

INDEPENDENT SALES REPRESENTATIVE AGREEMENT

This Agreement made this _____ day of _____, _____, by and between Woman's Life Insurance Society, a Michigan corporation, located at 1338 Military Street, Port Huron, Michigan 48061-5020, hereinafter referred to as the "Society" and _____, whose address is _____, hereinafter referred to as the "Sales Representative". In consideration of the mutual covenants herein contained, the Sales Representative and the Society do hereby agree as follows:

I. APPOINTMENT AND SCOPE OF DUTIES

- A. The Sales Representative is hereby appointed to solicit applications to the Society for membership, life insurance and annuities; to deliver life insurance and annuity certificates; to distribute the fraternal products of the Society and to organize local chapters and to provide service to members.
- B. The authority granted by the Society and accepted by the Sales Representative is subject to the limitations, terms, provisions and conditions of this Agreement.
- C. The Sales Representative shall comply with all applicable federal and state laws and regulations, as well as the policies and practices of the Society.
- D. The Sales Representative shall promptly submit to the Home Office of the Society all applications for membership, insurance or annuity.
- E. The Sales Representative shall keep a full and true record and statement of all business transacted and all monies collected and received on behalf of the Society. Such record or statement shall be open for inspection by, and shall be forwarded to, the Society upon request by the Society.
- F. The Sales Representative shall promptly deliver all certificates issued, provided the terms and conditions applicable to such delivery have been fulfilled.
- G. The Sales Representative shall perform all of the duties and responsibilities imposed under this Agreement in the utmost good faith and in a highly ethical manner.
- H. The Sales Representative shall not during the term of this Agreement cause any person insured by the Society to lapse, surrender or forfeit or replace any certificate of insurance or annuity issued by the Society.
- I. The Society shall prescribe rates, rules and regulations under which it will insure risks. The Society reserves the right in its sole discretion and without liability to the Sales Representative, to change, alter or amend such rates, rules and regulations.
- J. The Society reserves the right, in its sole discretion and without liability to the Sales Representative, to reject and/or disapprove any application for membership, insurance or annuity and to limit or restrict the amount of or plan of insurance or annuity it shall issue and to require a higher premium than that applied for.

- K. The Society shall prescribe the form, plan, and type of certificates for which applications may be solicited. The Society reserves the right, in its sole discretion and without liability to the Sales Representative, to change or discontinue any form, plan or type of certificate now or hereafter in use.

I-1. PRIVACY

Representative shall comply with all applicable state and federal privacy statutes and regulations. Representative shall maintain systems and procedures to ensure that all information protected by federal and state privacy statutes and regulations (protected information) remains secure and confidential. Representative will not disclose or use protected information provided to the Representative by the Society except as necessary to carry out the Representative's duties under this Agreement or under an exception provided by statute or regulation in the ordinary course of business to carry out Representative's duties under this Agreement.

II. ASSIGNED TERRITORY

- A. The Sales Representative's territory for purposes of this Agreement shall be as follows:

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- B. The territory identified in Paragraph A of this Section II, shall not be exclusive to the Sales Representative. The Society reserves the right to alter and adjust said territory.

III. LIMITATIONS OF AUTHORITY

The Sales Representative shall have no power or authority to do any of the following:

- A. Change or waive the terms, conditions or rates set forth in promotional materials or any advertisements, receipts, certificates or applications of the Society in any manner whatsoever.
- B. Issue, print or circulate any advertisement, sales or promotional material concerning the Society or its products without obtaining prior approval in writing from an officer of the Society.
- C. Deliver, or cause to be delivered, any certificate of the Society unless the full first premium has been paid and then only if the applicant is in good health and insurable at the time of delivery of said certificate.
- D. Bind the Society on any application for or certificate of insurance other than as stipulated in the conditional receipt if it is part of the application for such insurance.
- E. Quote any premiums, rates or certificate values other than those published by the Society.
- F. Extend the time for paying any premium or, where prohibited by law, rebate or offer to rebate any part of a premium.
- G. Adjust or settle any claim or commit the Society with respect thereto.
- H. Make any misrepresentation or incomplete comparison in connection with the solicitation of the insurance or annuities offered by the Society.
- I. Receive any money due or to become due the Society except in exchange for the Society's official receipt.
- J. Incur any indebtedness, extend any credit or make any payment on behalf of the Society without written authorization from an officer of the Society.

- K. Exercise any authority on behalf of the Society other than that expressly conferred by this Agreement unless authorized by an officer of the Society in writing.

IV. INDEPENDENT CONTRACTOR STATUS

Nothing contained herein shall be construed to create the relationship of employer and employee between the Society and the Sales Representative. The Sales Representative shall at all times hold the status of independent contractor. Subject to the terms of this Agreement, the Sales Representative shall be free to exercise Sales Representative's judgment as to the persons from whom the Sales Representative will solicit membership, insurance and annuity applications and the time and place of solicitation, as well as the methodology for providing service to members and bringing members together for formation of local chapters, provided that the exercise of such judgment is consistent with the Articles of Incorporation and Laws of the Society. The Society may from time to time prescribe rules and regulations respecting the conduct of the business covered hereby, not interfering with such freedom of action of the Sales Representative, which rules and regulations shall be observed and conformed to by the Sales Representative.

V. LICENSING

The Sales Representative shall not represent the Society until he or she is licensed as an insurance producer and appointed by the Society in accordance with the laws of the states and provinces identified in Section II of this Agreement.

VI. PREMIUMS

- A. Except as otherwise specified by the Society, the Sales Representative shall collect first and single premiums on behalf of the Society as part of the application process. If the full first premium is not paid when the application is taken, the Sales Representative shall collect any unpaid balance of all premiums due the Society at the time the certificate is delivered. Except as provided in this Section VI, the Sales Representative shall have no authority to receive or collect any premiums or monies due or to become due to the Society. Any check, money order or draft received by the Sales Representative pursuant to the provisions of this paragraph shall be made payable to the order of Woman's Life Insurance Society.
- B. The Sales Representative shall transmit the gross premium so collected promptly to the Home Office of the Society. All collections made by the Sales Representative shall be kept separate and distinct from any other funds and shall be promptly transmitted to the Society.

VII. COMPENSATION

A. Commission

1. **First-year Commissions.** While this Agreement is in effect the Society shall pay to the Sales Representative a first-year commission on all first-year premium paid to and credited by the Society to a life insurance or annuity certificate issued pursuant to an application obtained personally, on or after the effective date of this Agreement, by the Sales Representative. The amount of the first-year commission will be a percentage of the first-year premium that is paid and credited, the percentage to be determined from Schedule One of this Agreement in effect on the date the certificate is produced.
2. **Renewal Commissions.** While this Agreement is in effect the Society shall pay to the Sales Representative a renewal commission on renewal premium paid to and credited by the Society to a life insurance or annuity certificate issued pursuant to an application obtained

personally, on or after the effective date of this Agreement, by the Sales Representative. The amount of the renewal commission payable in a certificate year will be a percentage of the renewal premium paid and credited in that certificate year, the percentage to be determined from Schedule One of this Agreement in effect on the date the certificate is produced.

3. ***Change of Plan, Replacements, Conversions and Reinstatements.*** In the case of a change of plan, replacement, conversion or reinstatement, the commission rates shown on Schedule One shall not apply. The Society shall determine the amount of compensation, if any, to be paid.

B. Return of Commission

1. If the Society in good faith returns any premiums for any cause, except as a declared dividend, the Sales Representative shall repay to the Society the total amount of compensation paid to the Sales Representative which is attributable to such premiums.
2. If, during the first three certificate years, the specified amount of a Universal Life Insurance Certificate upon which the Sales Representative has received commission under this Agreement is reduced, the Sales Representative shall repay to the Society the paid first-year commission attributable to the first-year premiums paid on such certificate less the amount of first-year commission that would have been paid had the certificate been issued initially at the reduced specified amount. This provision shall apply to each reduction of the specified amount of such certificate occurring during the first three certificate years.

C. Termination of Compensation

Following termination of this Agreement, no further compensation of any kind will be paid to the Sales Representative, except as set forth in Section VIII of this Agreement.

VIII. VESTING

If this Agreement is terminated, except as a result of the Sales Representative's violation of this Agreement or any governing federal or state law:

- A. First-year commission which, but for the termination of this Agreement, would thereafter be payable to the Sales Representative in accordance with Item 1 of Paragraph A of Section VII of this Agreement on life insurance and annuity certificates issued prior to such termination shall be paid to the Sales Representative.
- B. Renewal commission which, but for the termination of this Agreement, would thereafter be payable to the Sales Representative in accordance with Item 2 of Paragraph A of Section VII of this Agreement, for certificates renewal years 2 through 5 only, on life insurance and annuity certificates issued prior to such termination shall be paid to the Sales Representative.
- C. Minimum Payment. The liability of the Society to pay renewal commissions under this Section VIII will terminate on the first day of the calendar year following the calendar year in which renewal commission paid hereunder totals \$500.00 or less.

IX. BENEFICIARIES

If under the terms of this Agreement any commission is vested (or becomes vested) in the Sales Representative and becomes payable after the Sales Representative's death, the Sales Representative hereby requests and directs that all such commissions payable after the Sales Representative's death shall be paid by the Society to the following named beneficiaries:

- A. Primary Beneficiary: _____
Relationship: _____
Address: _____

- B. Contingent Beneficiary: _____
Relationship: _____
Address: _____

If more than one primary beneficiary is named, payment shall be shared equally by the survivor or survivors of them. Any contingent beneficiary is to receive payment only upon the death of all primary beneficiaries prior to the Sales Representative's death. The Sales Representative reserves the right to change beneficiaries at any time by sending written notice to the Society. Upon receipt by the Society, the change will take effect on the date the notice was signed. The Society shall not be liable for any payment made or action taken before it receives the notice. Any payment made by the Society in good faith to a beneficiary or beneficiaries, in conformance with this Section IX shall fully discharge the Society from all liability for payment of such commission, to the extent of the payment.

X. INDEBTEDNESS

Any indebtedness of the Sales Representative to the Society shall be a first lien on the Sales Representative's compensation due or thereafter becoming due under this Agreement; and said compensation is hereby assigned to the Society when and as it comes due to be applied on said indebtedness; but the failure of the Society to so apply any sum shall not be deemed a waiver of the Society's lien on any other sums becoming due under this Agreement nor impact its right to so apply such sums. Upon termination of this Agreement, any indebtedness remaining unpaid shall be immediately due and payable to the Society and shall be paid by the Sales Representative in one lump sum.

XI. INDEMNITY

The Sales Representative shall defend, indemnify and save the Society harmless against and from any and all losses, expenses, costs, attorney fees, causes of action, damages and liability resulting from or arising out of any negligent or unlawful act, omission, or breach of this Agreement by the Sales Representative, including attorney fees and costs incurred in enforcing this right of indemnity.

XII. ASSIGNMENT

This Agreement may not be assigned. The Society does not assume any responsibility for nor guarantee the validity or sufficiency of any assignment of the compensation payable under this Agreement. The rights of any pledgee, assignee or transferee of compensation payable under this Agreement shall be subject to the paramount and prior lien of the Society under Section X of this Agreement.

XIII. TERMINATION

- A. This Agreement may be terminated by the Sales Representative or the Society without cause by giving thirty (30) days written notice to the other party.
- B. In addition to the right of the Society to terminate this Agreement as provided in Paragraph A of this Section XIII, the Society shall have the right, at its option, to terminate this Agreement for cause immediately upon giving written notice of such termination to the Sales Representative. Termination for cause shall include, but is not limited to, termination for any one or more of the following:
 - 1. The collection or receipt by the Sales Representative of any monies for or on behalf of, or due or to become due to the Society except as authorized under this Agreement or by the Society in writing.
 - 2. Any unauthorized appropriation to the Sales Representative's own use or purpose of any money or other property received by the Sales Representative for or on behalf of the Society or for the benefit of a person other than the Sales Representative.
 - 3. Submission to the Society by the Sales Representative of any document on which any required signature is not a genuine or duly authorized signature.
 - 4. Any withholding by the Sales Representative of any certificate or document after such certificate or document shall have been demanded by the Society.
 - 5. Quoting a premium rate or certificate value that deviates from the published rates of the Society as furnished to the Sales Representative by the Society from time to time.
 - 6. A violation by the Sales Representative of applicable anti-rebate laws of any state or jurisdiction.
 - 7. The failure of the Sales Representative to comply with applicable laws, insurance department regulations or other administrative regulations governing the insurance business.
 - 8. Any act by which the Sales Representative improperly induces, or attempts to induce, any certificateholder of the Society to discontinue premium payments on his or her certificate.
 - 9. The commission of fraud or gross or willful misconduct by the Sales Representative.
 - 10. The failure of the Sales Representative to comply with the terms of this Agreement.
- C. This Agreement shall immediately and automatically terminate without notice upon the first of the following to occur:
 - 1. Death of the Sales Representative; or
 - 2. Revocation or suspension by public authority of the Sales Representative's license to act as an insurance producer.

- D. Upon termination of this Agreement, the Sales Representative shall refrain from soliciting applicants to the Society and from servicing members of the Society. For a period of two years after such termination, anywhere within a radius of 100 miles from the location of his or her place of business, the Sales Representative shall not induce or cause another or others to induce or attempt to induce any certificateholder to replace, lapse or cancel any certificate of insurance or annuity written with the Society. This provision shall survive the termination of the other terms and provisions of this Agreement.

XIV. SUPPLIES

All manuals, forms, supplies and any other property furnished by the Society and in the possession of the Sales Representative shall be returned to the Society upon the termination of this Agreement.

XV. BUSINESS PRODUCED

All business produced by the Sales Representative personally or through a representative is the property of the Society. The Sales Representative will not attempt to prejudice the members of the Society, interfere with the collection of premiums, or transfer any existing contracts to another society, company or organization.

XVI. BOND

The Sales Representative will, at the option of the Society, furnish a bond for such sum and with such security as the Society may require.

XVII. WAIVER

No waiver or modification of this Agreement shall be effective unless in writing and signed by an officer of the Society. The failure of the Society to enforce any provision of this Agreement shall not constitute a waiver by the Society of any such provision. The past waiver of a provision by the Society shall not constitute a course of conduct or a waiver in the future of that same provision.

XVIII. AMENDMENT

The Society may, at its option and without the consent of the Sales Representative, amend any portion of this Agreement, including, but not limited to, Schedule One, as well as any other schedule, amendment or addendum to this Agreement by giving written notice to the Sales Representative thirty (30) days in advance of such change. Any amendment will apply only to certificates produced after the effective date of the amendment.

XIX. ENTIRE CONTRACT

This Agreement supersedes all previous agreements whether oral or in writing between the Society and the Sales Representative. This Agreement includes the accompanying Schedule One and constitutes the entire agreement between the Society and the Sales Representative.

XX. CAPTIONS

The captions or headings at the beginning of each section or paragraph hereof are for the convenience of the parties and are not part of this Agreement.

XXI. SEVERABILITY

Should any part of this Agreement for any reason be declared invalid by a court of law or equity, such decision shall not affect the validity of any remaining portion hereof.

XXII. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

XXIII. NOTICES

All notices required to be given under this Agreement shall be deemed to have been properly given when served by personal delivery or when mailed by first class mail to the addresses appearing on Page 1 of this Agreement. Each party may change their mailing address upon thirty (30) days written notice of the new mailing address to the other party.

XXIV. DEFINITIONS

For purposes of this Agreement:

- A. "An officer of the Society" means its National President or National Secretary-Treasurer.
- B. "Replacement" or "replace" means any transaction in which life insurance or annuity is to be purchased, and in which, as part of the transaction with respect to existing life insurance or annuity issued by the Society, any of the following has occurred or will occur:
 - 1. Lapse, forfeiture, surrender, or termination.
 - 2. Conversion to reduced paid-up insurance, continuation as extended term insurance or a reduction in value by the use of nonforfeiture benefits or other certificate values.
 - 3. Amendment to effect a reduction in either benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid.
 - 4. Reissue with any reduction in cash values.
 - 5. Pledging as collateral or subjecting to borrowing, whether in a single loan or under a schedule of borrowing over a period of time for amounts in the aggregate exceeding twenty-five percent (25%) of the loan value set forth in the certificate.
- C. "First-year premium" for the purpose of life insurance certificates (other than the Flexible Premium Adjustable Life Insurance Certificate) is the premium which is due and payable during the first certificate year.

- D. "First-year premium" for the purpose of the Flexible Premium Retirement Annuity, Flexible Premium Deferred Annuity, Single Premium Deferred Annuity and Flexible Premium Adjustable Life Insurance certificates is all premium paid and credited in the first certificate year.
- E. "Renewal premium" for the purpose of life insurance (other than the Flexible Premium Adjustable Life Insurance Certificate) is the premium which is due and payable in the second and succeeding certificate years on such certificates.
- F. "Renewal premium" for the purpose of the Flexible Premium Retirement Annuity, Flexible Premium Deferred Annuity, and Flexible Premium Adjustable Life Insurance certificates is all premiums paid in the second and subsequent certificate years.

XXV. EFFECTIVE DATE

This Agreement shall take effect as of the effective date indicated below, provided it is executed by the National President of the Society.

WOMAN'S LIFE INSURANCE SOCIETY

By: _____ Date _____
Its: National President

SALES REPRESENTATIVE

_____ Date _____

Effective Date: _____

For Office Use:

Recommended by: _____ Date _____

Recommendation Approved by: _____