

**COMMISSION SCHEDULE ADDENDUM - Effective 04-26-11 - North American Company for Life and Health Insurance**  
**IMPORTANT INFORMATION REGARDING COMMISSION PAYMENT. PLEASE READ CAREFULLY.**

Unless otherwise identified, commissions will only be applied to collected premiums. Renewal commissions will be paid on net premiums (premiums less withdrawals) and will only be paid upon receipt of additional premium. Commissions will be paid when a minimum of \$50.00 for EFT is accumulated. Agents must be actively contracted with North American Annuity Service Center in order to receive re-entry commission. Trail commissions are paid out based on the full Accumulation Value annually starting on the first contract anniversary. Trail commissions will continue to be paid for the life of the contract. Commissions are not paid on new premium added to a spousal continuance case. Product availability varies by state and issue ages may vary by product and state, contact Marketing Support at 866-322-7066 for complete details.

**CHARGEBACKS - INITIAL TERM**

For deaths, full surrenders, partial withdrawals and/or Required Minimum Distributions (RMDs) occurring within the first contract anniversary year, the following chargeback percentages apply: 1) All products except the NAC Legacy SPWL<sup>SM</sup>, North American Income<sup>®</sup>, North American Pillar<sup>®</sup>, NA Flex I<sup>®</sup>, II<sup>®</sup> and III<sup>®</sup> products: 100% chargeback from the date of issue through the end of the 6th month after the contract issue date and 50% chargeback from the start of the 7th month after the contract issue date through the first contract anniversary date; and 2) NA Flex I<sup>®</sup>, II<sup>®</sup> and III<sup>®</sup>, North American Pillar<sup>®</sup> and NAC Legacy SPWL<sup>SM</sup> product: 100% chargeback during the first contract year and 50% chargeback during the second contract year. Chargebacks on the NAC Legacy SPWL<sup>SM</sup> will only occur on surrenders and lapses. There is no chargeback on death. There is no chargeback on a loan, unless the loan causes the policy to lapse.

**FIXED INDEX ANNUITIES**

**NORTH AMERICAN CHARTER<sup>SM</sup> & NORTH AMERICAN PRECISION<sup>SM</sup>**

- 7 year option: Commission for issue ages 76-80 reduced by 25% and 50% for issue ages 81-85.
- 10 year option: Commission for issue ages 76-79 reduced by 25%.
- 14 year option has issue ages of 0-75\*.
- MN and VA commission reduced by 1% on all options.

**NORTH AMERICAN TEN<sup>®</sup>**

- Commission for issue ages 76-79 reduced by 25%.
- MO and VA commission reduced by 1%.

**NORTH AMERICAN PARAMOUNT CHOICE TEN<sup>®</sup>**

- Commission for issue ages 76-79 reduced by 25%.
- MO and VA commission reduced by 1%.

**NORTH AMERICAN FREEDOM CHOICE<sup>®</sup>**

- 6- and 8-year: Commission for issue ages 76-80 reduced by 25% and 50% for issue ages 81-85.
- 10 year: Commission for issue ages 76-79 reduced by 25%.
- 14 year option has issue ages of 0-75\*.
- MO commission reduced by 1% on all options.

**FORMULA CHOICE<sup>®</sup>**

- Commission for issue ages 76-80 reduced by 25% and 50% for issue ages 81-85.
- MN, UT and VA commission reduced by 1%.

**NORTH AMERICAN PRIZM PLUS<sup>®</sup>**

- 7-year: Commission for issue ages 76-80 reduced by 25% and 50% for issue ages 81-85.
- 10 year: Commission for issue ages 76-79 reduced by 25%.
- 14 year option has issue ages of 0-75\*.
- MO and VA commission reduced by 1%.

**NORTH AMERICAN PILLAR<sup>®</sup>**

- Commission for issue ages 76-79 reduced by 25%.

**NA PERFORMANCE CHOICE<sup>SM</sup>**

- 8-year: Commission for issue ages 76-79 reduced by 25% and 50% for issue ages 80-85.
- TX Commission reduced by 1% for 8-Year and 8-Year Plus.

\* Issue ages may vary by state.

For cancellations by North American, there is a 100% commission chargeback throughout the entire surrender charge period of the contract. In addition and not limited by the forgoing, North American reserves the right to chargeback commissions at any time, in its sole discretion, pursuant to paragraphs 7 and 9 of the agent contract, which are expressly incorporated herein.

**CHARGEBACKS - RENEWALS**

For full surrenders or partial withdrawals after renewal of a Multi-Year Guaranteed Annuity (only those plans with a guarantee period of 5 years or longer) re-entry commissions will chargeback at 100% from the date of re-entry through the end of the first 6 months, and chargeback at 50% from the start of the seventh month after the re-entry date through the first contract anniversary date after re-entry. There is no re-entry commission chargeback in the event of death or RMD.

**COMMISSION HOLDS**

For contracts with premiums of \$500,000 or more, commissions will be held for a thirty day free-look period (beginning on the date the delivery receipt is received in the home office) in all states.

**COMMISSION REDUCTIONS**

Applicable state reductions will be applied before issue age reductions.

NOTE: If a client exceeds the maximum issue age while the policy is pending a commission reduction may be applied at issue.

**MULTI-YEAR GUARANTEED ANNUITIES**

**NORTH AMERICAN GUARANTEE CHOICE<sup>SM</sup>**

- Commission reduced by 25% for issue ages 81-85 and 50% for issue ages 86-90.
- IN and OK commission for issue ages 76-80 reduced by 25% and 50% for issue ages 81-85.
- CT, FL, IL and TX first-year commission reduced by 0.25%; re-entry commission reduced by 0.125%.

**TRADITIONAL FIXED ANNUITIES**

**NORTH AMERICAN DIRECTOR<sup>SM</sup>**

- Commission reduced by 25% for issue ages 81-85.
- MO, TX and VA commission reduced by 1%.

**NA FLEX I<sup>®</sup>, II<sup>®</sup> & III<sup>®</sup>**

- Flex I: Commission for issue ages 76-80 reduced by 25% and 50% for issue ages 81-85.
- Flex II: Commission for issue ages 76-79 reduced by 25%.
- WA (Flex I) commission reduced by 1%.
- VA (Flex Series) commission reduced by 1%.
- MO commission reduced by 1% on all options.

**THE BOOMER ANNUITY<sup>®</sup>**

- Commission for issue ages 76 and above reduced by 25%.

**SINGLE PREMIUM IMMEDIATE ANNUITIES**

**NORTH AMERICAN INCOME<sup>®</sup>**

- No commission reductions.

**SINGLE PREMIUM WHOLE LIFE**

**NAC LEGACY SPWL<sup>SM</sup>**

- Commission reduced by 33% for issue ages 81-85.

**WA Regular Schedule • Effective 10-27-10**

**Option A**

Product	First Year	Years 2-3	Years 4-7	Years 8+
Formula Choice®	5.00%	0.50%	-	-
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (7-year option)	7.50%	2.00%	1.00%	-
Freedom Choice® (8-Year)	5.50%	3.00%	0.50%	-
Freedom Choice® (6-Year)	5.50%	0.50%	-	-
Flex I®	4.50%	2.50%	0.50%	-
NA Performance Choice <sup>SM</sup> (8-Year)	5.50%	1.00%	-	-

Product	First Year	Years 2-3	Years 4-9	Years 10+
NA Ten®, NA Paramount Choice Ten®	6.50%	2.00%	0.50%	-
Flex II®	4.50%	2.50%	0.50%	-
North American Pillar®	6.50%	2.00%	0.50%	-
NA Performance Choice <sup>SM</sup> (12-Year)	6.50%	1.00%	-	-

Product	First Year	Years 2-3	Years 4-10	Years 11+
Freedom Choice® (10-Year)	5.50%	3.00%	0.50%	-
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (10-year option)	7.50%	2.00%	1.00%	-

	<b>Renewal Commissions</b>				
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Product	First Year	Years 2-5	Years 6-10	Years 11-15	Trail
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (14-year option)	7.50%	2.00%	1.00%	-	-
Freedom Choice® (14-Year)	5.50%	3.50%	1.50%	0.50%	-
Director <sup>SM</sup>	5.50%	0.50%	-	-	-
NA Income® (Period Certain 5-9 years)	2.00%	-	-	-	-
NA Income® (All other options)	2.00%	-	-	-	-
NA Guarantee Choice <sup>SM</sup>	2.50%	Re-entry 0.75%			-
NAC Legacy SPWL	8.50%	-	-	-	-
Cash Management Annuity	-	-	-	-	0.10%
Flex III®	4.50%	2.50%	0.50%	0.50%	-

Product	Commission Levels					Annuitization Commission	
	First-Year Commissions	Years 2-5	Years 6-7	Years 8-10	Years 11+	Years 8-10	Years 11+
The Boomer Annuity®	7.00%	3.00%	2.00%	-	-	1.00%	1.50%

**TX ONLY**

Product	Commissions	Year(s)	Trail (Year 2 Only)*	Renewal Commissions	Year(s)	Renewal Commissions	Year(s)	Renewal Commissions	Year(s)
Charter <sup>SM</sup> , Precision <sup>SM</sup> (7-year option)	4.65%	1	2.00%	0.50%	2-3	-	4-7	-	-
Charter <sup>SM</sup> , Precision <sup>SM</sup> (10-year option)	4.65%	1	2.00%	0.50%	2-3	-	4-10	-	-
Charter <sup>SM</sup> , Precision <sup>SM</sup> (14-year option)	4.65%	1	2.00%	0.50%	2-5	-	6-10	-	11-15

\*Trail commission for NA Precision and NA Charter in TX is paid one time at the beginning of Year 2. This is not an ongoing trail commission.

**WA Regular Schedule • Effective 10-27-10**

**403(b) Salary Reduction\***

Product	Commissions	Year(s)	Commissions	Year(s)	Commissions	Year(s)	Commissions	Year(s)
Formula Choice®	5.00%	1	1.00%	2-5	-	-	-	-
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (7-year option)	7.50%	1	4.00%	2-7	-	-	1.00%	8+
Freedom Choice® (8-Year)	5.50%	1	2.00%	2-8	-	-	-	-
Freedom Choice® (6-Year)	5.50%	1	2.00%	2-6	-	-	-	-
Flex I® (7-year)	4.50%	1	2.50%	2-7	-	-	0.50%	8+
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (10-year option)	7.50%	1	4.00%	2-10	-	-	1.00%	11+
NA Ten®, NA Paramount Choice Ten®	6.50%	1	3.00%	2-10	-	-	0.50%	11+
Freedom Choice® (10-Year)	5.50%	1	2.00%	2-10	-	-	-	-
Flex II® (10-year)	4.50%	1	2.50%	2-10	-	-	0.50%	11+
North American Pillar®	6.50%	1	3.00%	2-10	-	-	0.50%	11+
NA Performance Choice <sup>SM</sup> (8-Year)	5.50%	1	1.50%	2-8	-	-	-	-
NA Performance Choice <sup>SM</sup> (12-Year)	6.50%	1	6.50%	2-4	1.50%	5-12	-	-
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (14-year option)	7.50%	1	7.50%	2-5	4.00%	6-14	1.00%	15+
Freedom Choice® (14-Year)	5.50%	1	5.50%	2-5	2.00%	6-14	-	-
Director <sup>SM</sup>	5.50%	1	5.00%	2-3	-	-	2.00%	4+
Flex III® (14-year)	4.50%	1	4.50%	2-5	2.50%	6-14	0.50%	15+
Product	Commission Levels				Annuitization Commission			
The Boomer Annuity®	First-Year Commissions	Years 2-3	Years 4-10	Yrs 11+	Yrs 8-10	Years 11+		
	7.00%	3.50%	3.50%	2.00%	1.25%	1.75%		

\*Rollovers and direct transfers will not use the 403(b) salary reduction schedule. Agent must be set up under Option A in order to receive the leveled commissions listed above.

**WA Regular Schedule • Effective 10-27-10**

**Option B**

		Renewal Commissions						
Product	First Year	Years 2-3	Years 4-7	Years 8+	Trail			
Formula Choice®	3.50%	-	-	-	0.25%			
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (7-year option)	4.25%	0.50%	-	-	0.50%			
Freedom Choice® (8-Year)	4.00%	1.00%	-	-	0.25%			
Freedom Choice® (6-Year)	4.00%	1.00%	-	-	0.25%			
Flex I®	3.00%	1.00%	-	-	0.25%			
NA Performance Choice <sup>SM</sup> (8-Year)	2.50%	-	-	-	0.50%			
Product	First Year	Years 2-3	Years 4-9	Years 10+	Trail			
NA Ten®, NA Paramount Choice Ten®	3.75%	0.75%	-	-	0.50%			
Flex II®	3.00%	1.00%	-	-	0.25%			
North American Pillar®	3.50%	0.75%	-	-	0.50%			
NA Performance Choice <sup>SM</sup> (12-Year)	3.50%	0.50%	-	-	0.50%			
Product	First Year	Years 2-3	Years 4-10	Years 11+	Trail			
Freedom Choice® (10-Year)	3.75%	1.00%	1.00%	-	0.25%			
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (10-year option)	4.50%	1.50%	-	-	0.50%			
		Renewal Commissions						
Product	First Year	Years 2-5	Years 6-10	Years 11+	Trail			
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (14-year option)	4.50%	1.50%	-	-	0.50%			
Freedom Choice® (14-Year)	3.75%	2.00%	1.00%	-	0.25%			
Director <sup>SM</sup>	4.50%	-	-	-	0.05%			
NA Income® (Period Certain 5-9 years)	2.00%	-	-	-	-			
NA Income® (All other options)	2.00%	-	-	-	-			
NA Guarantee Choice <sup>SM</sup> ,	2.50%	Re-entry 0.75%			-			
NAC Legacy SPWL	6.00%	-	-	-	0.50%			
Cash Management Annuity	-	-	-	-	0.10%			
Flex III®	3.00%	1.00%	-	-	0.25%			
Product	Commission Levels					Annuitization Commission		Trail
The Boomer Annuity®	First-Year Commissions	Years 2-5	Years 6-7	Years 8-10	Years 11+	Years 8-10	Years 11+	0.50%
	4.00%	1.50%	-	-	-	1.00%	1.50%	

**WA Regular Schedule • Effective 10-27-10**

**Option C**

		Renewal Commissions						
Product		First Year	Years 2-3	Years 4-7	Years 8+	Trail		
Formula Choice®		2.00%	-	-	-	0.50%		
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (7-year option)		1.50%	-	-	-	1.00%		
Freedom Choice® (8-Year)		2.50%	0.50%	-	-	0.50%		
Freedom Choice® (6-Year)		2.50%	0.50%	-	-	0.50%		
Flex I®		1.50%	0.50%	-	-	0.50%		
NA Performance Choice <sup>SM</sup> (8-Year)		-	-	-	-	1.00%		
Product		First Year	Years 2-3	Years 4-9	Years 10+	Trail		
NA Ten®, NA Paramount Choice Ten®		1.00%	-	-	-	1.00%		
Flex II®		1.50%	0.50%	-	-	0.50%		
North American Pillar®		0.50%	-	-	-	1.00%		
NA Performance Choice <sup>SM</sup> (12-Year)		0.75%	-	-	-	1.00%		
Product		First Year	Years 2-3	Years 4-10	Years 11+	Trail		
Freedom Choice® (10-Year)		2.00%	0.50%	-	-	0.50%		
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus® (10-year option)		1.75%	0.25%	-	-	1.00%		
		Renewal Commissions						
Product		First Year	Years 2-5	Years 6-10	Years 11+	Trail		
Charter <sup>SM</sup> , Precision <sup>SM</sup> , and Prizm Plus®(14-year option)		1.75%	0.25%	-	-	1.00%		
Freedom Choice® (14-Year)		2.00%	0.50%	-	-	0.50%		
Director <sup>SM</sup>		2.50%	-	-	-	0.35%		
NA Income® (Period Certain 5-9 years)		2.00%	-	-	-	-		
NA Income® (All other options)		2.00%	-	-	-	-		
NA Guarantee Choice <sup>SM</sup>		2.50%	Re-entry 0.75%			-		
NAC Legacy SPWL		3.25%	-	-	-	1.00%		
Cash Management Annuity		-	-	-	-	0.10%		
Flex III®		1.50%	0.50%	-	-	0.50%		
Product		Commission Levels				Annuitization Commission		Trail
The Boomer Annuity®	First-Year Commissions	Years 2-5	Years 6-7	Years 8-10	Years 11+	Years 8-10	Years 11+	1.00%
	1.25%	0.50%	-	-	-	1.00%	1.50%	



## Contract Application For

Distributor  Producer  Licensed Only Producer

<b>First Name*</b>	<b>MI</b>	<b>Last Name*</b>	<b>Date of Birth*</b>	<b>Sex*</b>	<b>Social Security Number*</b>
<b>Nickname</b>			<b>Name of Spouse</b>	<b>List Professional Designations:</b>	
<b>Contract: Individual DBA Partnership Corporation</b>			<b>Contract Name (If other than individual)</b>		<b>Tax ID Number</b>
<b>Residence Address – Street, City, County, State, Zip*</b>				<b>Residence Telephone</b>	
<b>Business Address – Street, City, County, State, Zip*</b>				<b>Business Telephone*</b>	
<b>Email Address*</b>				<b>Business Fax</b>	
<b>* Denotes Required Fields</b>				<b>Cell Phone (please list if we can contact)</b>	

**PLEASE RESPOND TO ALL QUESTIONS FOR YOU PERSONALLY AND ANY ORGANIZATION OVER WHICH YOU HAVE EXERCISED CONTROL. A "YES" REQUIRES A WRITTEN EXPLANATION ON A SEPARATE SHEET OF PAPER.**

- Yes  No 1. Have you *ever* been convicted, pled guilty or nolo contendere, or do you have pending charges to a felony or misdemeanor? If yes, attach copy of court records.
- Yes  No 2. Have you *ever* had any regulatory action taken against you, or had your insurance or securities license denied, suspended, terminated or revoked by an insurance department, FINRA or any other regulatory agency?
- Yes  No 3. Have you *ever* had a complaint filed or do you anticipate a complaint being filed against you by a consumer, an insurance department, FINRA or any other regulatory agency?
- Yes  No 4. Has your contract or appointment ever been terminated involuntarily by an insurer or FINRA member firm?
- Yes  No 5. Has any claim ever been made against you, your surety company or errors and omissions insurer arising out of insurance and/or securities sales?
- Yes  No 6. Are you currently involved or *ever* been involved in litigation?
- Yes  No 7. Do you have past due financial obligations, unsatisfied judgments or liens, including any delinquent state or federal tax obligations?
- Yes  No 8. Have you filed bankruptcy in the last 10 years?
- Yes  No 9. Does any person or entity claim any indebtedness from you as a result of any insurance transaction or business?

**Compliance:**

- Yes  No I will conform to procedures outlined in the Compliance Manual for North American and product reference guide.

**Complete required Training:**

- Online XL Certification Test for Life
- Certificate of completion for AML Training (list provider) \_\_\_\_\_

**Attach or indicate the following Licensing Requirements:**

- If registered with FINRA, name of current broker/dealer: \_\_\_\_\_
- Resident insurance license Number \_\_\_\_\_ National Producer Number \_\_\_\_\_
- Non-resident license(s)
- Direct Deposit form (Direct Deposit is required for all contracted producers.)
- Errors & Omission Insurance (required at least \$1,000,000 per claim/\$1,000,000 aggregate)

**Additional Comments**

**CONDITIONS AND AGREEMENTS** - By signing this application, I hereby acknowledge I have read a specimen copy of the proposed contract(s) or agreement(s) and all applicable supplements and addendums thereto to be entered into between North American and myself. I agree to be bound by all of the terms and conditions of such contract, supplements and addendums, a personalized copy to which will be subsequently forwarded to me by North American. I represent and warrant that all information and answers to questions are true and complete. Any marketing materials, which have not been provided by North American, must be approved by North American prior to their use. I understand that any specimen sales brochures and material I have received are provided only for my personal examination of product provisions and rates.

I agree not to solicit business until North American has notified me that I am authorized to do so. I understand I will be paid according to the contract that is approved and placed in effective. If this application is not approved by North American, any business solicited and submitted to North American will be not be accepted and returned to the recruiting producer.

I understand that the Fair Credit Reporting Act requires North American to notify me that, as a routine part of processing my contract application, a consumer report may be obtained which may include information bearing on my credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living. I authorize North American or any of its affiliates<sup>1</sup> to obtain a consumer report and Vector One report in connection with this contract application. I further authorize North American, its affiliates, or their duly authorized representative to release information about any debit balance I may incur to Vector One, its successors, or any organization designated to replace Vector One.

I authorize North American, its affiliates, or their duly authorized representatives to contact any organization or individual who has knowledge of my employment history, credit history, financial status, or record of any illegal activity to (a) obtain a copy of such history, status or activities and (b) hereby authorize the organization or individual to release such history, status or record information as requested by North American, its affiliates or their duly authorized representative and (c) authorize North American, its affiliates, or their duly authorized representatives to release such history, status or record to the individuals and/or entity that recruited me to apply with North American. This authorization shall remain valid and in effect from the date hereof until all my contract(s) with North American and its affiliates are terminated.

**AGENT AUTHORIZATION** – Under penalties of perjury, I certify that: 1) The Social Security Number or Taxpayer Identification Number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and 2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

<sup>1</sup> Affiliate means any entity that controls, is controlled by or is under common control with North American.

Applicant Signature	Date
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I have reviewed the above application and I hereby recommend this producer’s contract for North American.

Signature of recruiting producer	Producer Code	Contract Level
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## NORTH AMERICAN COMPANY FOR LIFE & HEALTH INSURANCE'S PRODUCER'S CONTRACT

### 1. RELATIONSHIPS

The ATTACHED CONTRACT is made by and between North American Company For Life and Health Insurance ("NACOLAH", "Company", "we", "us", or "its"), the undersigned Producer ("Producer", "you", "your"), and the undersigned Distributor. The Producer shall act in good faith when dealing with NACOLAH's policyholders and acknowledges that all policies and the information contained therein are the property of NACOLAH. The Producer is an independent contractor for NACOLAH and not an employee of NACOLAH. Nothing in this contract shall be construed to make you an employee of NACOLAH. You shall be free to exercise your own judgment as to the persons from whom you will solicit applications and as to the time and place of solicitation, subject to the Company's rules and regulations. You may represent other insurance companies while this Contract is in force, provided, however, that while doing so you may not hold yourself out in any manner as acting on behalf of the Company. You agree that your compensation is determined by the terms of this Contract or addendums to the contract. You are not eligible to participate in any employee benefit programs, including but not limited to, any employee welfare or pension benefit plan for employees of the Company.

### 2. AUTHORITY

a) The Producer agrees to:

- 1) procure applications for policies underwritten by NACOLAH and, if applicable, recommend qualified Producers for NACOLAH appointment in your hierarchy,
- 2) promptly forward all applications and initial premiums to NACOLAH,
- 3) take all reasonable steps to ensure that all policies issued by NACOLAH are delivered to the policyholder within 30 days in accordance with NACOLAH's underwriting guidelines and published rules and procedures; in the event policy delivery is not possible then you must return the policies immediately to NACOLAH's home office,
- 4) make reasonable efforts to maintain NACOLAH's policies and provide reasonable assistance to NACOLAH's policyholders,
- 5) operate in compliance with all applicable laws and regulations,
- 6) supervise and be responsible for keeping your producers of NACOLAH's published rules, guidelines, procedures, and practices provided by your Distributor or published by NACOLAH,
- 7) exercise reasonable due diligence for the faithful performance, fidelity and honesty of your employees and Producers and maintain responsibility for all funds collected and business done by or entrusted to you and your employees,
- 8) promptly report to NACOLAH, in writing, any known or alleged misappropriation of funds by any Producer or employee regardless of whether such known or alleged misappropriation is with respect to funds of NACOLAH or funds of any other person or company,
- 9) fully cooperate with NACOLAH in any investigation or proceeding of any federal, state or other regulatory or governmental body, or court, if it is determined by NACOLAH that the investigation or proceeding affects matters covered by or arising out of this Contract,
- 10) immediately notify NACOLAH if served with any legal document received by you through any medium or if you have knowledge of any legal or administrative action,
- 11) maintain any and all state insurance licenses and be in good standing with all applicable state and regulatory authorities.
- 12) keep full and accurate records of the business transacted by you under this Contract and forward records to the Company as we may prescribe,
- 13) notify the Company in writing of the Producer Commission Schedule that will govern the compensation to be received by them, and
- 14) have and maintain reasonable and effective policies and procedures for the detection and prevention of illegal activity, including anti-money laundering and anti-terrorism financing procedures and controls.

b) The Producer may:

1. solicit, personally and through other Producers, applications for NACOLAH insurance policies, and annuities as described in the Schedule of Commissions, and
2. collect the full initial premium for the NACOLAH policies, subject to the restrictions listed on the Company's Temporary Insurance Agreement or Conditional receipt. Checks, money orders, or other forms of payment from policy owners and applicants shall be made payable to the order of the Company and shall not be commingled with your funds. You are not authorized to collect other premiums.

### 3. LIMITATION OF AUTHORITY

The Producer may not:

- a) make, alter or discharge any NACOLAH policy, contract, Temporary Insurance Agreement or other NACOLAH agreement,
- b) pay any premium personally or rebate premium to any policyholder,
- c) waive or modify any terms of any NACOLAH policy or contract, including rates or conditions of limitation,
- d) execute any documents on behalf of a proposed NACOLAH insured or policyholder,

- e) approve evidence of insurability,
- f) bind or commit NACOLAH to any policy, contract, risk or otherwise, except to NACOLAH's Temporary Insurance Agreement,
- g) deliver to a NACOLAH applicant any policy where the health of the applicant at the time of the delivery is other than as stated in NACOLAH's application for insurance,
- h) receive any premiums after the initial premium,
- i) extend time for any premium payment or reinstate any lapsed policy,
- j) approve, imply approval, adjust or settle any claim,
- k) retain any issued NACOLAH policy beyond thirty (30) days of issue,
- l) enter into any legal proceedings pertaining to NACOLAH or obligate NACOLAH for any expenses with respect to such proceedings,
- m) use or cause to be used any letters, advertising of any character or medium, or promotion of any kind, descriptive of products, services, procedures, or other information about the Company unless first approved, in writing, by the Company. You shall not use the Company's name or logo without Company prior written approval. The Company shall provide you with printed materials that relate to the Company and its products on the Company website, illustration software, or material in any other medium and you may distribute such materials at your expense.
- n) exercise any authority on behalf of NACOLAH other than as authorized by Section 2 of this Contract,
- o) waive any outstanding debts of you or your Producers,
- p) incur any expenses not authorized by the Company, and
- q) act as Trustee or Fiduciary on behalf of an applicant, insured or policyowner of insurance with the Company.

#### 4. NACOLAH'S RIGHTS

NACOLAH at any time may:

- a) discontinue any policy form in any state,
- b) change any policy form or premium rate,
- c) determine maximum or minimum policy limits,
- d) change the conditions under which any policy may be offered,
- e) change, delete or add any NACOLAH procedure, guideline or practices,
- f) cease doing business in any state,
- g) unilaterally amend the payment of commissions, bonuses, and benefits under this Contract as to amount, conditions, and vesting of payment that shall include all Supplements to this Contract and the Company's procedures, guidelines or practices. These amendments will be effective upon mailing of such notice addressed to you at Your last known address and will be prospective in effect.
- h) determine whether to accept any applications and determine underwriting standards,
- i) recapture from the producer vendor expenses for underwriting requirements when applications for life insurance are not received and when inappropriate underwriting requirements are ordered by the producer.
- j) terminate any producer for any reason with appropriate notice,
- k) choose not to contract or appoint any producer recommended by you for any reason,
- l) reject applications for insurance submitted by you or your Producers without specifying the cause,
- m) examine your records of the business transacted by you or your Producers under this Contract at any time prior to and/or after termination of this Contract and to make copies of such records as we may deem necessary, and
- n) appoint as Producers those persons recruited by you who are deemed acceptable by the Company.

#### 5. COMPENSATION

The Producer agrees that:

- a) the compensation from NACOLAH as specified in this Contract, applicable supplements, Schedule of Commissions and Addendums is your sole compensation for all matters covered under this Contract,
- b) commissions will be paid at the commission rate in effect at the time a NACOLAH application is submitted to us according to the "Schedule of Commissions" and payment method as determined by the Company,
- c) the Company will pay your override commissions on first year and renewal premiums where applicable on policies written by your Producers and received by the Company while this Producer contract is in effect,
- d) the Company may adjust each of your Producer's commissions in accordance with the provisions of that Producer's contract. Your percentage of commissions may increase or decrease as a result of such adjustment,
- e) the Company may charge back commissions including overrides to you in the event of rescission or cancellation, if commissions were paid in error, or if there are unearned commissions, which include but are not limited to the following: if the policy was not taken for any reason, or when there is a change in billing mode, or the policy was surrendered or lapsed in the first year, for any reason, and

- f) commissions and/or overrides are not earned on premiums being waived under any non-forfeiture or Waiver of Premium provision of any NACOLAH policy, including retroactively waived premium.

## 6. VESTING

The Producer agrees that:

- a) except as provided herein, all first year and renewal commissions will vest immediately, according to the contract held by your Distributor or your Producer,
- b) vesting, if any, applies only to business remaining in force after termination of this Contract,
- c) if you are terminated for cause, all commissions no longer vest,
- d) if, after termination other than by cause, commissions are less than \$600 in any calendar year, NACOLAH shall have the option of paying you the "present value" of those commissions and no further commissions shall be due to you under this Contract. "Present Value" as used here means the value of such commissions determined by NACOLAH on the basis of accepted actuarial practices,
- e) if you are appointed as a sole proprietorship and this Agreement is terminated by your death or physical disability at a time when commissions are payable to you,
  - i) the Company will continue to pay, for the vesting period specified in this section, such commissions to your legal surviving spouse during his or her life, and,
  - ii) thereafter to such persons as your spouse may appoint by will or, in default of appointment, to your spouse's legal representative, and
- f) if this Agreement is terminated by your mental disability or if you die leaving no legal surviving spouse, such commissions will be payable to your legal representative.

## 7. INDEBTEDNESS

- a) You shall repay the Company for any indebtedness arising from the marketing activities or transactions from you or your Producers or from the payment of any unearned commissions or bonuses if applicable to you. Any indebtedness owed by you or your Producers to the Company is a legal debt. The Company is hereby given a first lien upon any amounts due you, your estate, successors, or assignments under this or any other agreement with the Company or its affiliates as security for payment of any indebtedness owed to the Company by you. Your indebtedness may be offset by any sum due to you or thereafter becoming due from the Company for the satisfaction of the debt. The Company at any time may pursue additional means to satisfy your then outstanding indebtedness to the Company, and may assign its right to collect this debt to your Distributor or overriding Producer.
- b) To the extent you are liable for any Producer's or Distributor's indebtedness, the company is free to seek satisfaction and/or offset of the debt from you at any time and is not obligated first to seek satisfaction or offset from the Distributor or Producer involved.
- c) You shall be responsible for your and your employees' present and future indebtedness to NACOLAH. The Company may offset such indebtedness from compensation otherwise due to the Distributor from NACOLAH. Any unsatisfied indebtedness to NACOLAH shall accrue interest at a rate equal to NACOLAH's current practice rate and shall be payable upon demand together with all collection costs incurred by NACOLAH.
- d) Transactions that may result in your indebtedness to the Company include, but are not limited to, the following:
  - 1. The advance payment of commissions or payment of commissions to you that are not earned due to any of the following:
    - a) a policy cancellation under a "free look" provision,
    - b) a policy surrender, lapse, or a change in the frequency of premium payment,
    - c) a policy not being accepted by the applicant after commission is paid,
    - d) a refund of premium or rescission of the policy by the Company for any reason, or
    - e) change in billing mode.
  - 2. The payment of a death benefit, which would have been denied but for your prior knowledge a material misrepresentation had been made;
  - 3. Cancellation fees charged to you when a policy was delivered more than 30 days from the date of issue and the policy is subsequently canceled or refused;
  - 4. Causing the Company expense in defending against a charge that you, your employee, or your Producer violated an insurance law or regulation;
  - 5. Causing the Company expense in settling a consumer complaint arising out of alleged negligent, fraudulent, illegal, or unauthorized acts or transactions by you, your employee, or your agent, or
  - 6. Any other transactions or activity by you, your employee or your agent, which results in your indebtedness to the Company.

## 8. TERRITORY

The Producer has not been assigned an exclusive territory or market segment.

## 9. ASSIGNMENT

NACOLAH, by any of its officers or designated employees, must approve in writing any assignment of this Agreement or any current or future compensation assignment under this Agreement. NACOLAH does not assume any responsibility for the validity, sufficiency, or tax consequences of any assignment. No assignment shall be effective until any indebtedness to NACOLAH incurred prior to, or subsequent to, such assignment is satisfied.

## 10. INDEMNITY AND ERRORS & OMISSIONS INSURANCE

- a) The Producer will indemnify and hold NACOLAH harmless from all expenses (including reasonable attorneys' fees incurred by the Company), loss or damages (including punitive and extra contractual damages) suffered by NACOLAH because of violation of, or refusal or failure to comply with the terms of this Contract or with any federal or state laws, rules or regulations, or resulting from unauthorized acts or transactions, errors or omissions by the Producer or the Producer's employees in the performance of its services under this Contract.
- b) NACOLAH will indemnify and hold the Producer harmless for all non-commission related expenses, loss or damage suffered by the Producer resulting from any intentional act or omission by the Company or any of its employees contrary to the terms and provisions of this Agreement. However, NACOLAH will not be liable to the Producer for any legal or other expense the Producer chooses to incur, solely on its own, in connection with any such error.
- c) The Producer shall maintain Errors & Omissions liability insurance coverage in such amount during the term of this Agreement and in such terms as NACOLAH may from time to time determine. The Producer shall provide evidence of such coverage with submission of contract and subsequent renewal of coverage each year.
- d) Additionally, the Producer will communicate that the Company requires all producers and brokers to have and maintain Errors and Omissions liability insurance covering themselves during the term of this Contract and also provide evidence of such coverage with submission of contract and subsequent renewal of coverage each year.

## 11. PRIVACY AND CONFIDENTIALITY

You shall follow the Company's published Privacy Policy. This includes, but is not limited to:

- a) We require you protect the confidentiality of the underwriting information received by an applicant for insurance.
- b) You will maintain and dispose of all personal information in a secured manner as required by federal and state law. You will disclose all underwriting information only to us.
- c) You will maintain physical, electronic, and procedural safeguards that comply with federal and state standards.
- d) You will allow only designated personnel or service providers to have access to such information for our underwriting purposes.

## 12. TERMINATION

Termination of this Contract will automatically include termination of all supplements, amendments, addendums, and guarantees. The Producer agrees that:

- a) this Contract may be terminated without cause at any time by mutual agreement, or by you or the Company by depositing written notice in regular U.S. mail addressed to the last known address of the other party at least 30 days prior to the date of such termination,
- b) if the Producer is a corporation, corporate dissolution or cessation of doing business will cause immediate termination of this Contract,
- c) if the Producer is a partnership, death of one of the partners will cause immediate termination of this Contract,
- d) if the Producer is an individual, his or her death will cause immediate termination of this Contract,
- e) if the Producer is an individual or corporation, bankruptcy or commission of any act of bankruptcy will cause immediate termination for cause of this Contract,
- f) NACOLAH at any time also may terminate this Contract immediately for cause. "For cause" includes, but is not limited to, any determination by NACOLAH that the Producer:
  1. has breached this Contract, Company rules, guidelines or procedures, or state or federal law or regulation,
  2. has become involved in any legal or regulatory proceeding which might impair its ability to perform its obligation,
  3. has committed, or attempted to commit, an illegal or fraudulent act,
  4. has encouraged, induced or attempted to induce the replacement, lapse, or other termination of NACOLAH policies,
  5. has acted detrimentally towards NACOLAH or its policyholders,
  6. has withheld funds or documents from NACOLAH or its policyholders,
  7. has misrepresented NACOLAH's products or services, or
  8. has misrepresented, falsified or omitted (or has encouraged or attempted to misrepresent, falsify, or omit) material information furnished to NACOLAH on any applicable license or bond or if the applicable license or bond is refused, canceled, or not renewed,
- g) upon termination, the Producer and/or their legal representatives will immediately cease acting on behalf of NACOLAH, will return all of NACOLAH's property, and will promptly account to NACOLAH for all funds held on behalf of NACOLAH, and
- h) commissions will continue to vest as provided in Section 6 of this Contract.

## 13. CONSTRUCTION AND EFFECT

The Producer and NACOLAH agree that:

- a) as used in the Contract, the term "Producer" includes the Producer and the Producer's employees,
- b) the term "contract" includes any NACOLAH policy, certificate, endorsement, rider, Temporary Insurance Agreement, addendum or agent Contract,
- c) all notices under this Contract must be delivered by regular mail, addressed to the last address furnished in writing by either party to this Contract to the other,
- d) Illinois law governs this Contract.

14. **NON WAIVER** Failure of the Company to require strict compliance with any of the terms of this Contract shall not constitute a waiver of such terms or conditions nor affect the right of the Company thereafter to require such compliance.
15. **SEPARABILITY** The provisions of this Contract will be considered to be separable and independent from each other, and in the event any provision of this Contract is found to be invalid, it will not affect the validity or effectiveness of the remaining provisions.
16. **SUPPLEMENTS, ADDENDUMS, AND AMENDMENTS** Supplements, Addendums and Amendments to this Contract shall run concurrently with it and are subject to the terms and conditions of the contract thereof, except as specifically modified by the Supplement, Addendum or Amendment.
17. **MEDIATION AND ARBITRATION OF DISPUTES** Any disputes or controversies between you and the Company arising out of or relating to your contract may, upon written demand of either party, be submitted to mediation and non-binding arbitration administered by the American Arbitration Association or a similar arbitration organization agreed upon by you and the Company, under the organization's then-applicable mediation and arbitration rules. This clause in no way limits or restricts the rights of you or the Company to obtain relief in a court of competent jurisdiction.
18. **ENTIRETY OF CONTRACT** This Contract and any supplements, amendments, addendums, or guarantees plus the producer contract application and agreement form the complete contract between you and the Company. Any amendment, supplement, or addendum to this contract must be in writing. Your signed Contract on file with the Company will control as to form and content.

SPECIMEN

## NOTICE REGARDING CONSUMER REPORTS

In connection with your application for a Producers Contract with North American Company for Life and Health Insurance Company (North American), North American may obtain one or more reports regarding your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, and/or mode of living from a consumer reporting agency. If North American plans to use any information in a consumer report in a decision not to contract with you or to make any other adverse contracting decision regarding you, it will provide you with a copy of the credit report upon which its decision was based and a written summary of your rights under the Fair Credit Reporting Act before it takes any adverse action. If any adverse action is taken against you based upon a consumer report, North American will notify you that the action has been taken and that the consumer report was the reason for the action.

SPECIMEN

TO: All Agents  
RE: Direct Deposit of Commissions

In an effort to better facilitate the distribution of your commissions, we would like you to consider the use of Direct Deposit. Direct Deposit allows North American to deposit your funds directly into your bank account, generally by the second working day after the business cut-off. With this process, you will not have to wait for the mail in order to receive your funds.

As you consider Direct Deposit, please note that, if you choose to continue receiving a paper check, the minimum check-distribution amount will be \$150.00. If you choose to be paid through Direct Deposit, the minimum amount will be \$50.

To elect Direct Deposit, simply complete and return the Commission Direct Deposit Authorization Form, which is located on the reverse side of this document, and attach a copy of a voided check. Return the completed form and a copy of a voided check to the Commission Accounting Department. If you prefer to fax the information, please use our Commissions dedicated fax number of (877) 595-8256.

We appreciate your help in getting your commission to you in a timely manner. If you have any questions, please contact the Commissions Department at (877) 872-0757, Extension 32170.



\*O2619\*

**\*MANDATORY\***

**Commission Direct Deposit Authorization Form**

*This authorization gives North American Company for Life and Health Insurance and your financial institution the authority to deposit your compensation directly to your account. Please allow approximately 30 days upon delivery of this form before the first Direct Deposit is processed. To take advantage of this service, all you need to do is:*

1. Complete the requested information below about you, your financial institution, and your account.
2. Return this form to Agency Services.

**Note: Be sure to sign the form. You may fax to 877-595-8256.**

*To Change Direct Deposit: If you desire to change the direct deposit due to a change in banks, or otherwise, please notify Agency Services, Attn: Licensing and Contracting, of your request and resubmit an updated Commission Direct Deposit Authorization Form.*

**DIRECT DEPOSIT AUTHORIZATION**

Please print and return the section below to Agency Services.

I authorize you and the financial institution listed below to automatically deposit my net amounts earned and payable to my Checking/Savings Account each pay period. Should an inappropriate deposit be made, the financial institution is authorized to make debit entries to my account and return to the Company the amount of any such overage. This authorization will remain in effect until I have cancelled it in writing.

Mark the appropriate box specifying the type of account.

Checking Account

Attach a voided check for verification of all financial institution information.

Savings Account

Attach letter from your financial institution verifying savings account number and routing number. We cannot accept a deposit slip in lieu of a letter from you financial institution.

FINANCIAL INSTITUTION'S NAME		YOUR NAME (PLEASE PRINT)	
BRANCH	YOUR ACCOUNT NUMBER	BANK ROUTING NUMBER	
CITY	STATE	FINANCIAL INSTITUTION PHONE NUMBER	
YOUR SIGNATURE	NORTH AMERICAN CODE #	DATE	

**STAPLE VOIDED CHECK HERE**

## Request for Taxpayer Identification Number and Certification

**Give form to the  
 requester. Do not  
 send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



**CREDIT AUTHORIZATION FOR:**

**CALIFORNIA, MINNESOTA AND OKLAHOMA RESIDENTS**

Thank you for completing an application for appointment with North American Company for Life and Health.

Under state law we must inform you that we utilize General Information Services, Inc., a consumer-reporting agency, to obtain records of employment history, credit history, financial status, or record of any illegal activity on applicants for appointments with our company. Your signature on the Contract Application authorizes North American, or its duly authorized representative, to contact General Information Services, Inc. in order to obtain a record of employment history, credit history, financial status, or record of any illegal activity on you; and also authorizes the release of such information by General Information Services, Inc. in connection with your application. In addition, your signature on the application authorizes North American to release information about any debit balance you may incur to Vector One, its successors, or any organization designated to replace Vector One.

**With your signature below, we will obtain an employment-only credit check that does not include a credit score. An employment credit check will not negatively affect your credit score or status with the credit-reporting agencies.**

Also, under state law, you are entitled to a copy of the record North American obtains from General Information Services, Inc. Please indicate by checking the appropriate box whether or not you would like a copy of the report.

- Yes, please send a report to the residence address I indicated on my application.
- No, I do not wish to have a copy of the report sent to me.

Please send this authorization back along with your completed contract application, including your signature and report choice above in order to complete the processing of your application. Your agent contract will remain at a pending status and a consumer report will not be ordered until this requirement is satisfied. Thank you.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
SSN

\_\_\_\_\_  
Date