaration filed by any insurance or securities brokerage firm with whom you have been associated (either during your association or within 5 years after termination of such association)**

Approximate filing date *mm/dd/yyyy*      Your position with company

**If you are an officer of the company or directly involved with circumstances leading to filing, please provide:**

Reasons

Your specific involvement

**Question 8: Unsatisfied judgments, garnishments or liens against you**

Month and year

**Judgments/garnishments**

Reason the judgment/garnishment was obtained and your specific involvement

Payment schedule amount

Frequency *i.e., weekly, monthly, etc.*

\$

Original amount of the judgment/garnishment

\$

Outstanding amount of the judgment/garnishment

\$

Average annual income for the last two years

\$

**Liens**

Name of company placing lien

Month and year

Reason for the lien and your specific involvement

Original amount of the debt

Current balance

\$

\$

Payment schedule amount

Frequency *i.e., weekly, monthly, etc.*

\$

Projected completion date *mm/dd/yyyy*

Average annual income for the last two years

\$

**Question 9: Debt to any insurance company**

Month and year debt began

Name of insurance company

Reason for the debt and your account of the situation

Original amount of the debt

Current balance

\$

\$

Payment schedule amount

Frequency *i.e., weekly, monthly, etc.*

\$

Projected completion date *mm/dd/yyyy*

Average annual income for the last two years

\$

**Producer information and appointment form (PIF)**

**Business practices details *If the answer to all questions is "No," do not complete pages 3 through 6***

If you answered "Yes" to any of the **Business practices questions** on page 2, provide details for the corresponding question(s) only.

**Question 10: Any conviction of, or guilty plea or no contest to, a felony or misdemeanor other than minor traffic offense** Month and year

.....

Description of the conviction or plea and your account of circumstances leading to the situation

.....

.....

Type of conviction *Misdemeanor or felony\**

.....

Final disposition *Fine, probation, jail, etc.* Have all requirements been satisfied?

.....  Yes  No

**\*If a felony, provide exact statute violated**

.....

**\*If a felony, provide city/county and state where violation occurred**

.....

**Question 11: Party to any litigation or a subject of any investigation(s)** Month and year litigation began

**Litigation** .....

Circumstances surrounding the litigation *Including your account of the situation*

.....

.....

How are you directly involved in the litigation?

.....

.....

Amount of damages claimed

\$ .....

Current status of the investigation

.....

---

**Investigation** Month and year investigation began

.....

Name and jurisdiction of investigating entity

.....

Circumstances surrounding the investigation *Including your account of the situation*

.....

.....

Current status of the investigation

.....

.....

**Question 12: Appointment with any insurance company, broker/dealer, or insurance agency denied or terminated for cause**

Description of the denial/termination and your account of circumstances leading to the situation

.....

.....

.....

.....

## Producer information and appointment form (PIF)

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### Disclosure of Intent to Obtain Consumer Reports

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Please review and print for your records the Disclosure of intent to obtain consumer reports.

This is to advise you that Genworth Financial, Inc. and its affiliates may obtain one or more consumer reports with respect to establishing your eligibility for employment, appointment, promotion, reassignment, and/or retention as an employee, agent and/or representative of Genworth Financial, Inc., or one or more of its affiliates.

If requested, the report may be obtained from one of the consumer-reporting agencies named below or another consumer-reporting agency:

#### **Business Information Group, Inc.**

P. O. Box 130  
Southampton, PA 18966  
800 260.1680

#### **National Insurance Producer Registry**

2301 McGee Street  
Suite 800  
Kansas City, MO 64108-2662  
816 783.8468

If a consumer report is obtained and you reside in a state with a legal requirement to provide a free copy of the consumer report upon request, we will automatically instruct the consumer reporting agency to send you a copy of the report at no charge.

The report may contain information regarding your character, general reputation, personal characteristics and mode of living. The nature and scope of the report is: financial and credit history, criminal records search, licensing and disciplinary action history, and employment history verification.

#### **For California Resident Agents Only**

Pursuant to the California Investigative Consumer Reporting Agencies Act, Genworth Financial, Inc. is required to provide you with the summary of provisions listed below.

California Investigative Consumer Reporting Agencies Act Summary of the Provisions of Section 1786.22

- (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 the 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 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.

**Producer information and appointment form (PIF)**

**Electronic funds transfer (EFT)** Complete this section to authorize automatic electronic transfer of commission payments

You must sign on the signature line at the bottom of this page to authorize and receive commission payments via EFT. A completed Page 1 is also required.

If completing this section for an officer and an entity, the EFT authorization will apply to the entity.

You may either attach a voided bank check or complete all information in this section as it appears on your check.

This is an example of a personal check. A business check may be different.

Attach an additional page if more room is needed for multiple codes.

Institution name for deposit

Routing number

Account number

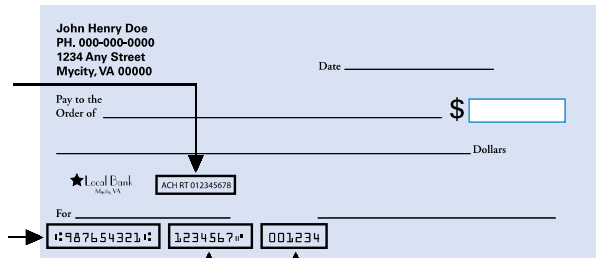
**To find the routing and account numbers**

For checks with "payable through" under the bank name, please contact the financial institution to help obtain the correct Routing Number.

For checks with an ACH RT (Automated Clearing House Routing) number, please use this routing number.

For all other checks, use the nine-character routing number, which appears between the @ symbols, usually at the bottom left corner of the check.

The account number is up to 17 characters long and appears next to the @ symbol at the bottom of the check and usually to the right of the bank routing number.



**This authorization applies to all representative codes and corresponding Genworth Financial companies under the SSN/TIN listed above unless you check "No."**

No If "No," please provide Representative code(s)

Representative code(s)

**Acknowledgment and signature**

The Genworth Financial companies listed at the top of page 1 are referred to as "us," "our" and "we" in this section.

The appointment applicant is referred to as "you" and "your" in this section.

When submitting for an officer and an entity, this acknowledgement applies for both.

By signing below, you

- Certify that you have read, understood, and agree to comply with all provisions contained in the **Producer Agreement** which may be downloaded and printed at: [www.genworth.com/produceronboarding](http://www.genworth.com/produceronboarding). You may also request a copy by calling 800 991.5684.
- Agree to accept official correspondence from the Company electronically, using your last e-mail address known to the Company. You further agree to notify the Company if you change your e-mail address and/or if you can no longer accept electronic communications.
- Acknowledge that you have received and read the **'Disclosure of Intent to Obtain Consumer Reports'** and consent and authorize Genworth Financial, Inc. and its affiliates to obtain additional background information, as we deem necessary, through independent investigation, FINRA CRD reports and/or through a consumer reporting agency's (consumer reporting agencies including but not limited to those identified in the 'Disclosure of Intent to Obtain Consumer Reports') consumer report (collectively, 'background reports').
- Authorize us to share the information contained in this PIF or any other information that we may obtain, including background reports, with our affiliates for the purposes of establishing your eligibility and/or continuing eligibility for appointment with us and our affiliates as well as any other disclosure required by law.
- Authorize your employers and other insurance companies you are or have been appointed with to release any and all information that they may have about you, personal or otherwise, to us and you release all such parties from all liability that may result from furnishing this information.
- Understand and agree that your appointment will, in part be based upon this PIF and the background report information and that any information that you provide that is inaccurate or incomplete shall be grounds for termination of your appointment.
- Acknowledge that you have read, understood and agree to comply with the **Guide to Ethical Market Conduct** at [www.genworth.com/produceronboarding](http://www.genworth.com/produceronboarding). You may also request a copy by calling 800 991.5684.
- If applicable, authorize the selected Genworth Financial company(ies) to automatically transfer funds to your checking account and make adjustments to your account in the event of errors. Additionally, you authorize the named institution to complete these transactions. This authorization is to remain in full force and effect until we receive written notice from you requesting termination or until we have sent you 10-days written notice of our intention to terminate EFT.

You also certify under penalty of perjury that the information provided herein is accurate and complete.

Signature Title Required if signing for an entity Date

X

**You must sign here in order for us to process your appointment, and EFT if applicable.**

**Producer information and appointment form (PIF)**

**Appointing company and hierarchy information *The Top Level agency (BGA/MGA) must complete this section***

Provided you are properly licensed, you may be appointed to sell only those products for which your firm or agency is contracted.

**Select all product lines for which you are requesting appointment and complete each appropriate section.** Provide the producer/agency numbers, and commission plan and schedule for each of the Genworth Financial companies listed below.

**Please provide information if completing this page only.**

If checked, this acknowledgement and authorization replaces any previous commission arrangement between the Top Level (BGA/MGA), the Company, and the Producer for all applications submitted after the receipt of this request by the home office.

Producer name	Code Number	Tax ID/SS number
.....	.....	.....

Top Level (BGA/MGA) Name	Agent Support Services, Inc.	
Top Level Code Number	Fixed and Linked Benefit	Long Term Care
	.....	.....

**Producer's Commission Schedule**

	Fixed Life & Annuity	Linked Benefit	Long Term Care
Genworth Life	.....	.....	.....
Genworth Life & Annuity	.....		
Genworth Life of New York	.....	.....	.....

**Please list all members of this producer's hierarchy beginning with the highest level**

Producer/Agency Name & Social Security Number/TIN	Producer/Agency Code		Commission Schedule		
	Fixed & Linked	Long Term Care	Fixed	Linked Benefit	Long Term Care
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Top Level (BGA/MGA) acknowledgement and authorization of compensation please sign here. Emails are welcomed; send to producerservices@genworth.com.

If any insurance coverage is placed by the Producer, the undersigned Top Level (BGA/MGA) authorizes the Company to pay commissions to the Producer in accordance with the Commission Schedule(s) above or as subsequently changed by written notification. Payment of commissions could be subject to existing assignments on file with the Company. Any assignment of commission shall not be binding on the Company without its prior consent.

<b>Signature of Top Level (BGA/MGA)</b>	<b>Printed Name</b>	<b>Date</b>
X .....	.....	.....

**Agent**

**Long Term Care Sales Compensation Plan**

The Company shall pay to the Agent compensation calculated in accordance with the following percentages of premiums earned (paid and not refunded) and received by the Company, subject to the following rules.

This Sales Compensation Plan may be amended unilaterally by the Company upon notice, in writing, to the Agent to that effect. Such amendment shall take effect at the time specified in the notice, but in no event prior to thirty days from the time such notice was given. No such amendment shall affect compensation payable with respect to any Product issued upon application(s) taken prior to the effective date of such amendment. Compensation under this Sales Compensation Plan shall be vested in accordance with the terms of the Agreement to which it relates.

<u>Products</u>	<u>State(s)</u>	<u>1st Year Premiums</u>	<u>2nd and Subsequent Years Premiums</u>
LONG TERM CARE ("LTC") AND HOME HEALTH CARE ("HHC") POLICIES/CERTIFICATES	All Other States	50.0 %	5.0 %
	Delaware	21.0 %	10.0 %
	Indiana	22.0 %	11.0 %
	Michigan*	26.0 %	4.0 %
	Wisconsin	38.0 %	9.5 %
	Pennsylvania	50.0 %	5.0 %

\*Effective 1/1/05, Michigan's restricted commission rate structure will apply only to those applicants who meet the Medicare age eligibility requirements, currently age 65 and older. For applicants under age 65, the standard national commission rate will be used for compensation purposes. For shared benefit plans, the older age applicant will determine the commission rate. The restricted commission rate structure must be level for the first 3 policy years; therefore, the renewal rate will not take effect until policy year four.

1. Limited Pay Products. Compensation on Products whose premiums are limited to a predefined definite payment period ("Limited Pay" Products) shall be due and payable only on the following percentage of premiums received and earned by the Company ("commissionable premium"):

<u>Product</u>	<u>Percentage of Earned Premium</u>
Limited Pay	50%

Changes in commissionable premium levels may be made at the sole discretion of the Company, and shall be communicated in writing in the event of any such change.

2. Should an existing Company Product be replaced by or replace a Limited Pay Product, only the amount of commissionable premium shall be used to determine compensation due the replaced and replacing agents and their Hierarchies.

3. All compensation shall be calculated initially based on gross premiums but ultimately due only on earned premiums.

4. No compensation will be paid on premiums waived under a Waiver of Premium provision for any approved Product; or, on increases in premium resulting from a class rate increase imposed by the Company.

5. In the event a new LTC and/or HHC Product replaces an existing Product, the following terms and conditions shall apply with respect to compensation due and payable on the replacing Product's earned premiums. For purposes of this Sales Compensation Plan, long term care insurance policies issued by The Travelers Insurance Company and Travelers Life & Annuity Insurance Company shall be deemed "existing Products" and subject to internal replacement rules set forth below.

(A) *Definitions:* The following terms shall have the meanings set forth when capitalized and used herein:

- [i] "Hierarchy" means licensed agents of the Company to whom the agent is assigned by the Company at the time of replacement and/or at the time the replaced Product was written.
- [ii] "Rider" means an attachment to an existing Product adding benefits thereto for stated additional premiums.
- [iii] "Third Party Administrator" or "TPA" means an agent who directly or through an affiliated person receives compensation for providing premium billing and collection services under a written agreement with the Company, as well as compensation based on the same Product premiums.
- [iv] "Replace" or "replacement" refers to the exchange of an existing Product or Products for a new Product, and to the reduction in coverage of an existing Product in conjunction with the contemporaneous issuance of one or more additional Products covering the same insured. In the event multiple Products are simultaneously replaced by a Product or Products, reference to a replaced Product includes all of such replaced Products. Adding a Rider to a Product is not a "replacement" except to the extent the Rider is part of a replacing Product at the time of replacement.
- [v] In the case of a reduction in coverage of an existing Product, in conjunction with the contemporaneous issuance of one or more additional Products covering the same insured, the premium for the replaced Product at the time of replacement refers to the premium in effect for the existing Product at the time of coverage reduction; and the premium for the replacing Product at the time of replacement refers to the total premiums for all Products issued on the same insured including premiums for a Product or Products issued contemporaneously in conjunction with the reduction in coverage of the existing Product.

(B) First and subsequent year compensation due the replacing agent and the replacing agent's Hierarchy shall be based only on the increase in premium, if any, for the replacing Product over the premium of the replaced Product.

(C) In the event the premium for a replacing Product equals or exceeds the premium for the replaced Product at the time of replacement, the replaced agent and the replaced agent's Hierarchy for the replaced Product will continue to receive compensation due under the replacing Product in accordance with compensation due under the replaced Product.

(D) In the event the premium for a replacing Product is less than the premium for the Product or Products replaced at the time of replacement, then the replaced agent and the replaced agent's Hierarchy for the replaced Product will continue to receive compensation with respect to that portion of the replacing Product's premium calculated as follows:

<b>Compensable</b>					
<b>Portion of Replacing</b>	<b>=</b>	<b><u>Replacing Product Premium</u></b>	<b>x</b>	<b><u>Replaced Product Premium</u></b>	<b>Amount of Premiums on</b>
<b>Product Premium for</b>					<b>which replaced Agent</b>
<b>Replaced Agent</b>					<b>received compensation</b>
					<b>under replaced Product</b>

(E) In the event a new Product replaces an existing Product and either the replacing or the replaced agent is a TPA, the following terms and conditions shall apply:

- [i] Compensation due on the replacing Product shall be payable to the agent who originally personally produced the existing replaced Product, provided that original agent is both duly licensed and currently authorized to represent the Company at the time of replacement, and continues to provide a satisfactory level of service to the policyholder as defined by the Company from time to time.
- [ii] Override compensation, if any, due with respect to the replacing Product shall be payable to the Hierarchy of the agent due compensation under the replacing Product.

(F) All compensation and overrides payable with respect to replacements and rate increases are subject to limitations and/or restrictions imposed by applicable law and regulations.

6. Notwithstanding any other provisions of this Sales Compensation Plan, in the event compensation due and payable to you pursuant to the Sales Compensation Plan under the Agreement averages less than \$50.00 per month in any calendar year after this Agreement has been terminated, no further compensation shall be due or payable under this Sales Compensation Plan.

7. Acceptance by you of your regular compensation statement constitutes full satisfaction and agreement as to its accuracy and completeness. An exception to this may be made in the event you make a written claim to the contrary, which we receive at our offices within sixty (60) days after you received the compensation statement or a clerical error has been discovered.

**8. Minimum Production Requirements**

A minimum of \$10,000 in annualized premiums must be placed over each twelve (12) month calendar year. Failure to fulfill this requirement may result in termination of this Agreement.