

# CNA Life

(Licensing Checklist)

Agent's Name: \_\_\_\_\_

Appointing Agent/ Agency: \_\_\_\_\_

Commission Level: \_\_\_\_\_

List all states to be appointed in: \_\_\_\_\_

Please submit the appropriate forms:

\_\_\_\_\_ Agent's License Appointment Request\*

\_\_\_\_\_ Producer Contract

\_\_\_\_\_ Producer Addendum\*

\_\_\_\_\_ Core Values Agreement\*

\_\_\_\_\_ Producer Annualization Addendum (optional)

\_\_\_\_\_ Direct Deposit Commission Enrollment Form (optional)

\_\_\_\_\_ Voided Check for Direct Deposit (Required if submitting a direct deposit form.)

\_\_\_\_\_ Copies of Agent's licenses – All applicable resident and non-resident including both Individual and Corporate\*

\* These completed forms are required for the mortgage product.



# Agent's License Appointment Request

Continental Casualty Company (CCC)  
Continental Assurance Company (CAC)  
Valley Forge Life Insurance Company (VFL)

Name of Appointing Office (MGA or LSO)	MGA Code/LSO Code:
Name of General Agent / Life Sales Representative (LSO only)	GA/LSR Code: LTC/LSR Code:

## Personal Information

Applicant / Licensee Name (Individual or Corporation) \_\_\_\_\_ Sex  M  F

Social Security Number / Tax I.D. \_\_\_\_\_ County of Residence \_\_\_\_\_ Date of Birth \_\_\_\_\_

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

Residence Street Address  
Street: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Office Phone: (\_\_\_\_) \_\_\_\_\_ Resident Phone: (\_\_\_\_) \_\_\_\_\_

Email Address: \_\_\_\_\_ Website Address: \_\_\_\_\_

## Appointment Information

State(s) applicant is to be licensed/appointed: Resident \_\_\_\_\_ Non-Resident \_\_\_\_\_  
If Florida non-resident, list counties to be appointed: \_\_\_\_\_

Company to be licensed with:  
 VFL Life and select LTC states  CCC LTC only  CAC Life – New York only  All

Applicant is:  
A.  Individual  Partnership  Corporation  Sole Proprietor  
B.  Qualified (attach copy of current Agent's or Broker's License)  Unqualified  
C. Types of License/Appointment being requested:  
 Life  Health  Life/Accident/Health  
D. CNA Property Casualty Affiliation:  
Is the applicant a CNA Life GA Principal (not Health Sales)  Yes  No  
Does the agent have a Branch Property Casualty affiliation?  Yes  No  
If yes, enter Branch Producer Code: \_\_\_\_\_ \ \_\_\_\_\_  
E. Are commissions to be paid to applicant?  Yes  No If no, name commission to be paid in:  
\_\_\_\_\_ Commission Level: \_\_\_\_\_ Code: \_\_\_\_\_

If Applicant is neither an Individual nor a Sole Proprietor, supply full names of all Officers, Directors, Partners and Members and their titles:

Name:	Title:
_____	_____
_____	_____
_____	_____

## To be completed by the Managing General/Supervising General Agent/Life Sales Office:

Hierarchy Structure:

Submitting Agent Name	Producer Code	Sub-Producer Code (LTC only)	Deal Code
_____	_____	_____	_____
Next Level	Producer Code	Sub-Producer Code	Deal Code
_____	_____	_____	_____
Next Level	Producer Code	Sub-Producer Code	Deal Code
_____	_____	_____	_____

## Due Diligence Questions

Yes No

1. Have you ever been discharged or permitted to resign from your employment due to:
  - a. Violating investment related or insurance related statutes, regulations or rules?  Yes  No
  - b. Fraud or the wrongful taking of property?  Yes  No
  - c. Any action involving breach of trust or dishonesty?  Yes  No
2. Do you owe any money to any insurance company?  Yes  No
3. Are there any outstanding, unsatisfied or pending judgments, liens, garnishments or other collection items against you?  Yes  No
4. Have you ever had your insurance license or securities registration, or application for such, denied, suspended or revoked?  Yes  No
5. Have you ever been bankrupt or insolvent, either personally or in connection with any business you have/had an interest in, or do you have a bankruptcy pending?  
If so, please state reason for the filing: \_\_\_\_\_  Yes  No
6. With the exception of routine traffic violations, have you ever been charged with, convicted of, or pled no contest or guilty in court to: (If yes, provide details below)
  - a. Any felony or misdemeanor?  Yes  No
  - b. Any violation of any state insurance regulations or statutes?  Yes  No
  - c. Any violation of federal or state securities or investment related regulations?  Yes  No

Date	Jurisdiction	Charge	Sentence
_____	_____	_____	_____
7. Have you ever entered into a judicial or pre-trial diversion program in lieu of a guilty plea or conviction?  Yes  No
8. Have you ever been the subject of an insurance or investment related, consumer initiated complaint?  Yes  No
9. Has any state or federal regulatory agency filed a complaint against you?  Yes  No
10. Are you now or have you ever been a party to any litigation related to the business of insurance?  Yes  No
11. Are you now the subject of any complaint, investigation or proceeding which would result in a "yes" answer to any of the previous questions?  Yes  No
12. Are you currently bonded?  Yes  No
13. Do you have Errors & Omissions coverage?  
If yes: Carrier: \_\_\_\_\_  
Face Amount: \_\_\_\_\_ Policy Number: \_\_\_\_\_  
Effective Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  Yes  No
14. Has any E&O carrier ever denied you coverage, paid claims on a policy issued to you or cancelled your coverage?  Yes  No
15. Please list any appointments you have held with other insurance companies, whether active or inactive: (Attach additional signed sheet as necessary)
 

Company	Line of Business	Active	Inactive	Reason
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	_____
16. Additional Details to Questions 1-15 (attach additional signed sheets as necessary):  
\_\_\_\_\_  
\_\_\_\_\_

### Background Investigation Authorization

I hereby certify all information shown above is accurate, true and complete to the best of my knowledge. If I am appointed by CAC, VFL, or CCC (collectively CNA) any misstatement may cause this relationship to terminate. If accepted, I agree to comply with all the rules and regulations of CNA and any Department of Insurance which issues a license to me. I understand and agree that I am not permitted to solicit or sell insurance in any state where I have not received a license from that State's Department of Insurance. I understand that CNA may wish to investigate my background and I authorize, to the fullest extent permitted by law CNA to communicate with individuals and organizations, including, but not limited to former employers, business and personal references, Government Agencies, and Credit/Inspection Bureaus to verify my history and personal credentials and to obtain other data that may help to analyze my qualifications. I agree to release CNA and their Officers, Directors, Agents, Attorneys, and employees from all liability, causes of action, claims or demands, which may result from my authorizing them to investigate my background and from their furnishing and/or using information in conjunction with such investigation. I have the right to make a written request within a reasonable period of time to receive additional detailed information about the nature and scope of this investigation.

Any error or omission in the above referenced information can lead to immediate termination of my contract.

Applicant's Signature

Date



## PRODUCER CONTRACT

THIS AGREEMENT is made and entered into by and between Continental Assurance Company, Valley Forge Life Insurance Company and Continental Casualty Company (the Company), the undersigned appointing Agency(s) and \_\_\_\_\_ (the Producer).

### 1. AUTHORITY AND DUTIES

The Producer shall have authority to solicit applications for policies to be issued by the Company, to collect the initial premiums thereon in accordance with this Contract and the rules of the Company, and to appoint Solicitors with the approval of the Company.

The Producer agrees to devote time, energy and ability to soliciting applications for insurance, collecting initial premiums, conserving and servicing policies and otherwise promoting the best interests of the Company. The Producer is authorized to promptly deliver, in good order, to the policyholder, all policies, riders, endorsements and other forms provided for delivery to the policyholder, only upon receipt of the premium amount specified therein and upon compliance with the provisions of such policies and the rules of the Company. The Producer is not authorized by or on behalf of the Company to make, alter or discharge any policy illustration, application, policy or contract, waive any forfeiture, accept any risks or fix any extra premium for hazardous risks, waive any provisions or conditions, incur any liability on behalf of or against the Company, or receive any funds due or to become due to the Company, except as provided in this Contract, or when specifically authorized in writing to do so by an officer of the Company.

Nothing contained in this Contract is intended to, nor shall be construed to, create the relationship of employer and employee between the parties, and the Producer is intended to be, and is, an independent contractor with the Company for purposes of this Contract. The Producer is free to exercise his own discretion as to the amount of time and effort he shall expend hereunder, the manner, means and details of the conduct of his business, the persons from whom he shall solicit applications, and the time, place and manner of such solicitations, provided only that the Producer shall conform to applicable State and Federal laws and regulations governing the Company and its producers and to Company regulations with respect to standards of business practice.

### 2. PRINCIPLES AND CODE OF ETHICAL CONDUCT

It is the responsibility of the Producer to obtain from his General Agency or Managing General Agency and read the "Commitment to Quality" booklet.

The Producer shall conduct all business on behalf of the Company in a manner that is consistent with the following Code of Ethical Conduct:

The Producer has read and agrees to abide by the precepts contained in the Company sales, communication, illustration and complaint guidelines. The Producer shall provide honest and accurate information that is essential to his client's purchasing decision, including an explanation of benefits and limitations.

The Producer shall use no advertising which is not approved by the Company nor make any statements that may be false or misleading.

The Producer shall provide to the Company all meaningful information which may affect the Company's underwriting decision. The Producer shall not submit any application or allow any policy to be issued based on information he knows or has reason to believe to be false or incomplete.

The Producer shall make no attempt, directly or indirectly, to cause or induce the lapse of the client's existing coverage with any company unless that action is first and foremost in the client's best interest.

The Producer shall report any activities of which he becomes aware that are in violation of insurance laws or regulations.

### 3. COMPENSATION

Except as otherwise herein provided, the Company shall pay and the Producer shall receive, upon business produced hereunder on which the premiums shall have been paid to the Company in accordance with its rules, commissions computed in accordance with the Schedule or Schedules of Compensation attached hereto or with the Schedule or Schedules of Compensation added here from time to time as new products are introduced or commissions on existing products are modified as provided for in this provision. As soon as possible after the end of each month in which compensation was earned, the Company will prepare a statement of this compensation earned by the Producer during the month. Upon 30 days' notice to the Producer, the Company may, as to all business thereafter written under this Contract, modify or change such Schedules as it deems best. Notice to the Producer's Managing General Agent shall be deemed to constitute notice to the Producer.

### 4. LIMITATION OF COMMISSIONS

Compensation on policies not mentioned in the Schedule or Schedules of Compensation, on changed or reinstated policies, or on any policy which in the judgment of the Company takes or is to take the place of any other of the Company's policies on the same life, shall be determined by the Company in accordance with its rules. The compensation rate on any additional premium required by the Company will be governed by the rules in effect at the time the premium is applied.

### 5. RIGHT TO OFFSET INDEBTEDNESS

The Producer agrees to pay promptly, upon receipt of itemized statements from the Company, all commission reversals and similar items made to his account in accordance with the rules of the Company. Without limiting its rights and remedies in any way, the Company will offset at any time any debt, together with interest on such debt at the legal rate, or any other liability of the Producer to the Company against any sums due, or thereafter becoming due from any source, to the Producer and a first lien is hereby reserved to the Company thereon for the satisfaction of any such debt or liability.

**6. TRANSFER OF RIGHTS**

The Producer's compensation under this Contract or any rights or interests in this Contract shall not be sold, assigned or pledged, except with the written consent of the Company.

**7. COLLECTION, DEPOSIT AND REMITTANCE OF MONIES DUE COMPANY**

The Producer shall not receive any money due or to become due the Company, except initial premiums in connection with a policy signed by an officer of the Company or an application for insurance submitted to the Company, and immediately upon the collection of any monies due the Company the Producer shall remit all such monies received by him to the Company without deduction for commissions, service fees or allowances. The Producer may not commingle the Company's premiums with any other funds.

**8. RETURN AND DELIVERY OF POLICIES AFTER SIXTY DAYS FROM DATE OF ISSUE**

The Producer shall return to the Company on demand all undelivered policies, receipts and other documents or property belonging to the Company, and shall not retain longer than 60 days any undelivered policies without written consent of the Company. The Company may at its option and without notice to the Producer charge to the account of the Producer the premiums, with interest, on any policies written by him on which satisfactory settlement or return of the policy contracts together with receipts and releases satisfactory to the Company, are not received within 60 days from the date of issue of the policies.

**9. RECORDS AND REPORTS OF THE PRODUCER**

The Producer shall keep full and true records of all business transacted by him and by Solicitors appointed by him. The Company may, during normal business hours, examine any of these records pertaining to the Company's business which are reasonably necessary to show compliance with this Contract or meet regulatory requirements. All records, books, papers and software supplied by the Company shall be and remain the property of the Company and shall be delivered to the Company upon demand. No circular, advertisement or other matter using the Company's name and/or products shall be printed, published or used in any way by the Producer unless first approved in writing by the Company.

**10. LIABILITY OF COMPANY FOR EXPENSES INCURRED**

The Company shall not be liable for expenses of any kind hereunder unless the same shall have been previously authorized by the Company in writing.

**11. CONTRACT SUBJECT TO LAWS AND TO RULES AND REGULATIONS OF INSURANCE DEPARTMENT**

If any portion of this Contract is in contravention of any statute, Insurance Department regulation or directive or any governmental ruling, such portion shall be modified without further action by the Producer or the Company to conform to such statute, regulation, directive or ruling. If at any time by reason of legislation, administrative ruling or any change in state law, policy forms must be withdrawn or commissions, service fees or allowances must be reduced, then this Contract will, without previous notice, be modified to the extent necessary to conform to such change in state law. This paragraph takes precedence over any provision of this Contract to the contrary which requires prior notice for such modifications.

**12. BOND OF INDEMNITY/ERRORS AND OMISSIONS COVERAGE**

The Producer shall maintain Errors & Omissions liability insurance coverage and a Bond of Indemnity in such amount and in such form as the Company may from time to time determine and he shall provide evidence of such coverage when requested by the Company.

**13. TERMINATION OF CONTRACT**

This Contract:

- (A) shall terminate automatically upon the death of the Producer, and
- (B) may be terminated by either party upon written notice mailed to the last known address of the other party, and
- (C) may be terminated automatically by the Company, without written notice, for cause, in the event the Producer
  - (1) embezzles or misappropriates monies belonging to the Company, or to its policyholders or any of its producers;
  - (2) subjects the Company to liability due to the Producer's misfeasance or nonfeasance;
  - (3) misrepresents any matter that is material to the operation of the Company under this Contract;
  - (4) is convicted of a felony; or
  - (5) breaches any of the material provisions of this Contract.

Upon termination of this Contract under provisions (A) or (B) above, the provisions of Section 2 through 15, inclusive, shall continue in force and effect until all compensation due the Producer under Section 3 shall have been paid and until all debts owed by, and all liabilities of the Producer, to the Company have been paid or adjusted to the satisfaction of the Company. The Producer shall account for, pay and deliver to the Company, to its satisfaction, all funds, policies, receipts, records, books, papers, and property referred to in Sections 8 and 9. If the Producer fails to account for property in Sections 8 and 9; or if he fails either to pay or adjust, to the satisfaction of the Company, all debts owed by him and all his liabilities to the Company, or if this Contract is terminated by the Company pursuant to the provisions of (C) above, or if he endeavors to induce policyholders of the Company to relinquish their policies in the Company, the Producer shall forfeit all rights to any compensation to which he might otherwise have been entitled under any and all contracts with the Company.

Upon notice of termination of this Contract, the Company reserves the right to communicate directly or indirectly, with any of its Solicitors or policyholders and take whatever actions it deems necessary to promote the best interests of its policyholders.

**14. NO WAIVER**

The forbearance of the Company to enforce strict compliance with any of the provisions or conditions of this Contract shall not operate as a waiver of any such provisions or conditions or as a release of the Producer in any manner hereunder.





# PRODUCER ADDENDUM

(IMO DISTRIBUTION CHANNEL)

**THIS ADDENDUM** is made, entered into and incorporated by reference, effective as of the date indicated below (“Addendum Effective Date”), into the Core Values Agreement (the “Agreement”) made and entered into by and between **VALLEY FORGE LIFE INSURANCE COMPANY, CONTINENTAL ASSURANCE COMPANY** and **CONTINENTAL CASUALTY COMPANY** (collectively hereinafter referred to as the “Company”) and the Authorized Representative whose signature appears below. For the purposes of this Addendum, the Authorized Representative shall be referred to as the “Producer”.

To the extent of any conflict between the terms of the Agreement and this Addendum, this Addendum shall control. Terms not expressly defined herein shall have the meaning as defined by the Agreement. Except as otherwise provided herein, all the terms and conditions of the Agreement shall apply equally to this Addendum.

**Section PA-1 Addition to Agreement:** The following language shall be added to the Agreement:

**2.4 Sub-Agents:** The Producer is hereby given the specific authority, on behalf of the Company, to appoint other authorized representatives, hereinafter “Agent” or “Agents”, such appointments being subject to the approval of the Company and on Company-approved forms and in accordance with such procedures as the Company may adopt from time to time. The Company shall have the right, in its sole discretion, to reject the appointment of an Agent. The Producer shall countersign the agreements, and any addenda thereto, that are executed between the Company and an Agent (“Agent Agreements”) and shall thereby become jointly and severally liable for the conduct and liability of the Agent arising under such agreement.

**2.5 Ethical Conduct of Agents:** It is the duty of the Producer to recommend for appointment only Agents that conduct their business in accordance with Article 1 of the Agreement. The results of any pre-appointment investigation or information received about such Agent shall be given to the Company at the time of the appointment. Further, the Producer has an affirmative obligation to report to the Company any adverse business conduct of such Agent of which the Producer becomes or should have become aware. The reporting of such adverse business conduct is not limited to conduct related to the operations of the Company, its Products, Policies or customers.

**3.14 Responsibilities of Producer with Respect to Agents:** It shall be the responsibility of the Producer to ensure that any Agent appointed by or assigned to and accepted by the Producer complies fully with all the terms of the Agreement. The Producer shall be responsible for recruiting, training and developing Agents, in accordance with the Company’s Standards of Business Practice. The Producer shall train Agents regarding both the Products offered by the Company as well as regarding the Company’s Standards of Business Practice as may be, from time to time, amended. It shall be the responsibility of the Producer to exercise direction, supervision or control over the appointed Agent as to ensure specific conformity with the Agreement and the Agent Agreements. Further, it is the responsibility of the Producer to ensure that any Agent appointed by the Producer is aware of, monitors for changes to and complies with the Standards of Business Practice as may be prescribed, issued and modified from time to time by the Company. The Producer shall be responsible to the Company for the performance, fidelity and honesty of the Agents it appoints and for funds collected and business transacted by the Agents. It is the responsibility of the Producer to ensure that the Agents secure and maintain any necessary business permits or insurance licenses in the states where the Agent solicit Products as may be required.

**5.16 Agent Commission:** Unless otherwise agreed to in writing by the Company or unless paid directly to the Agents by the Company, the Producer will pay any Commission or other compensation due to the Agents that the Producer appoints. If the Company receives written notice that the Producer has failed to fulfill any obligation to an Agent, the Company may terminate the Agreement and this Addendum according to the provisions of Section 6.3 of the Agreement.

**5.17 Debts of Agents:** Subject to all the terms and conditions of the Agreement and the Agent Agreements, the Producer shall be responsible for all amounts due to the Company of all Agents appointed by or assigned to and accepted by the Producer. In the event an Agent fails to pay, settle or otherwise account for such amount owed to the Company as provided by the Agent Agreements, the Producer shall, pursuant to Article 5, become liable to the Company for the repayment of such debt as if such debt was owed by the Producer directly to the Company.

**6.7 Request to Terminate:** The Producer may request, in writing, that the Company terminate the appointment of any Agent. In such case, the Producer must specify the factual detail underlying the request. At the Company’s discretion, the Company may either (a) reassign the Agent; or (b) terminate the Agent’s appointment and any and all agreements with the Company in conformity with the provisions of the Agent Agreements and Article 6 of the Agreement. In any event, the Producer will be liable to the Company, as provided in Section 5.16 of the Agreement as added by this Addendum, for all debts owed by the Agent to the Company prior to the date of such termination. The Company may at any time require the Producer to terminate any contract or agreement with an Agent.

**6.8 Agent Recontracting:** Notwithstanding the provisions of Section 5.16, upon the termination of the Agreement pursuant to Article 6, the Company retains the right to directly or indirectly contract with any Agent,

**7.5 Acts of Agents:** The Producer shall indemnify, defend and hold the Company harmless of, from and against any and all claims, demands, losses, damages, liabilities, expenses and costs, including reasonable attorneys’ fees and costs of investigation, relating to or arising from any act or omission by the Agent if such act or omission, having been performed or omitted by the Producer, would have been subject to the provisions of this Article 7.

**Section PA – 2 Definitions:** For the Purposes of interpreting, implementing and enforcing the terms of the Agreement, and the rights and responsibilities of each of the Parties contained therein, the term “Authorized Representative”, as used in the Agreement, shall be amended to include any Agent appointed by or assigned to and accepted by the Producer.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Addendum, consisting of two (2) Sections and two (2) pages, to be duly executed and delivered as of the Addendum Effective Date set forth below.

<b>Addendum Effective Date:</b>	
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<b>Valley Forge Life Insurance Company, Continental Assurance Company and Continental Casualty Company</b>			
<i>Bernard L. Hingebach</i>	<i>Jonathan Kantor</i>	Company Officer:	
Chairman of the Board	Secretary	Title: _____	Date: _____

<b>Producer</b>	
Name: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> LLP	Signature: _____
Business Street Address:	Title: _____
City, State, Zip	Date: _____
Business Phone:	Taxpayer (TIN) or Federal Employer (FEIN) Identification Number: _____
Business Facsimile:	E-Mail or Website Address: _____

<b>General Agent</b>	
Name: _____	Signature: _____
Date: _____	Title: _____

<b>Independent Marketing Organization</b>	
Name: _____	Signature: _____
Date: _____	Title: _____



# CORE VALUES AGREEMENT

**THIS AGREEMENT** is made and entered into, effective as of the date indicated below (“Effective Date”) by and between **VALLEY FORGE LIFE INSURANCE COMPANY, CONTINENTAL ASSURANCE COMPANY and CONTINENTAL CASUALTY COMPANY**, collectively hereinafter referred to as the “Company”, and the individual, partnership or corporation identified on the signature page hereto, hereinafter referred to as the “Authorized Representative”. In each and every place in this Agreement in which duties or obligations are described which must or maybe performed by an individual, the term “Authorized Representative” shall also include the officers, directors, employees, consultants, agents, subcontractors, successors and permitted assigns of a partnership or corporation which is a party to this Agreement. The Company and the Authorized Representative are sometimes collectively referred to herein as the “Parties”.

**WHEREAS** the Company markets, underwrites and sells certain insurance products (“Products”);

**WHEREAS** the Company issues and services certain insurance policies (“Policies”);

**WHEREAS** the Authorized Representative markets, sells and services insurance products offered by and policies issued by various companies;

**WHEREAS** the Company wishes to contract with the Authorized Representative to market and sell the Products and service the Policies;

**WHEREAS** the Authorized Representative desires to market and sell the Products and service the Policies;

**NOW THEREFORE**, in consideration of the foregoing recitals and the mutual promises and undertakings set forth herein, the Parties hereto, intending to be legally bound, agree as follows:

## **ARTICLE 1: PRINCIPLES AND CODE OF ETHICAL CONDUCT**

**1.1 Commitment to Quality:** The Authorized Representative shall obtain, read, understand and conform all conduct to the guidelines set forth in the publication entitled “Commitment to Quality” which is produced, published, updated and modified by the Company from time to time. Further, the Authorized Representative shall conduct all business on behalf of the Company in a manner that is consistent with the following Code of Ethical Conduct:

- (a) The Authorized Representative has read and agrees to abide by the precepts, rules and regulations contained in the Company’s Standards of Business Practice, as herein defined; and
- (b) The Authorized Representative shall provide honest and accurate information relating to a customer’s purchasing decision including an explanation of the benefits, exclusions and limitations applicable to the Products; and
- (c) The Authorized Representative shall use no advertising which is not approved by the Company as provided in Section 3.8; and
- (d) The Authorized Representative shall provide to the Company all meaningful information which may affect the Company or the Company’s underwriting decision or any other information which may affect the Company’s rights or defenses; and
- (e) The Authorized Representative shall not submit any application or allow a Policy to be issued based on information known or reasonably believed to be false or incomplete; and
- (f) The Authorized Representative shall make no attempt, directly or indirectly, to cause or induce the lapse, cancellation, surrender or replacement of any existing coverage with any company unless that action is first and foremost in the customer’s best interests; and
- (g) Such other Elements of the Code of Ethical Conduct as the Company may adopt from time to time.

**1.2 Reporting:** The Authorized Representative shall report to the Company any activities of which he, she or it becomes aware that are in violation of any insurance law or regulation or Company Standards of Business Practice.

## **ARTICLE 2: APPOINTMENT AND LIMITATIONS ON AUTHORITY**

**2.1 Appointment:** Subject to all necessary certificates of authority, licenses and appointments, the Company hereby appoints and authorizes the Authorized Representative to solicit applications for Products, as specified in the Schedule or Schedules of Compensation or Addenda attached or added hereto from time to time, in each jurisdiction in which the Company and the Authorized Representative are authorized to transact business.

**2.2 Limitation of Authority:** The Authorized Representative has no authority to act for or on behalf of the Company except as expressly described and defined by and in this Agreement. Without limiting the generality of this Section 2.2, unless expressly authorized in writing by the Company, the Authorized Representative is expressly prohibited from directly or indirectly engaging in any of the following activities and shall have no authority, express or implied, to:

- (a) make, alter or discharge any Policy or contract for or on behalf of the Company, waive any forfeiture or otherwise bind the Company;
- (b) adjudicate, settle or otherwise resolve any claim;
- (c) change or waive the terms, conditions or rates set forth in any Product or Policy, promotional materials or advertisements, receipts, certificates, endorsements or applications relating to any of the Products or any Policy;

- (d) waive any payment, extend the time for payment of any premium or rebate or offer to rebate any part of a premium to any person or entity;
- (e) create, issue, print, publish, post or circulate any advertisements or other sales materials, including those distributed via electronic means, concerning the Company or any of the Products or services offered by the Company without complying with Section 3.8 of this Agreement;
- (f) incur any indebtedness, extend any credit or make any payment of behalf of the Company;
- (g) institute or defend any legal proceedings affecting the Company;
- (h) receive or retain any premiums, deposits or funds in connection with any Product, Policy or customer of the Company except that the Authorized Representative may collect initial premium with an application for a Product subject to the provisions of Section 3.5 of this Agreement;
- (i) engage in any activity on behalf of the Company that would require the Authorized Representative to be registered as a broker-dealer or investment advisor under applicable law; or
- (j) exercise any authority on behalf of the Company other than that expressly conferred herein.

**2.3 Status:** The Authorized Representative is intended to be, is and shall be deemed an independent contractor to the Company for all purposes including, but not limited to, state and federal income tax, Social Security, workers compensation and unemployment compensation. Within the scope of the authority conferred hereby, the Company's Standards of Business Practice, as defined herein, and in conformity with all applicable local, state and Federal laws and regulations, the Authorized Representative shall exercise its independent judgment in performing its duties and responsibilities hereunder. This Agreement shall not be construed to create the relationship of employer and employee between the Company and the Authorized Representative or any of their respective officers, directors, employees or agents. The Authorized Representative is not eligible to participate in any employee benefits programs made available by the Company. As an independent contractor, the Authorized Representative is responsible for paying all present and future taxes, duties, assessments and other governmental charges assessed against the Authorized Representative.

**ARTICLE 3: REPRESENTATIONS, WARRANTIES AND COVENANTS OF AUTHORIZED REPRESENTATIVE**

The Authorized Representative represents, warrants and covenants as follows:

**3.1 Instructions and Standards of Business Practice:** In performing its obligations under this Agreement, the Authorized Representative shall comply with all written rules, practices, instructions, bulletins, regulations, procedures and guidelines, collectively referred to herein as "Standards of Business Practice", as may be prescribed and issued from time to time by the Company. The Company may amend or modify the Standards of Business Practice at any time in its sole discretion. It shall be the responsibility of the Authorized Representative to access the Company's Standards of Business Practice via the Company's Internet website on a regular basis and be informed of current Standards of Business Practice and any changes thereto.

**3.2 Authorized Representative Responsibilities:** In accordance with and except as otherwise may be provided by the Standards of Business Practice, the Authorized Representative shall provide the following services to the Company:

- (a) solicit applications for the Products;
- (b) collect initial premiums for such applications for the Products;
- (c) promptly deliver to the policyholder, in good order, all Policies, riders and endorsements thereto, and other forms as may be provided by the Company for such delivery unless subsequently instructed by the Company otherwise;
- (d) obtain and forward to the Company delivery receipts as may be required by the Company;
- (e) promptly perform all other services necessary or desirable to the maintenance, conservation, care and servicing of all Policies;
- (f) promptly perform such other services and support functions as the Company may, from time to time, specify and request; and
- (g) otherwise promote the best interests of the Company.

**3.3 Compliance and Licensing:** The Authorized Representative shall, at all times, comply with the terms and conditions of this Agreement and any and all laws and regulations promulgated or issued by any governmental entity applicable in any way to the Products, the Authorized Representative, its operations or the performance of this Agreement. Specifically, by way of example and without limitation, the Authorized Representative shall obtain and maintain the necessary business and insurance licenses in all jurisdictions in which he, she or it conducts business.

**3.4 Investigations and Complaints:** The Authorized Representative shall fully cooperate with the Company in connection with any investigation conducted by the Company, or by any other person or entity at the direction of the Company, related in any way to this Agreement, any consumer complaint, fraud, claim or any other matter related to the performance by the Authorized Representative of its respective duties and obligations to the Company. The Company may, at its discretion, withhold Commissions, as herein defined, or other compensation, that may otherwise be payable pursuant to Article 5, pending the conclusion of any investigation or the resolution of any complaint. The Authorized Representative shall immediately notify the Company in writing if it receives any oral or written notice of or information concerning any investigation, complaint, claim, lawsuit or inquiry by any person or entity relating in any way to this Agreement, the Products or Policies, the Company, the Authorized Representative, any other Authorized Representative or any other agent or representative of the Company.

**3.5 Premiums Received by Authorized Representative:** The Authorized Representative shall not receive any premiums, deposits or other funds in connection with any Product, Policy or customer of the Company, except initial premiums in connection with a Product, Policy or an application for insurance submitted to the Company and then only in accordance with the Company's Standards of Business Practice. In the event the Authorized Representative receives any premiums, deposits or other funds in connection with of any Product, Policy or customer of the Company, all such premiums, deposits and funds shall be (a) the property of the Company, (b) held by the Authorized Representative in trust for the account of the Company in a fiduciary capacity, and (c) immediately delivered to the Company without the necessity of demand therefore and without reduction for any amount, including, without limitation, commissions, service fees, allowances or claims by the Authorized Representative. The Authorized Representative hereby acknowledges and accepts this fiduciary capacity and responsibility and further acknowledges and agrees that it shall neither have nor assert any pecuniary or other ownership interest in, or any right of offset or recoupments against, any premium, deposits or other funds collected, received or otherwise held by the Authorized Representative for the benefit of the Company. No premium, deposits or other funds collected by the Authorized Representative shall be in cash nor shall such funds be commingled with other non-Company funds. All payments received by the Authorized Representative on account of any Product, Policy or customer of the Company shall be made payable to the Company.

**3.6 Insurance:** During the term of this Agreement, the Authorized Representative shall maintain errors and omissions and general liability insurance in the form and amount as the Company may, in its sole discretion, from time to time require. Upon the request of the Company, the Authorized Representative shall provide the Company with evidence of such insurance coverage.

**3.7 Costs, Expenses and Debts:** The Authorized Representative shall be solely liable for all costs and expenses relating to or arising from the performance of its obligations under this Agreement. The Company shall not be liable for expenses of any kind under this Agreement unless the same shall have been previously authorized in writing by the Company.

**3.8 Advertising Material:** The Authorized Representative shall, at all times, comply with the Company's Standards of Business Practice with respect to the creation, submission, approval, publication or circulation of advertising and advertising materials regardless of form or medium. The Authorized Representative shall not advertise or use any advertising material using the name of the Company, any Product of the Company or any provision or benefit available under a Product, even without reference to the Company, without receiving prior written approval from the Company. It shall be the responsibility of the Authorized Representative to maintain adequate records regarding advertising and advertising materials submitted for review, written approval thereof and the method, manner and volume of distribution of same. Advertising material includes but is not limited to websites, print advertisements, agent mailers, multimedia presentations and television or radio scripts. Under no circumstance shall the Authorized Representative make any reference in advertising or agent solicitation materials to Commissions or other compensation that may be payable on the Products by the Company without the prior written approval of the Company.

**3.9 Servicemarks and Trademarks:** The names, logos, servicemarks, trademarks or other protected property of the Company are proprietary and may not be used in any manner without the prior written consent of the Company.

**3.10 Press Releases:** All media or press releases, public announcements or public disclosures made by any means by the Authorized Representative which relate, in any way, to the Company or this Agreement or which includes the Authorized Representative name, a Product name or a description thereof, shall be submitted to and approved by the Company in writing prior to the release thereof.

**3.11 Return of Undelivered Policies:** The Authorized Representative shall promptly return to the Company any undelivered Policy that remains undelivered after sixty (60) days from the date of issuance. The Company may, at its sole option and without notice to the Authorized Representative, deduct from the compensation due to the Authorized Representative as set forth herein, the premiums, with interest, on any Policies written by the Authorized Representative on which satisfactory settlement or return of the Policy together with receipts and releases satisfactory to the Company are not received within sixty (60) days from the date of issuance.

**3.12 Federal Violent Crimes Control Act:** The Authorized Representative hereby represents and warrants that he, she or it will not employ, contract with or otherwise have any relationship with any individual or entity where such relationship violates the relevant portions of 18 U.S.C. §1033, *et seq.*

#### **ARTICLE 4: RECORDS AND REPORTING**

**4.1 Records:** The Authorized Representative shall maintain full, complete and accurate books, files and records, hereinafter collectively referred to as "Records", relating to this Agreement, the Authorized Representative's performance of its duties and obligations hereunder, the sale and servicing of the Products or Policies and any other Records as may be necessary or desirable to record relating to the Authorized Representative's activities hereunder. Such Records shall be and remain the property of the Company. The Company shall have the right, during regular business hours, to examine, inspect and copy the Records. The Authorized Representative shall maintain the Records for a period of at least seven (7) years following the termination of this Agreement or such longer periods as may be required by law. Thereafter, the Authorized Representative shall deliver the Records to the Company unless the Company shall otherwise direct. In the event this Agreement is terminated for cause pursuant to Article 6.3, the Records shall be delivered to the Company immediately.

**4.2 Cooperation:** The Authorized Representative shall, without charge or expense to the Company, cooperate and use its best efforts to provide such other Records and reports as the Company may require in connection with this Agreement and the duties and obligations contemplated hereunder.

#### **ARTICLE 5: COMPENSATION**

**5.1 Compensation to Authorized Representative:** Subject to the terms and conditions set forth in this Agreement and in conformity with the Company's Standards of Business Practice, the Company shall pay to the Authorized Representative, as full compensation for the performance by the Authorized Representative of the duties and obligations contained in this Agreement, the commissions ("Commissions") set forth on the Schedule or Schedules of Compensation attached hereto and incorporated herein by reference or with the Schedule or Schedules of Compensation added here from time to time. Changes or modifications to the Schedule or Schedules of Compensation are governed by Section 5.12 and all other applicable provisions of this Agreement. Unless otherwise agreed to by the Company in writing, Commissions will become due to the Authorized Representative as premiums are received by the Company.

**5.2 Report of Compensation:** As soon as possible after the end of each reporting period, the Company will prepare a statement of Commissions earned by the Authorized Representative during the period including any return compensation or chargeback assessed against such Commission pursuant to Section 5.6.

**5.3 Unscheduled Commissions:** The Company may, in its sole discretion, determine commissions to be paid on forms of products not provided for in the Schedule or Schedules of Compensation.

**5.4 Accumulation of Commissions:** If Commissions payable to the Authorized Representative in any period equals less than twenty-five dollars (\$25.00), the Company may defer payment of such until total Commissions due the Authorized Representative for the period equals at least twenty-five dollars (\$25.00).

**5.5 Commissions Relating to Special Situations:** The Company will pay to the Authorized Representative commissions, if any, with respect to conversion, extra premiums and policies substituted for others upon the same life and modified forms of policies as the Company, in its sole discretion, shall determine from time to time. Such commissions shall not be governed by or calculated in connection with the Schedule or Schedules of Compensation unless the Company so specifies in writing. No commissions shall be allowed to the Authorized Representative with reference to preliminary or temporary insurance coverage or premiums waived or commuted by reason of the death of the insured or the disability or the exercise of policy options by the policyowner or insured.

**5.6 Return Compensation and Chargebacks:** The Authorized Representative shall not be entitled to receive and, if previously paid, shall repay to the Company, any Commissions, compensation or other amounts paid by the Company to the Authorized Representative in connection with:

- (a) any application rejected or postponed by the Company or withdrawn by the applicant;
- (b) premiums returned by the Company to the policyowner as the Company may determine, at its sole discretion, is appropriate or advisable;
- (c) any Policy that is rescinded by the Company;
- (d) any Policy which lapses, is cancelled or surrendered within one (1) year from the date of issuance of such Policy;
- (e) any Policy returned to the Company by a policyowner in conformity with any applicable Policy provisions (i.e. free-look provision, etc.);
- (f) any Policy with respect to which the Company contests a claim for any reason;
- (g) any Policy with respect to which the owner of or any person or entity covered under such Policy, or any governmental authority makes a claim, commences an investigation or initiates any proceeding against the Company or the Authorized Representative including, without limitation, mediation, arbitration or litigation, relating in any way to the conduct of the Authorized Representative; or
- (h) any amounts mistakenly paid by the Company to the Authorized Representative;

**5.7 Repayment:** The Authorized Representative shall repay all indebtedness owed the Company within thirty (30) days of written notice of such debt pursuant to Section 5.2 and in accordance with the Company's Standards of Business Practice as may be, from time to time, amended. In the event the Authorized Representative does not earn sufficient Commission or other compensation within thirty (30) days of notice of any chargeback or other indebtedness to offset such indebtedness, the Authorized Representative must remit any outstanding balance to the Company immediately.

**5.8 Errors:** The Authorized Representative shall notify the Company promptly if the Authorized Representative has reason to believe it has received Commissions or other compensation in error. In such case, the Authorized Representative shall hold such erroneous Commissions or compensation in trust for the Company and shall, forthwith, return the same to the Company. No rights shall vest in the Authorized Representative with respect to any payments made in error.

**5.9 Reporting and Collection of Delinquency:** The Company may, in accordance with its Standards of Business Practice, report any outstanding and delinquent return compensation or chargebacks that have not been paid in accordance with Section 5.7 of this Agreement to a consumer reporting agency or other clearinghouse or similar entity with whom the Company maintains a relationship. Further, the Company reserves the right, in addition to all legal remedies available to the Company, to retain the services of a collection agency to recover outstanding and delinquent return compensation or chargebacks that have not been paid in accordance with Section 5.7 of this Agreement. The costs associated with such reporting or retention shall be borne by the Authorized Representative as specified in Section 5.15 of this Agreement.

**5.10 Vesting and Forfeiture:** The Company shall, as permitted by law and in accordance with this Agreement and the Company's Standards of Business Practice, continue to pay Commissions to the Authorized Representative after termination of this Agreement, so long as the Policy, remains in force unless this Agreement is terminated for cause by the Company pursuant to Article 6. When the Company's obligation to pay Commissions hereunder falls below one hundred dollars (\$100.00) on an annualized basis, the Company will no longer be required to pay Commissions.

**5.11 Setoff:** The compensation due the Authorized Representative hereunder shall be subject to offset and reduction for any amounts due from the Authorized Representative to the Company, or any affiliate thereof for any reason, including amounts due the Company pursuant to this Agreement including, but not limited to, Articles 5 and 7 hereof. The Authorized Representative hereby grants to and creates in the Company or such affiliate a first priority lien against any amounts due hereunder as security for payment of any and all such amounts due from the Authorized Representative to the Company.

**5.12 Changes to Schedules of Compensation:** The Company may at any time and from time to time, in its sole discretion, amend the Schedule or Schedules of Compensation attached hereto and incorporated herein by reference as to Commissions payable on Products thereafter solicited or Policies thereafter issued. The Company may, at any time, determine the Commissions to be paid for future modifications to any Product. The Company reserves the right, at its sole discretion, to withdraw any Product from future sale. No change to a Schedule of Compensation, to Commissions payable on modified Products or the withdrawal of any Product shall affect Commissions due to the Authorized Representative in connection with any Product issued pursuant to applications submitted by the Authorized Representative prior to the effective date of such change, modification or withdrawal.

**5.13 Acceptance or Rejection:** The Company reserves the sole right to accept or reject any application for the Products or exercise any right the Company has under any Policy or under applicable local, state or Federal law or regulation.

**5.14 Misrepresentation and Accuracy:** If, during the course of an investigation conducted pursuant to Section 3.4 or as a consequence of an investigation conducted by regulatory authorities, the Company determines that the Authorized Representative materially misrepresented the benefits, features, limitations or exclusions of a Policy or failed to accurately and completely record all information provided by a customer, thereby adversely affecting Policy defenses or resulting in a payment or settlement, the Authorized Representative will be charged for all costs, expenses, settlements and fines including, without limitation, all commissions paid and those payable in the future for such Policy. The decision of the Company with regard to the provisions of this Section shall be absolute.

**5.15 Remedies and Costs:** If the Authorized Representative fails to repay any debt owed to the Company as provided in this Agreement or by the Company's Standards of Business Practice, the Company reserves the right to pursue all legal and equitable remedies available to it in enforcing the terms of this Agreement and collecting any amount owed by the Authorized Representative to the Company. The amount of any debt owed to the Company by the Authorized Representative shall be increased to include the Company's costs and expenses to enforce this Agreement, and any Addendum hereto, and recover any such amount including without limitation, reasonable attorneys' fees, court costs and interest.

#### **ARTICLE 6: TERM AND TERMINATION**

**6.1 Term:** This Agreement shall have an initial term commencing on the Effective Date and ending on December 31<sup>st</sup> in the same year. Thereafter, this Agreement shall automatically renew for additional one (1) year periods unless otherwise terminated pursuant to the terms contained herein.

**6.2 Termination Without Cause:** Notwithstanding Section 6.1 hereof, this Agreement and any Addendum or Addenda hereto may be terminated:

- (a) by either Party upon not less than (30) days prior written notice to the other Party; or
- (b) immediately by the Company, upon written notice, for the failure of the Authorized Representative to meet or be on target to meet the production requirements as may be specified in the Schedule or Schedules of Compensation or by the Company from time to time; or

**6.3 Termination for Cause:** Notwithstanding Section 6.1 hereof, this Agreement and any Addendum or Addenda hereto may be terminated for cause:

- (a) immediately by either Party for a material breach of any obligation or undertaking set forth herein; or
- (b) immediately by either Party for fraud or misrepresentation; or
- (c) immediately by either Party for willful misconduct; or
- (d) immediately upon the death of the Authorized Representative, if the Authorized Representative is an individual, the death of any partner, if the Authorized Representative is a partnership, or the dissolution or insolvency of or the filing of a petition in bankruptcy by the Authorized Representative if the Authorized Representative is a corporation.; or
- (e) immediately by the Company if the Authorized Representative fails to cooperate with any investigation pursuant to Section 3.4 hereof; or
- (f) immediately by the Company upon the revocation, suspension, cancellation or non-renewal of any license, permit or registration required to be held by the Authorized Representative for the performance of its obligations hereunder; or
- (g) immediately by the Company if the Company determines that the Authorized Representative engaged in egregious, willful or repeated violations of any statute, administrative rule or regulation or any of the Company's Standards of Business Practice; or
- (h) immediately by the Company if the Authorized Representative embezzles or misappropriates monies belonging to the Company or to its customers; or
- (i) immediately by the Company if the Authorized Representative subjects the Company to liability due to the Authorized Representative's misfeasance or nonfeasance; or
- (j) immediately by the Company if the Authorized Representative misrepresents, by affirmative act or material omission, any matter that is material to the operation of the Company; or
- (k) immediately by the Company if the Company determines that the Authorized Representative engaged or engages in any activity prohibited by 18 U.S.C. §1033, et seq., as amended or any successor statute addressing similar subject matter, including the continued employment or retention of any individual prohibited from being so employed under 18 U.S.C. §1033, et seq.; or
- (l) immediately by the Company if the Authorized Representative is convicted, pleads no contest or enters a pre-trial diversions program to avoid an adjudication of guilt relating to the commission of any crime including, without limitation, a felony or other non-felony crime involving fraud, misappropriation, dishonesty or breach of trust, whether or not such crime is committed in connection with the Authorized Representative's duties and obligations to the Company; or
- (m) immediately by the Company if the Authorized Representative causes or induces or attempts to cause or induce the replacement, lapse, cancellation, surrender or other termination of any Policy during the term of this Agreement and for a period of six (6) months from the date of termination of this Agreement.

**6.4 Notice of Termination:** Notice of termination under Section 6.2 and 6.3 shall be in writing and shall specify the date on which the termination shall be effective.

**8.3 Injunctive Relief:** The Authorized Representative hereby expressly acknowledges that the terms of this Article are material to this Agreement and the breach thereof will cause irreparable injury and damage to the Company that cannot be reasonably or adequately compensated for by money damages. The Authorized Representative therefore expressly agrees that the Company shall be entitled to injunctive or other equitable relief in order to prevent a breach of this Article, this Agreement or any part thereof, in addition to such other remedies legally available to the Company. Further, the Authorized Representative shall be responsible for any damage resulting from such breach without prejudice to the other rights or remedies that the company may have. The Authorized Representative expressly waives the claims that the Company has an adequate remedy at law.

**ARTICLE 9: SOLICITATION AND EMPLOYMENT OF COMPANY EMPLOYEES**

**9.1 Current Company Employees:** The Authorized Representative shall not, during the term of this Agreement and for a period of one (1) year after its termination, directly or indirectly solicit, participate in or promote the solicitation or hiring of any current employee of the Company, its parent, affiliates or subsidiaries, to become an agent, vendor, consultant, subcontractor, contracted marketing organization or employee of the Authorized Representative without the prior written approval of the Company.

**9.2 Former Company Employees:** To the extent a former employee of the Company, its parent, affiliates or subsidiaries, accepts a position as an agent, vendor, consultant, subcontractor, contracted marketing organization or employee of the Authorized Representative, the Authorized Representative and such former employee of the Company shall, for a period of six (6) months following such employee's separation from service with the Company, be prohibited from contacting or soliciting a relationship, directly or indirectly, with any agent, agency or broker where such agent, agency or broker is or was contracted with the Company.

**ARTICLE 10: GENERAL PROVISIONS**

**10.1 Assignment and Binding Effect:** The Authorized Representative may not assign or delegate any of the rights and obligations hereunder without the prior written consent of the Company, such consent being at the Company's sole discretion. This Agreement shall be binding upon the successors and permitted assigns of the Authorized Representative and upon the successors and assigns of the Company.

**10.2 Entire Agreement:** This Agreement and the Addenda referred to herein, attached hereto from time to time and incorporated herein by reference, constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede any and all prior agreements, representations, understandings, statements, negotiations and undertakings, whether oral or written. This Agreement is intended to inure to the benefit of the Parties and is not intended to benefit any other third party or parties not a Party hereto.

**10.3 Amendment, Waiver and Extension:** No amendment of this Agreement and no waiver of one or more of its terms may be effected unless set forth in writing and signed by the Party to be bound. No waiver of strict compliance with this Agreement shall operate as a waiver of, or estoppel with respect to, any subsequent or other failure to so comply.

**10.4 Addenda:** To the extent any Addendum changes, modifies or supersedes the terms of this Agreement, the terms of such Addendum will control.

**10.5 Severability:** Any provision of this Agreement that is held to be inoperative, unenforceable, voidable or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, void or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability or validity of that provision in any other jurisdiction and, to this end, the provisions of this Agreement are declared to be severable.

**10.6 Agreement Subject to Laws and Regulations:** If, at any time, by reason of legislation, administrative ruling or any change in local, state or Federal law or regulation relating to the subject matter hereof in the jurisdictions where the Company or the Authorized Representative are qualified and authorized to conduct business, this Agreement must be modified to ensure compliance with such change then, to the extent necessary, this Agreement shall be modified or amended, without any further action by the Company or the Authorized Representative, to comply with the minimum provisions necessary to ensure compliance with such change. This Section takes precedence over any provision of this Agreement that requires prior notice and agreement for such modification

**10.7 Notice:** Except as provided in Section 3.1 (Instructions and Standards of Business Practice), all notices and other communications received or permitted to be given hereunder shall be deemed duly given three (3) days after posting if sent by first class mail, postage prepaid, or one (1) day after posting if sent by nationally recognized overnight courier, in each case, to the Parties at the addresses set forth below:

(a) If to the Company:

CNA  
Marketing  
Life and LTC Operations  
100 CNA Drive  
Nashville, Tennessee 37214

(b) if to the Authorized Representative: At the address set forth on the signature page hereto;

or to such other address as the Parties may from time to time designate by providing written notice in accordance with this Section.

**10.8 Power and Authority:** The Authorized Representative and the individual executing this Agreement on behalf of an Authorized Representative each have full power and authority to enter into and perform this Agreement. The Authorized Representative further acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms. Only the following of the Company's officers shall have the authority to execute and amend this Agreement: Chairman of the Board; President; Chief Operating Officer – Life and LTC Operations; Senior Marketing Officer – Life and LTC Operations.

**10.9 Survival Generally:** Sections 3.4, 3.6, 3.9, 3.10, 3.11, 5.3, 5.4, 5.5, 5.6, 5.7, 5.9, 5.10, 5.11, 5.14, 5.15, 6.6 and the entirety of Articles 4, 7, 8 and 9 shall survive termination of this Agreement.

**10.10 Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee without giving effect to any applicable choice or conflict of law provisions thereof.

**6.5 Continuation of Commission:** If this Agreement is terminated pursuant to Section 6.2, the Company's rights and obligations and the Authorized Representative's rights and obligations set forth in Section 10.9 including, without limitation, all rights and obligations under Article 5 shall survive such termination as permitted by law. In the event this Agreement is terminated pursuant to Section 6.3, the Company shall hereby be forever released from the payment of any future Commission or compensation, even on Policies issued prior to such termination, under Article 5 and the Authorized Representative shall forfeit any rights to such future Commissions or other compensation from the Company.

**6.6 Delivery of Property and Materials:** Upon the termination of this Agreement, the Authorized Representative shall redeliver to the Company all property and materials belonging to the Company including, without limitation, Product or Policy forms, Records, applications, undelivered policies, advertising materials and related materials, documents or other indicia of agency. In the event the Authorized Representative is otherwise entitled, by this Agreement, to receive future Commissions or compensation, such Commissions or compensation shall be withheld by the Company until such time as the Authorized Representative complies with the provisions of this Section 6.6.

**6.7 Communication with Authorized Representatives, Policyholders and Customers:** Upon the termination of this Agreement, the Company reserves the right to communicate directly or indirectly with any of its Authorized Representatives, policyholders or customers and take whatever actions it deems necessary to promote the best interests of the Company or its Authorized Representatives, policyholders or customers.

#### **ARTICLE 7: INDEMNIFICATION**

**7.1 Indemnification:** The Authorized Representative shall indemnify, defend and hold the Company and its affiliates harmless of, from and against any and all claims, demands, losses, damages, liabilities, expenses and costs, including reasonable attorneys' fees and costs of investigation, relating to or arising from:

- (a) the breach by the Authorized Representative of any duties or obligations arising under this Agreement or otherwise owed by the Authorized Representative to the Company or a violation of the Company's Standards of Business Practice; or
- (b) a negligent, reckless, knowingly wrongful or intentional act or omission to act on the part of the Authorized Representative; or
- (c) any claim, proceeding or investigation, including without limitation, mediation, arbitration or litigation, relating in any way to the conduct of the Authorized Representative, whether in connection with the sale of a Product or Policy or otherwise; or
- (d) any breach by the Authorized Representative in a representation, warranty or covenant contained in this Agreement; or
- (e) the violation by the Authorized Representative of any third party's rights, including, without limitation, property, contractual, employment, trade secret, proprietary information and non-disclosure rights or any trademark, servicemark, copyright or patent rights.

**7.2 Property Damage, Injury or Death:** Without limitation as to amount, anything to the contrary in this Agreement notwithstanding, the Authorized Representative hereby fully indemnifies the Company, assumes the defense of and saves and holds the Company harmless from any and all liabilities, claims, demands, damages and costs of every kind and nature for injury or death of any and all persons and for damage, destruction or loss, consequential or otherwise, to or of any and all property, real and personal, including, without limitation, property of the Authorized Representative or of any person or persons, directly or indirectly arising out of the Authorized Representative's performance of the duties and obligations set forth in this Agreement, any Addendum thereto and the Company's Standards of Business Practice.

**7.3 Selection of Counsel:** With respect to any third party claim against the Company subject to indemnification under this Agreement, the Company shall have the absolute right to choose and approve counsel for the defense or prosecution of any action.

**7.4 Survival Specifically:** The Authorized Representative's obligation to indemnify, assume the defense of and hold the Company harmless from third party claims under this Agreement shall survive the expiration or termination of this Agreement by either Party and for any reason, in perpetuity.

#### **ARTICLE 8: CONFIDENTIALITY**

**8.1 Confidential Information:** During the course of performance under this Agreement, the Authorized Representative may or will obtain or have access to certain confidential information of the Company or an affiliate of the Company including, without limitation, names of current and prospective customers and policyowners, the identity and types of insurance purchased by such persons or entities, other non-public personal information with respect to such persons or entities, the underwriting experience of persons or entities who purchase or who are insured under a Policy, and information concerning the operations and distribution practices of the Company, all such information being collectively referred to herein as "Confidential Information". The Authorized Representative agrees:

- (a) to keep the Confidential Information confidential;
- (b) to use the Confidential Information only as is necessary to carry out the terms and conditions of this Agreement;
- (c) not to disclose the Confidential Information to others without prior written consent of the Company, except as may be required by law;
- (d) to comply with all laws and regulations issued by any local, state or Federal governing authority concerning the use, disclosure and handling of Confidential Information; and
- (e) to comply with all Standards of Business Practice as the Company may, from time to time, promulgate concerning the use, disclosure and handling of Confidential Information.

**8.2 Individually Identifiable Information:** The Authorized Representative will treat as Confidential Information any individually identifiable person information relating to a customer, potential customer, applicant, insured or policyowner received in the course of performing any duties, functions or obligations under this Agreement. Such information will only be used to fulfill the duties and obligations imposed on the Authorized Representative by this Agreement. Without limiting the generality of the foregoing, the Authorized Representative will fully comply with all applicable local, state and federal laws or regulations now in effect or hereafter adopted governing the collection, use or disclosure of individually identifiable personal information.

**10.11 Headings:** The Article and Section headings used herein have been included for convenience only and shall not be considered in interpreting this Agreement.

**10.12 Singular and Plural:** In each place in this Agreement where reference is made to the singular form of any noun, such reference shall also be interpreted to include the plural of such noun

**10.13 Counterparts:** This Agreement, and any Addendum thereto, may be executed in separate counterparts, each of which shall be deemed an original and all of which, together, will constitute one and the same agreement.

**IN WITNESS WHEREOF,** the Parties hereto have caused this Agreement, consisting of ten (10) Articles and eight (8) pages, to be duly executed and delivered as of the Effective Date set forth below.

Agreement Effective Date:

**Valley Forge Life Insurance Company, Continental Assurance Company and Continental Casualty Company**

*Bernard L. Hangerbaugh*      *Jonathan Kantor*      Company Officer:  
Chairman of the Board      Secretary      Title: \_\_\_\_\_      Date: \_\_\_\_\_

<b>Authorized Representative</b>	
Name: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> LLP	Signature:
Business Street Address:	Title:
City, State, Zip	Date:
Business Phone:	Taxpayer (TIN) or Federal Employer (FEIN) Identification Number:
Business Facsimile:	E-Mail or Website Address:



# PRODUCER ANNUALIZATION ADDENDUM

(IMO DISTRIBUTION CHANNEL)

**THIS ADDENDUM** is made, entered into and incorporated by reference, effective as of the date indicated below ("Addendum Effective Date"), into the Core Values Agreement (the "Agreement") made and entered into by and between **VALLEY FORGE LIFE INSURANCE COMPANY, CONTINENTAL ASSURANCE COMPANY** and **CONTINENTAL CASUALTY COMPANY**, collectively hereinafter referred to as the "Company", and the Authorized Representative whose signature appears below. For the purposes of this Addendum, the Authorized Representative shall be referred to as the "Producer".

To the extent of any conflict between the terms of the Agreement and this Addendum, this Addendum shall control. Terms not expressly defined herein shall have the meaning as defined by the Agreement. Except as otherwise provided herein, all the terms and conditions of the Agreement shall apply equally to this Addendum.

**Section PAA-1 Addition to Agreement:** The following language shall be added to that portion of the Agreement entitled "Article 5: Compensation":

**5.18 Commission Annualization:** *Provided the Producer maintains a minimum yearly production of ten thousand dollars (\$10,000) of paid annualized premiums on qualified Products on a pro rata monthly basis ("Annualized Production Requirement") and as the Company's Standards of Business Practice permit, Commissions payable upon certain Products offered by the Company may be computed and paid on an annualized basis subject to the following additional terms and conditions:*

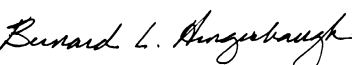
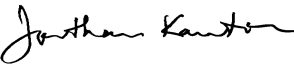
- (a) *The Producer shall receive, upon business produced hereunder and upon the issuance of a Policy eligible for the payment of Commissions on an annualized basis, an initial Commission payment in the amount of the first year Commission computed in accordance with the Schedule or Schedules of Compensation attached to the Agreement multiplied by the percentage identified below ("Annualization Percentage"). The balance of any first year Commissions to which the Producer is otherwise entitled shall be paid on an earned basis upon the Company's receipt of the paid premium in the last three months of the eligible Policy's first policy year.*
- (b) *Payment of initial Commission under this Annualization Addendum is limited to a maximum of twenty-five hundred dollars (\$2,500) for any single Policy or such other amount as the Company may, in its sole discretion, agree to in writing.*
- (c) *Policies which name the Producer or any relative of the Producer or, in the case of a corporate entity, the Producer's directors, officers, employees or agents as the insured or owner are not eligible for the payment of Commissions on an annualized basis.*
- (d) *In considering the Producer's request for the payment of Commission on an annualized basis, the Company may, in its sole discretion, require the Producer to authorize the procurement of an investigative report ordered by the Company to provide information concerning the Producer's credit worthiness, character, ability, business activity, licensing and regulatory history, general and professional reputation and employment history. If such investigative report is requested by the Company, the Producer agrees to execute such authorizations and acknowledgements as necessary to permit the Company to obtain such report. If the Producer fails or refuses to provide such authorization, the Producer shall not be entitled to the payment of commission on an annualized basis and, in the event this Addendum has been executed by the Parties, this Addendum will automatically terminate without advance notice.*

**Section PAA-2 Entire Annualization Agreement:** This Addendum sets forth the entire agreement between the Parties with respect to the subject of the annualization of Commissions and supersedes all prior or contemporaneous agreements or understandings, whether oral or written, regarding the subject of the annualization of Commissions.

**Section PAA-3 Modification or Termination:** Subject to the specific provisions of Article 6 and Section 10.7 of the Agreement, the Company reserves the right to modify or terminate this Addendum except that this Addendum may also be terminated without advance written notice in the event:

- (a) the Producer fails to maintain the required Annualized Production Requirement; or
- (b) the Agreement to which it is attached and is incorporated by reference is terminated for any reason.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Addendum, consisting of three (3) Sections and one (1) pages, to be duly executed and delivered as of the Addendum Effective Date set forth below.

<b>Addendum Effective Date:</b>	
<b>Valley Forge Life Insurance Company, Continental Assurance Company and Continental Casualty Company</b>	
	 Company Officer:
Chairman of the Board	Secretary
	Title: _____ Date: _____
<b>Producer</b>	
Name: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> LLP	Signature:
Business Street Address:	Title:
City, State, Zip	Date:
Business Phone:	Taxpayer (TIN) or Federal Employer (FEIN) Identification Number:
Business Facsimile:	E-Mail or Website Address:
<b>General Agent</b>	
Name:	Signature:
Date:	Title:
<b>Independent Marketing Organization</b>	
Name:	Signature:
Date:	Title:



# Direct Deposit Commission Enrollment Form

Attach a voided check and return this enrollment form to: **CNA, Attn. Centralized Accounting  
P.O. Box 305153, Nashville, TN 37230  
Or fax to: 615-871-1708**

## Agent / Agency Information

Provide us with the name(s) and number(s) under which **YOU** are paid:

Individual agent name \_\_\_\_\_

U.S. Social Security no. or ID Number (CNA International)

Or

Agency name \_\_\_\_\_

U.S. Tax I.D. no. or ID Number (CNA International)

(If you are paid under both your name and under an agency name, fill out **both** above.

Life producer  LTC producer  Investment products producer

International producer\*

Phone number \_\_\_\_\_

## Bank Account Information

Name of financial institution and branch (if any) \_\_\_\_\_

Institution's address and phone \_\_\_\_\_

Bank routing number

Checking account number

Other types of accounts are not eligible at this time. Only one checking account please. Account must be in a U.S. Bank.

As a convenience to me, I hereby request and authorize Continental Casualty Company, Continental Assurance Company, Valley Forge Life Insurance Company and/or, CNA International Life Company, SPC, Ltd ("CNA") to initiate commission deposits to my bank account shown and the financial institution named to credit the same to my bank account. Further, in the event of an erroneous deposit by CNA, I agree that CNA shall be authorized to remove such funds deposited in error. However, the recovery of an erroneous deposit shall be expressly limited to the amount of such deposits and corresponding interest, if any, shall be credited by my financial institution. I understand that CNA shall not, in any event, be held liable for any consequential, incidental or exemplary damages as a result of an erroneous deposit.

This authority is to remain in full force and effect until CNA has received written notification to the contrary from me. I understand that any changes to my authorization may take up to 30 days to take effect.

I understand that I must meet certain eligibility requirements in order to participate in this program and that CNA reserves the right to discontinue or decline to honor this authorization at any time for any reason. I understand and expressly agree that any deposits made under this authorization are as an accommodation to me by CNA.

Signature of agent/agency  
(Signature required)

Date

Attach a voided check and return this enrollment form to: **CNA, Attn. Centralized Accounting  
P.O. Box 305153, Nashville, TN 37230  
Or fax to: 615-871-1708**

**Incomplete forms will NOT be processed.**