



## **IMPORTANT**

***ALL LICENSING AND CONTRACTING APPOINTMENT  
PAPERWORK IS TO BE FAXED TO 860-331-8551 ATTENTION:  
CONTRACTING***

**Include:**

1. Contract
2. Proof of Errors & Omissions coverage
3. Attach copies of all active insurance licenses
4. Voided Check

***For faster processing please use this form as your cover page***

**Or MAIL to:**  
Atlantic Financial  
171 Market Square  
Suite 106  
Newington, CT 06111

Sincerely,

The Atlantic Financial Team



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Western Reserve Life Assurance  
Co. of Ohio  
Administration Office:  
P.O. Box 5068  
Clearwater, Florida 33758  
Home Office: Columbus, OH  
Distributor: Transamerica Capital, Inc.  
[www.westernreserve.com](http://www.westernreserve.com)

## **PRODUCER AGREEMENT (Fixed Products)**

This is a Producer Agreement ("Agreement"), effective on the Date of Contract set forth below, between **Western Reserve Life Assurance Co. of Ohio** (referred to as "we", "us" or "the Company") and the **Producer** named below (referred to as "you"). The terms of this Agreement are as follows:

### **1. APPOINTMENT**

We appoint you to sell our Company's fixed life and annuity products ("policy" or "policies") pursuant to the terms of this Agreement. You will comply with all applicable laws and regulations of the states in which you are licensed, including but not limited to, obtaining and maintaining any necessary licenses for the solicitation of insurance and to diligently devote yourself to the business of this appointment.

#### **1.1 TERRITORY; NON-EXCLUSIVITY**

Unless otherwise specified by us, you are authorized to solicit applications for our policies in any jurisdiction in which we are licensed to transact insurance and in which you are licensed and authorized to represent us in accordance with applicable state laws and regulations. We reserve the right to limit your territory at any time.

You are not obligated to represent us exclusively, and this Agreement does not give you exclusive rights in any area.

#### **1.2 INDEPENDENT CONTRACTOR**

You are an independent contractor. Nothing contained in this Agreement is to be construed to create the relation of employer and employee between the Company and you. You may exercise your own judgment as to the time and manner in which you may perform the services required to be performed by you under this Agreement. We may, from time to time, prescribe rules and regulations concerning the conduct of the business covered by this Agreement which do not interfere with such freedom of action.

### **2. SOLICITATION OF APPLICATIONS**

We will inform you from time to time which policies you are authorized to sell. Solicitation of applications for insurance authorized under this Agreement will be performed by you or by assigned producers in accordance with the terms of their agreements with us.

An assigned producer is a person who has been designated by us to solicit applications for insurance under your direction.

#### **2.1 PRODUCERS**

You may recommend that we enter into sales agreements with other producers for sale of our policies, but we are not obligated to do so. We will not enter into such an agreement unless you and we agree regarding whether the recommended person will be designated as an assigned producer. You have no authority to modify or amend any such agreement.

At our option, we may refuse to contract with or appoint any proposed producer and may terminate any agreement with or appointment of a producer. Except as otherwise agreed, payment of all commissions and other compensation earned by assigned producers will be made directly by the Company.

From time to time, we may prescribe rules regarding the transfer of assigned producers.

## **2.2 LICENSING**

Neither you nor any assigned producer may engage in any activities under this Agreement unless and until you or they are properly licensed and appointed to perform such services in the particular state or jurisdiction involved in accordance with all applicable laws and regulations, including, but not limited to, any certification or continuing education requirements.

You agree to undertake and pay for all actions necessary to acquire and maintain any necessary licenses for yourself. We will take the necessary actions, including the payment of applicable fees, to appoint you to represent us in the state in which you reside. We will appoint you to represent us in additional states at your expense.

## **2.3 NON-REPLACEMENT COVENANTS**

While this Agreement is in effect and for a period of five (5) years after termination of this Agreement, you agree that you will not encourage, aid or abet any other insurer or broker-dealer, or their customers, clients, employees, agents or registered representatives, to engage in a pattern or practice of replacing or attempting to replace any WRL Variable or Fixed Policies with fixed or variable policies of other life insurance companies.

## **3. RESPONSIBILITIES OF THE PRODUCER**

You are responsible for the actions and performance of your employees in connection with this agreement. The Company may, from time to time, notify you of laws, governmental regulations and Company rules and regulations which may be applicable to your activities or the activities of producers who act through you. You agree to promptly communicate this information to your employees and producers, as appropriate. You agree to review policy applications submitted through you, and you agree to notify the Company if you become aware of actions by employees or producers which violate laws, governmental regulations or Company rules and regulations. You agree to notify the Company if you learn of the conviction of any of your employees or producers of any felony or other serious crimes. The Company agrees that it will not hold you liable for any matter of which you were not aware and of which you could not reasonably have been expected to have been aware in the normal course of your business activities.

### **3.1 COMPANY REGULATIONS**

To the extent they do not conflict with the terms of this Agreement, you will conform to the rules and regulations of the Company now or hereafter in force. Such rules and regulations will constitute a part of this Agreement. This provision shall not be construed to alter the relationship of the parties as provided in Section 1.2 above.

### **3.2 LIMITATION OF AUTHORITY**

You will not alter, modify, waive or change any of the terms, rates or conditions of any advertisements, receipts, or policies of the Company in any respect. You will not use any advertising or sales material relating directly or indirectly to the Company or the Company's products unless it is provided by the Company or approved by the Company in writing prior to use. You have no authority to obligate us in any manner whatsoever nor to receive monies due to us, except as otherwise provided in this Agreement or as may be authorized in writing by us.

### **3.3 COMPANY RECORDS**

All documents, records, software and other data and information, in whatever form they may be, which pertain to the Company's policyholders or any other business of the Company, are and will remain the property of the Company. Any such property in your possession shall be at any time and all times open to inspection by the Company or its authorized representative, and upon termination of this Agreement you will promptly turn all such property over to the Company or its authorized representatives.

You acknowledge that all documents, records, software and other data, information and supplies referred to in this Section 3.3 are confidential and proprietary to the Company, and you agree to preserve the confidentiality and privacy of the Company in all of the same; and you further agree that you will not, without the Company's prior written consent, release or disclose any of the same or their contents to any person, or otherwise use any of the same or their contents in any manner, except in furtherance of the business of this Agreement or as required by legal process.

Nothing contained in this section (3.3) is intended to restrict your right to retain possession of your records and other materials relating solely to your producers and solicitors.

### **3.4 COLLECTION AND REMITTANCE OF COMPANY MONEY**

Where authorized by us, you may accept premiums in accordance with our rules and regulations in force at the time of payment. We have the right at any time to revoke such authority in whole or in part and to limit it in any way. ALL MONIES OR SECURITIES RECEIVED BY YOU AS FULL OR PARTIAL PAYMENT OF PREMIUMS OR FOR ANY OTHER ITEM WITHOUT EXCEPTION, SHALL BE HELD BY YOU IN TRUST SEPARATE FROM YOUR OWN OR OTHER FUNDS AND WILL BE IMMEDIATELY DELIVERED AND PAID TO THE COMPANY. Such remittances must be applied to the relevant item. You are not authorized to deposit any such monies or checks in your own account or any trust account, nor to accept any check made payable to you for any premium or other item.

You will promptly remit to the Company any and all monies received on behalf of the Company as payments on policies, and you have no right or authority to receive or collect monies for and on behalf of the Company at any time or for any purpose except the initial premium necessary to put the policy in force.

### **3.5 ADVERTISING**

You agree that you will not place into use, or distribute to any person, any advertising, sales material or other document (including, without limitation, illustrations, telephone scripts and training materials) referring directly or indirectly to the Company or to any Company policy, or cause, authorize or permit any producer or other person to do so, without our prior written consent. You agree that you will not use the name of the Company on any business card, letterhead or marquee or in any directory listing, or in any other manner, or cause, authorize or permit any producer or other person to do so, without our prior written consent. You agree that you will not use any of the Company's names, logos or trademarks without our prior written consent.

### **3.6 INDEMNIFICATION**

You agree to indemnify us and hold us harmless from any liability, loss, cost, claim or damage, including legal and other expenses and attorneys' fees reasonably incurred, caused by your breach of any provision of this agreement or by your negligence or misconduct or the negligence or misconduct of any of your employees, officers, or other persons who act on your behalf.

### **3.7 ERRORS AND OMISSIONS**

You are encouraged to maintain errors and omissions insurance covering your activities under this agreement. If we should require you to carry such insurance at any time, the following will apply:

- (i) You agree to maintain in force, at your own expense, while this Agreement is in effect, errors and omissions insurance covering your business in an amount specified by us from time to time.
- (ii) You agree to provide us with copies of the current binders evidencing the issuance of the errors and omissions insurance required under Section (i) at the time of execution of this agreement, and within ten business days of each date such insurance is discontinued, suspended, reduced or terminated for any reason.

### **3.8 CODE OF PROFESSIONAL CONDUCT**

You agree to comply with the ethical concepts as set forth in the Company's Code of Professional Conduct for producers and employees. The topics below and other principles and standards to use in your daily conduct can be found in the Practical Guide to Professional Conduct located on the Company's website. These policies, procedures and guidelines can be changed from time to time.

**Privacy** - You agree to comply with all applicable laws and regulations to protect the privacy of nonpublic information that you have about an applicant, owner, insured, annuitant, beneficiary or other person who seeks to obtain, obtains or has obtained a product or service from the Company. If you receive any such nonpublic information from the Company, you will maintain the confidentiality of such information and understand that you are prohibited from using such information other than to carry out the purpose for which such information was disclosed to you. You agree to take reasonable measures to secure and safeguard such nonpublic information in your possession (including appropriate destruction and disposal methods when appropriate).

**Anti-Money Laundering** - The Company has implemented an anti-money laundering program which includes requirements for reporting suspicious activity and providing anti-money laundering training to the Company's employees, insurance agents, and insurance brokers. You agree to comply with the Company's anti-money laundering policies and reporting and training requirements and understand that failure to comply with the Company's anti-money laundering program may result in termination of your appointment.

**Electronic Imaging and Transmission of Documents and Information** - You agree to comply with the Company's rules for imaging and transmission of documents.

**Suitability** - You agree to comply with all applicable laws, regulations and company policies pertaining to requirements that products be suitable for the purchaser.

#### **4. COMPANY RIGHT OF ACTION**

We are not obligated to accept any business produced by you or by an assigned producer. We may reject applications for insurance without specifying the reason therefor, as well as settlements tendered or made thereunder, or cancel any policy for any reason and return the premium thereon or any part thereof.

We in our sole discretion may at any time and from time to time do the following:

- (i) modify or amend any policy form;
- (ii) fix or change maximum and minimum limits on the amount for which any policy form may be issued;
- (iii) modify or alter the conditions or terms under which any policy form may be sold or regulate its sale in any way;
- (iv) discontinue or withdraw any policy form from any geographic area or market segment, without prejudice to continuation of such form in any other area or market segment; or
- (v) cease doing business in any area.

#### **5. COMPENSATION**

For each policy sold by you, we will pay you commissions as set forth in the applicable Commission Rate Schedule. You may also be eligible for compensation under other programs established by us from time to time. Payment of commissions and any other compensation will be subject to the terms and conditions of this Agreement and to our rules and regulations in effect from time to time. Such rules and regulations may be changed by us at any time without notice and without your consent.

The commissions and any other compensation payable by us to you will be payment in full for all services performed by you. Except as we may otherwise agree, you are not entitled to reimbursement for any expenses incurred by you.

##### **5.1 PAYMENT OF COMMISSIONS AND OTHER COMPENSATION**

**General** - The "applicable Commission Rate Schedule" means the Commission Rate Schedule published by us from time to time for the type of policy involved. Commission Rate Schedules are subject to change without notice. Copies may be obtained at any time.

**Repayment of Commissions** - If any commission or other compensation to which you are not entitled under the terms of this Agreement is paid to or retained by you, you will pay the same to the Company upon demand. If we refund premium or return contract values or waive surrender charges on any contract for any reason, then no commissions will be payable with respect to said premiums and any commissions previously paid must be returned to us. In case of any provision requiring a refund of commissions or other compensation, we may, at our election, debit your account for the amount of the refund without demand or notice, or may demand the refund, or both, but debiting your account in such manner will not relieve you of your obligation to make the refund.

**Changes in Compensation** - We reserve the right to change the rate of commissions and/or any other compensation payable under this Agreement. Any such change will apply only to policies issued or other triggering events occurring after the effective date of the change.

**When Due** - Commissions will be paid in accordance with our normal commission processing schedule. Commissions will be payable only on premiums paid in cash to and accepted by us on policies which were produced by you. No premium will be considered paid in cash to the Company until it has been actually collected and transmitted to us and recorded on our records. Commissions and other compensation will accrue only as such premiums otherwise would become due. Premiums may include fees or charges that are not commissionable.

**Commissions Paid in Advance** - If we pay you a commission or other compensation on a premium which is or becomes due but which has not yet actually been paid to the Company, and if such premium is not paid in cash to the Company, you will refund any commission or other compensation which you have received on such premium.

**Split Commissions** - If an application is procured by you and other agents of the Company, the commission will be divided among you and the other agents as indicated in the new business application unless the Company receives written instructions to the contrary signed by you and each other agent.

**Conditions** - Commissions and any other compensation under this Agreement will be payable to you only if and so long as you are in existence and are continuously and properly licensed and appointed in accordance with applicable state laws and regulations to transact insurance business for us and we may legally pay such commissions and other compensation.

**Accounting Year** - We reserve the right at any time and from time to time, without notice to you, to change the period comprising our accounting year or subdivisions thereof.

**Securities Products** - We will not pay commissions to you for selling our securities products that are listed in an agreement that is in effect between the Company, its principal underwriter, and a broker-dealer of which you are a registered representative, except that we may elect to do so if we are an affiliate of your broker-dealer. In the event that your broker-dealer requires fixed product commissions to be paid directly to the broker-dealer, commissions due under this Agreement will be paid to the broker-dealer. In either case, payment by us to your broker-dealer will fully discharge us of our obligations with respect thereto.

**Your Account** - We will send you periodic statements of your account. If the net amount due to you at any time is less than the amount specified by us from time to time, commissions will not be paid until this amount is reached.

**Replacement** - It is further understood that no commissions are payable on a policy which replaces, exchanges, or terminates another policy of the Company unless such replacement is accomplished in accordance with the Company rules in force at that time. The understandings in this paragraph will not apply to the sale of any products for which you have entered into a separate agreement with the Company.

## **5.2 NO VESTING**

Upon termination of this Agreement, with or without cause, payment of commissions shall cease immediately.

## **6. LIEN AND OFFSETS**

You grant us a first lien on all commissions and any other compensation payable by us to you under this Agreement or under any other existing or future agreement with us, as security for the payment of any existing or future debit balance or other indebtedness of yours to us. We may at any time and from time to time, with or without notice or judicial action, exercise our lien by offsetting such indebtedness against any commissions and other compensation otherwise due to you. These liens shall not be extinguished by the termination of this Agreement or any other agreement.

All debit balances and other indebtedness of yours to us will be debited to your account, but debiting your account will not relieve you of your obligation to repay the indebtedness. You may not offset against any such indebtedness any compensation accrued or to accrue under this Agreement or under any other agreement with us.

You will be liable to us for payment of any debit balance of an assigned producer, whether or not incurred by reason of a wrongful act of the assigned producer, including indebtedness incurred in connection with the conduct of business under this agreement. All debit balances or other indebtedness owed to the Company by an assigned producer will be debited to the assigned producer's account.

In the event we recover from you any debit balance or other indebtedness of an assigned producer, we will assign to you our rights against the assigned producer with respect to such debit balance or other indebtedness to enable you to pursue recovery from the assigned producer.

While an assigned producer has a debit balance for which you are responsible, we will not pay any commissions or other compensation on business produced by the assigned producer while operating under your supervision which may accrue to the assigned producer's account without your consent. At any time in our sole discretion, we may debit your account with the debit balance of the account of any assigned producer, and such action may be taken whether or not we have endeavored to secure payment of the debit balance from the assigned producer. If we elect to debit your account with the debit balance of an assigned producer's account, then any credit thereafter accruing to such assigned producer's account will in like manner be reflected as a credit to your account.

We will be under no obligation to pay any commissions or other compensation to you, your heirs, executors, administrators or assigns, under this Agreement or under any other existing or future agreement with us now or hereafter existing as long as your account has a debit balance. Any debit balance of your account shall be payable to us upon demand and shall bear interest, payable monthly, at the rate declared by us from time to time. Any future change in interest rate may, at our option, be applied to the then remaining balance of any debit balance theretofore created as well as to debit balances thereafter created.

## **7. DISPUTES AND LITIGATION**

Both parties agree to cooperate fully with each other in the resolution of all matters arising out of the business of this Agreement. We also agree that any disputes between you and us will be settled through binding arbitration.

## **7.1 COMPLAINTS AND CLAIMS**

You agree to notify us promptly of any complaint, claim or dispute involving an applicant, policy, policyholder or producer.

You will not litigate any dispute with an applicant or policyholder, on any matter relating to the business of this Agreement, without our prior written consent.

We may settle any claim against us or you arising out of the business of this Agreement. If you disagree with our settlement, you may seek arbitration pursuant to Section 7.2.

## **7.2 DISPUTE RESOLUTION**

The parties agree that this Agreement involves "commerce" within the meaning of the Federal Arbitration Act, and that any dispute between the parties arising out of or related to this Agreement will be resolved by binding arbitration in accordance with this Section and the rules for arbitration of commercial disputes of the American Arbitration Association. The arbitration will take place in St. Petersburg, Florida, unless we and you mutually agree to another location. The arbitration will be determined by one neutral arbitrator as agreed upon by the Company and you. If the parties fail to appoint an arbitrator on a timely basis or are unable to agree on the choice of an arbitrator on a timely basis, the arbitrator will be appointed by the office of the American Arbitration Association in the city where the arbitration takes place, or by another mutually agreeable arbitration service. The arbitrator's decision will be binding on the parties and the decision will be final with no right of appeal. The award of the arbitrator may be entered as a final judgment in any court which has jurisdiction thereof. The cost of arbitration, including the fees of the arbitrator, will be borne by the party or parties as the arbitrator decides.

EACH PARTY HERETO HEREBY WAIVES THE RIGHT TO A TRIAL BY EITHER A JURY OR A COURT, INCLUDING BUT NOT LIMITED TO A TRIAL OF ANY ISSUE CONCERNING THE VALIDITY OF THIS SECTION 7.2 OR ANY PORTION THEREOF, AND THE RIGHT OF APPEAL FROM THE ARBITRATOR'S AWARD. EACH PARTY HERETO WAIVES ANY CLAIM TO RECOVER PUNITIVE DAMAGES AND NON-COMPENSATORY DAMAGES AGAINST THE OTHER PARTY.

## **8. TERMINATION AND SUSPENSION**

We or you may terminate this Agreement at any time, with or without cause, immediately upon written notice mailed to the other party. Your death, bankruptcy or dissolution will automatically terminate this Agreement.

Upon notice to you, we may suspend your authority to act under this Agreement.

From time to time, we may establish minimum production requirements applicable to this Agreement.

## **9. MISCELLANEOUS PROVISIONS**

Certain provisions of this Agreement are emphasized for the convenience of the reader. Nevertheless, all provisions apply equally. The headings and titles of paragraphs contained in this Agreement are for convenience only and have no effect upon the construction or interpretation of any part of this Agreement.

### **9.1 ENTIRE AGREEMENT**

This Agreement contains the entire agreement of the parties relating to the sale of the policies. This Agreement, as of its effective date, revokes and supersedes any previous agreement or arrangement between the parties relating to the sale of the policies.

### **9.2 AMENDMENTS**

We will not be bound by any promise, agreement, understanding or representation heretofore or hereafter made unless the same is made by an instrument in writing, signed by one of our officers, which expresses by its terms an intention to modify this Agreement.

### **9.3 FORBEARANCE**

Forbearance or neglect on the part of the Company to insist upon compliance with the terms of this Agreement or the rules and regulations of the Company shall not be construed as or constitute a waiver thereof.

#### **9.4 AGREEMENT NON-ASSIGNABLE**

You may not assign this Agreement or any of the rights, authorities and benefits provided hereunder without our prior written consent.

#### **9.5 SEVERABILITY**

This is a severable agreement. If any provision of this Agreement would require or permit a party to take action prohibited by applicable federal or state law or prohibit a party from taking action required by applicable federal or state law, then it is the intention of the parties hereto that such provision shall be enforced to the extent permitted under the law, and, in any event, that all other provisions of this Agreement shall remain valid and duly enforceable as if the provision at issue had never been a part of this Agreement.

#### **9.6 INDEPENDENT AGREEMENT**

The compensation provided by this Agreement is separate from any compensation or consideration provided under any other agreement you may have with us or with one of our affiliates. Except as set forth in our applicable rules and regulations, your activities under this Agreement will not be taken into account for purposes of any compensation or benefits under any such agreement.

#### **9.7 APPLICABLE LAW**

This Agreement shall be construed in accordance with the laws of the State of Florida, without giving effect to principles of conflict of laws.

#### **9.8 SURVIVAL**

The following provisions (including all subparts thereof) will survive the termination of this Agreement: Sections 2.3, 3, 3.8, 5, 6, 7, 9.4, 9.5, 9.6, 9.7.

#### **9.9 EXECUTION**

This Agreement will be of no force or effect unless countersigned on behalf of the Company by an authorized representative of the Company in the space provided below. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument.

#### **10. CORPORATIONS; PARTNERSHIPS**

The additional provisions set forth below will apply if you are a corporation, partnership, or any entity other than an individual.

##### **10.1 OFFICIAL ACTIONS**

You may designate one or more individuals to deal with us on your behalf. Such designation must be made by your board of directors if you are a corporation or by any general partner if you are a partnership. In the absence of a designation, we may (but are not obligated to) deal with your president or any vice president (if you are a corporation) or any general partner (if you are a partnership).

##### **10.2 CHANGES**

You agree to inform us of any changes in your legal structure, and of any changes in your officers or partners. You also agree to inform us of any transfer of your stock or partnership interests.

##### **10.3 STATUS**

We may, from time to time, require you to provide us with evidence of your continued existence and good standing.



By signing below, you certify that: you are not in violation of the Violent Crime Control and Law Enforcement Act of 1994 (the "1994 Crime Act") if the Company enters into this Agreement with you and that you will immediately advise the Company of any situation that would cause you to be in violation of the 1994 Crime Act. You have read and understand the Company's Code of Professional Conduct and agree to abide by its terms. You agree to foster high standards of ethical behavior and to adhere to the Company's policies and procedures concerning the sale of our insurance products. You acknowledge that you have read and understand this Agreement, and agree to be bound by its terms.

**COMPLETE SECTION 1 OR 2 OF THE FOLLOWING:**

**1. INDIVIDUAL PRODUCER**

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address-Street

\_\_\_\_\_  
City, State, Zip

**Note:** If completing section **2**, the Guaranty portion must be completed in order to process the agreement.

**2a. NON-INDIVIDUAL PRODUCER**  
(Corporation, Agency, etc.)

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Printed Name of Authorized Officer

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Tax Identification Number

\_\_\_\_\_  
Address – Street

\_\_\_\_\_  
City, State, Zip

**2b. GUARANTY**

The undersigned hereby unconditionally guarantees the full and timely payment of any and all indebtedness of the Non-Individual Producer to the Company.

\_\_\_\_\_  
Printed Name of Authorized Officer

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Contract

**WESTERN RESERVE LIFE  
ASSURANCE CO. OF OHIO**  
570 Carillon Parkway  
St. Petersburg, FL 33716-1202

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Contract



## AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)

Company Name: Western Reserve Life Assurance Co. of Ohio	
I hereby authorize Western Reserve Life ("WRL") to initiate credit entries to my CHECKING account indicated below at the financial institution ("DEPOSITORY") named below.	
DEPOSITORY NAME:	BRANCH:
CITY:	STATE & ZIP:
ROUTING NO.:	ACCOUNT NO.:
<p>This authorization is to remain in full force and effect until WRL has received written notification from me of its termination in such time and in such manner as to afford WRL and DEPOSITORY a reasonable opportunity to act on it. All below fields should be completed and N/A should be used for fields that do not apply.</p> <p>Commissions can be paid to either a business entity or to an individual. To have commissions paid to a business, include the business name and Tax Identification number (TIN). To have commissions paid to an individual, please include your Social Security number (SSN). The information provided below is subject to review and is based upon the WRL contract in place.</p>	
BUSINESS ENTITY/ INDIVIDUAL NAME:	TIN/SSN:
ADDRESS:	AGENT/BROKER #:
CITY:	STATE & ZIP:
PHONE:	FAX:
EMAIL:	
DATE:	SIGNATURE:

### **PLEASE FOLLOW THESE STEPS:**

- Complete the authorization form above
- Attach a voided check (other than a starter check) from your individual or business checking account
- Return BOTH the authorization form and your voided check to:

Western Reserve Life  
Attn: WRL Compensation MB 335W  
PO Box 5068  
Clearwater, FL 33758-5068

**OR** FAX to 727-299-1765  
Attn: WRL Compensation

- **Keep a copy of this form for your records**



# PRODUCER APPOINTMENT APPLICATION

Western Reserve Life Assurance Co. of Ohio  
P.O. Box 5068  
Clearwater, FL 33758-5068  
800-443-9975, ext. 6564  
Fax 727-299-1864

Internal Use Only:

W/S  
Name: \_\_\_\_\_

W/S #: \_\_\_\_\_

Please print legibly in black ink (or type), complete form in its entirety, and sign.

PERSONAL DATA			
LAST: _____ FIRST: _____ MI: _____			DATE OF BIRTH _____
BUSINESS TELEPHONE ( ) _____	HOME TELEPHONE ( ) _____	FAX # ( ) _____	
SOCIAL SECURITY NO. _____	BROKER-DEALER AFFILIATION _____	SEX ^ Male ^ Female	PROFESSIONAL DESIGNATIONS ^ CFP ^ ChFC ^ CLU ^ FLMI
INTERNET E-MAIL ADDRESS: _____ (Please provide e-mail address as Licensing & Compensation communicates electronically with agents whenever possible. Email messages sent in clear text over the public Internet <i>can</i> be observed by an unintended third party. If you wish to keep your information private, please <b>do not send sensitive personal information or requests for sensitive personal information via e-mail</b> for any reason. If you have inquiries regarding your personal information, you may contact us via telephone, fax or letter.)			
BUSINESS ADDRESS (If mailing address is a P.O. Box, please provide street address for shipping purposes)			
STREET: _____		STE #: _____	
CITY: _____		STATE: _____	ZIP: _____
SHIPPING ADDRESS ( if different than Business Address)			
STREET: _____		STE#: _____	
CITY: _____		STATE: _____	ZIP: _____
HOME ADDRESS			
STREET: _____		APT #: _____	
CITY: _____		STATE: _____	ZIP: _____

FIXED BUSINESS ONLY	
If contracts governing fixed business are to be issued and commissions disbursed under a corporation, partnership, or agency please complete the following:	<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other <input type="checkbox"/> LLC <input type="checkbox"/> Agency/DBA
Name _____	
Tax ID # _____	Is Corporation/Partnership/Agency insurance licensed? <input type="checkbox"/> YES <input type="checkbox"/> NO    If yes, where? _____

LICENSE INFORMATION
NON-RESIDENT APPOINTMENTS DESIRED: _____

FINANCIAL INFORMATION		(FAILURE TO ANSWER QUESTIONS OR DISCLOSE INFORMATION MAY RESULT IN A DELAY IN PROCESSING YOUR APPOINTMENT.)	
		YES	NO
A.	Have you personally or a firm that you exercised management control over, or owned 10% or more of the securities of, failed in business, made a compromise with creditors, filed a bankruptcy petition or been declared bankrupt? <b>(Attach copy of original filing and/or discharge.)</b> .....	^	^
B.	Have you been convicted of, or pleaded guilty or nolo contendere ("no contest") to a felony or misdemeanor involving: insurance, investments or a related business, fraud, false statements or omissions, wrongful taking of property, or bribery, forgery, counterfeiting or extortion, or breach of trust? <b>(Attach complete details for "yes" answers.)</b> .....	^	^
C.	Have you been convicted of, or pleaded guilty or nolo contendere ("no contest") to any other felony or misdemeanor? <b>(Attach complete details for "yes" answers.)</b> .....	^	^
D.	Has any State Insurance Department, any other State or Federal Regulatory Agency, or the SEC, FINRA or any other Self Regulatory Agency ever entered an order against you relative to a violation of insurance or investment-related regulations or statutes? <b>(Attach complete details for "yes" answers.)</b> .....	^	^
E.	Has any State Insurance Department or other State or Federal Regulatory Agency ever denied, suspended or revoked your license or registration? <b>(Attach complete details for "yes" answers.)</b> .....	^	^
F.	Do you have any unsatisfied judgments or liens, including tax liens, against you? <b>(Attach complete details for "yes" answers, i.e. a copy of IRS repayment schedule, etc.)</b> .....	^	^
G.	Has a bonding company denied, paid out on or revoked a bond for you? <b>(Attach complete details for "yes" answers.)</b> .....	^	^

### PRODUCER CONDITIONAL AGREEMENT

If Western Reserve Life Assurance Co. of Ohio (hereinafter referred to as the Company) consents to my appointment as an insurance agent, I agree to be bound by the following conditions:

1. Unless I hold a personal contract with the Company which governs fixed insurance products, the Company has no obligation to me for commissions or any form of compensation whatsoever in connection with the services performed and expenses incurred by me in the solicitation of applications for insurance products issued by the Company, it being expressly understood that I shall be compensated pursuant to a separate agreement between me and my current Broker-Dealer or Agency and I shall have no right, remedy or recourse against the Company for any compensation. Unless otherwise notified by the Company in writing, this Agreement shall remain in effect upon my transfer to another Broker-Dealer or Agency having a Selling Agreement in effect with the Company, provided my appointment with the Company has not been terminated. It is further understood that no commissions are payable on a policy which replaces, exchanges, or terminates another policy of the Company unless such replacement is accomplished in accordance with the Company rules in force at that time. The understandings in this paragraph shall not apply to the sale of any products for which I have entered into a separate agreement with the Company.
2. I shall comply with the rules and regulations of the Company as they may be established from time to time, and the laws of the states in which I am licensed and the regulations of the Department of Insurance of each such state, including, but not limited to, keeping in force all licenses and permits for the solicitation of insurance.
3. I shall not alter, modify, waive or change any of the terms, rates or conditions of any advertisements, receipts, policies or contracts of the Company in any respect. I shall not use any advertising or sales material relating directly or indirectly to the Company or the Company's products unless it is provided by the Company or approved by the Company in writing prior to use.
4. I shall not deliver any insurance policy until the initial premium for such policy has been paid and I shall personally deliver any annuity or life contract personally written by me within thirty (30) days from the postmark date such policies are mailed by the Company.
5. I shall promptly remit to the Company any and all monies received by me on behalf of the Company as payments on annuities or life insurance policies, and I have no right or authority to receive or collect monies for and on behalf of the Company at any time or for any purpose except the initial premium necessary to put the annuity or insurance policy in force.
6. The Company may, with or without cause and without liability to me whatsoever, cancel my appointment at any time, and upon termination of this Agreement I shall immediately deliver to the Company all records, sales and advertising material, stationery, business cards, computer software and other supplies connected with the Company's business.
7. I shall comply with the concepts in the Company's Code of Professional Conduct, abide by the Company's Privacy Principles and the Compliance Bulletin WRL 01-14, and hereby acknowledge that I have received copies of these items. I also acknowledge and agree to comply with the Company's anti-money laundering policies as contained in the Compliance Bulletin, as such policies may be modified from time to time. I understand that if I make telephone calls for the purposes of selling goods, services, investments, property, etc. I must obtain access to the national and any state specific Do-Not-Call registries in my own right, and must maintain my own company-specific Do-Not-Call list.

- I hereby request that the Company apply for my license and/or appointment to represent the Company as an insurance agent in my resident state and the non-resident state(s) indicated.
- I further certify that the information contained in this application is true and complete to the best of my knowledge and belief.
- I have received the "Investigative Consumer Report Disclosure" and "A Summary of Your Rights Under the Fair Credit Reporting Act".
- **If I have been notified by the IRS that I have previously given an incorrect taxpayer identification number, my signature below constitutes my certification under penalties of perjury to the following: (1) the taxpayer identification number on this form is my correct taxpayer identification number; and (2) I am not subject to backup withholding; and (3) I am a U.S. person (including a U.S. resident alien).**

**I acknowledge that the IRS does not require my consent to any provision of this form other than the certification required to avoid backup withholding.**

#### **AUTHORIZATION FOR RELEASE OF INFORMATION**

To Whom it May Concern:

I hereby authorize any employer, insurance company, managing agent, educational institution, financial institution, consumer reporting agency, criminal justice agency, insurance department or individual having any information relating to my activities to release such information to the Company, or any affiliated company, or any consumer reporting agency acting for and on behalf of the Company or for and on behalf of any other affiliated company. This information may include, but is not limited to, employment and job performance history, academic records, credit records, disciplinary, arrest and conviction records, and personal history, including information as to character, general reputation and mode of living.

I agree that a photographic, electronic, or computer imaged copy of the authorization shall be valid as the original and is valid and acceptable for the duration of my appointment with the Company.

<div style="border-bottom: 1px solid black; margin-bottom: 10px; text-align: center;">(Signature – Full Name)</div> <div style="border-bottom: 1px solid black; text-align: center;">(Print Name)</div>	<div style="border-bottom: 1px solid black; margin-bottom: 10px; text-align: center;">(Date)</div> <div style="border-bottom: 1px solid black; text-align: center;">(Social Security Number)</div>
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**WESTERN RESERVE LIFE ASSURANCE CO. OF OHIO**  
**Administrative offices: P.O. Box 5068, Clearwater, FL 33758-5068**

### **INVESTIGATIVE CONSUMER REPORT DISCLOSURE**

Federal law requires you be advised that in connection with your application for appointment with Western Reserve Life Assurance Co. of Ohio ("WRL") for the purpose of selling its products, a consumer report and/or investigative consumer report may be prepared, whereby information is obtained through credit reporting agencies, previous employers, and regulatory, state and local law enforcement databases and others. Such information is used along with other criteria to help evaluate suitability for representing WRL's products.

You have a right to request disclosure of the nature and scope of the investigation upon written request to our Administrative Office made within a reasonable time after the receipt of this notice. A Summary of Your Rights under the Fair Credit Reporting Act is attached hereto.

*Para informacion en espanol, visite [www.ftc.gov/credit](http://www.ftc.gov/credit) o escribe a la FTC Consumer Response Center, Room 130-A 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.*

### **A Summary of Your Rights Under the Fair Credit Reporting Act**

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to [www.ftc.gov/credit](http://www.ftc.gov/credit) or write to: Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
  - a person has taken adverse action against you because of information in your credit report;
  - you are the victim of identify theft and place a fraud alert in your file;
  - your file contains inaccurate information as a result of fraud;
  - you are on public assistance;
  - you are unemployed but expect to apply for employment within 60 days.In addition, by September 2005 all consumers will be entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.ftc.gov/credit](http://www.ftc.gov/credit) for additional information.
- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.ftc.gov/credit](http://www.ftc.gov/credit) for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need -- usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.ftc.gov/credit](http://www.ftc.gov/credit).
- **You may limit "prescreened" offers of credit and insurance you get based on information in your credit report.** Unsolicited "prescreened" offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPTOUT (1-888-567-8688).
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.ftc.gov/credit](http://www.ftc.gov/credit).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. Federal enforcers are:**

TYPE OF BUSINESS:	CONTACT:
Consumer reporting agencies, creditors and others not listed below	Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 1-877-382-4357
National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219 800-613-6743
Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)	Federal Reserve Board Division of Consumer & Community Affairs Washington, DC 20551 202-452-3693
Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)	Office of Thrift Supervision Consumer Complaints Washington, DC 20552 800-842-6929
Federal credit unions (words "Federal Credit Union" appear in institution's name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 703-519-4600
State-chartered banks that are not members of the Federal Reserve System	Federal Deposit Insurance Corporation Consumer Response Center, 2345 Grand Avenue, Suite 100 Kansas City, Missouri 64108-2638 1-877-275-3342
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission	Department of Transportation, Office of Financial Management Washington, DC 20590 202-366-1306
Activities subject to the Packers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator - GIPSA Washington, DC 20250 202-720-7051



**CODE OF PROFESSIONAL CONDUCT  
FOR DISTRIBUTORS AND EMPLOYEES  
OF**

**Western Reserve Life Assurance Co. of Ohio (the “Company”)  
(Retain for your files)**

As a Company, we are committed to treating our customers fairly and ethically. Our distributors are the individuals and firms authorized to sell our insurance products. You have a responsibility to treat our customers fairly and ethically. Our employees who support our agents, brokers and representatives, and serve our mutual customers share that responsibility and trust. As distributors and employees, we will apply the following principles and policies of our Code of Professional Conduct.

**PRINCIPLES**

**The Company commits itself, in the sale of its insurance products:**

- To conduct business according to high standards of honesty and fairness and to treat our customers as we would expect to be treated.
- To provide competent and customer-focused sales and service.
- To compete fairly.
- To provide advertising and sales material whose content is clear, honest and fair.
- To handle customer complaints and disputes fairly and promptly.
- To maintain a system of supervision and review reasonably designed to achieve these principles.

**It is the policy of the Company, in the sale of its insurance products, to:**

Meet the Needs of its Customers

It is the policy of the Company to market and sell products which meet our customers’ insurable needs or financial objectives.

The Company encourages its distributors to assist customers in determining the customers’ insurable needs and financial objectives in the marketing and sale of its products, including through the use of appropriate fact-finding tools.

It is the policy of the Company to comply with all laws and regulations applying to the marketing and sale of its products.

Use Qualified and Trained Distributors and Employees

The Company will have appropriate criteria and qualifications for selecting its agents, brokers, and representatives and will appoint, employ and contract with only those agents, brokers or representatives who meet those qualifications.

The Company will ensure that agents, brokers, and representatives are licensed, appointed (where necessary), and meet other applicable state requirements prior to soliciting the Company’s products.

It is the policy of the Company that agents, brokers, representatives and employees involved in the process of selling its insurance and other products receive adequate training to help customers meet their insurance needs or financial objectives.

The Company will provide its agents, brokers and representatives with sales, marketing and/or descriptive materials explaining the insurer’s product features and operations and will permit only materials approved by the Company to be used in the sale of its products.

The Company will provide or make available to its agents, brokers, representatives and employees involved in the sales process, periodic training on compliance with laws and regulations and the Insurance Marketplace Standards Association (“IMSA”) Principles and Code of Ethics, and training on selling with the customers’ insurable needs and financial objective in mind.

The Company will encourage participation in periodic continuing education programs or the use of educational communications, for agents, brokers, representatives and employees involved in the sales process.

#### Compete Fairly

The Company will encourage fair competition in the marketing and sales of its products and provide guidance on the meaning of the term “fair competition.” To accomplish this, the Company, and, where appropriate, its agents, brokers and representatives will:

- comply with the applicable state and federal laws fostering fair competition;
- establish and communicate guidelines designed to help agents, brokers, representatives and employees involved in the sales process to understand the meaning of fair competition;
- refrain from making deceptive or misleading criticism, disparagement or characterizations of a competitor’s products;
- refrain from replacing or encouraging replacement of existing policies and annuity contracts without first communicating to the customer, clearly, accurately and fairly, information that the customer needs to determine whether such replacement of existing policies or contracts may or may not be appropriate; and
- establish procedures for monitoring replacements which include a system for tracking, identifying and addressing deviations from the Company’s guidelines on replacements.

#### Sell Fairly and Use Clear and Accurate Sales Materials

The Company, its agents, brokers and representatives will, in the sale and solicitation of its products, provide customers with information necessary to make buying decisions that are appropriate to the customer. The Company, its agents, brokers and representatives will include in sales materials and presentations:

- a description of the benefits provided and, where applicable, how those benefits supplement or
- replace existing coverage; and
- information about any limitations of coverage, fees, charges, or penalties.

The Company will use materials in the sale of its products that are clear and understandable, and that have been reviewed and approved by the Company for compliance with applicable laws, regulations and the IMSA Principles and Code of Ethics.

Where sales illustrations or other representations are used, in addition to reviewing the materials for compliance with applicable laws, regulations and IMSA Principles and Code of Ethics, the Company will provide clear, understandable, and complete disclosure about the premiums, costs, values, benefits, and appropriately disclose guaranteed and non-guaranteed elements.

#### Appropriately Handle and Monitor Complaints

The Company will have procedures for tracking, responding to, analyzing and working towards eliminating the root cause of complaints received from customers and regulators. These procedures will ensure compliance with all applicable laws and regulations, including guidance on:

- providing responses to complaints within the regulatory time frame;
- responding to discovered patterns in complaints and taking steps to prevent any conduct resulting in repeated complaints;
- responding directly to the issues raised in a customer or insurance complaint;
- reducing the need for future communication on the same complaint; and
- facilitating customer communication and feedback in all aspects of the Company's operations.

#### Supervision and Policy Enforcement

The Company will establish, enforce, follow, and monitor policies and procedures to ensure compliance with this Code of Professional Conduct, all other Company compliance policies and procedures, the IMSA Principles and Code of Ethics, and applicable laws and regulations.

The Company will assign supervisory responsibilities to its officers, employees, agents, brokers or representatives, as appropriate, to reasonably assure compliance with the policies and procedures of this Code of Professional Conduct, all other Company compliance policies and procedures, the Principles and Code of Ethics of IMSA and applicable laws and regulations.

The Company will train its employees involved in the sales process and make available training for its agents, brokers and representatives, on this Code of Professional Conduct, and all other Company compliance policies and procedures, the Principles and Code of Ethics of the IMSA and applicable laws and regulations.

The Company will have policies and procedures to conduct reviews or internal audits of the Company's compliance policies, procedures, and practices, including a procedure for monitoring the sales practices of agents, brokers, representatives and employees involved in the sales process.

**PRIVACY PRINCIPLES  
FOR  
WESTERN RESERVE LIFE ASSURANCE CO. OF OHIO**

In the conduct of our business, it is necessary to obtain and use information regarding individuals with whom we do business. To protect the individual from misuse of personal information, we must continually weigh carefully our need for such information against the individual's right to privacy. The following Principles govern the collection, custody, use and dissemination of personal information concerning those with whom we do business, specifically those to whom we provide insurance coverage and other services, and our own agents and employees.

1. Observe and obey applicable laws and regulations regarding the collection, custody, use and dissemination of personal information including (but not limited to) the Gramm-Leach-Bliley Act ("GLBA"), Securities & Exchange Commission (SEC) Regulation S-P, the rules and regulations thereunder, and relevant state laws and regulations adopted or enacted pursuant thereto (e.g., NAIC Model Laws).
2. Western Reserve Life Assurance Co. of Ohio (WRL) shall, at the start of each customer relationship and at least once annually thereafter, inform customers in writing of WRL's privacy policies, including its policies for collecting, protecting, and sharing personal financial information. WRL and its officers, employees, general agents, agents, brokers, independent producers, third-part administrators, service providers and representatives (including Registered Representatives and Investment Advisor Representatives) shall faithfully follow and adhere to the privacy policies as disclosed to customers.
3. All general agents, agents, brokers, independent producers, representatives and other unaffiliated third-parties acting on our behalf agree that if WRL discloses any nonpublic personal information of any individual, the confidentiality of such information shall be maintained and is prohibited from being used other than to carry out the purpose for which such information was disclosed (such as to market our products or joint products or provide the products and services the individual contracted us to provide.)
4. Make every reasonable effort to ensure that information collected, maintained and acted upon is accurate, relevant, timely and complete.
5. Upon their request, inform individuals what general uses are made of their personal information.
6. Upon their request, inform individuals of the information acted upon in making determinations adverse to them, to the extent permitted by legal or medical prohibitions.
7. Provide an opportunity for an individual to correct or clarify personal information contained in our file regarding that individual.

8. Restrict access to any personal record to those who have a proper authorization or legitimate business, regulatory or legal reason.
9. Willful violation of these Principles by an officer, employee, general agent, agent, broker, independent producer, third-party administrator, service provider and representative will be cause for disciplinary action which could include termination.
10. We expect all officers, employees, general agents, agents, brokers, independent producers, third-party administrators, service providers and representatives and other persons acting in our behalf, to conform to these Principles as to the confidentiality of personal information held by such individuals or by WRL.

Authority: Corporate Privacy Principles (TOL-4 Ed. 9-81), Ed. 1-14-85, Ed. 07-01-01



**Western Reserve Life Assurance Co. of Ohio**  
*Florida Office*

September 26, 2001

WRL01-14

## **INSURANCE COMPLIANCE BULLETIN**

### **ANTI-FRAUD OPERATIONS - MONEY LAUNDERING ACTIVITY**

Money laundering, the illicit conversion of criminal proceeds into seemingly legitimate funds, has become a hot topic in the insurance and securities industries. As banks have adopted procedures that make it more difficult to move illegally derived funds through the banking system, money launderers are increasingly using non-bank financial institutions to launder funds. Proceeds from illicit ventures may be placed in legitimate financial vehicles, such as single premium life policies or annuities, and mutual funds.

The Securities and Exchange Commission, along with the National Association of Securities Dealers and the New York Stock Exchange are now focusing on non-bank financial institutions and have begun examining firms for compliance with anti-money laundering policies and procedures in their efforts to drive down money laundering activities.

Broker-dealers are under particular scrutiny, and their anti-money laundering compliance programs and use of appropriate internal controls are subject to SEC examinations. The SEC expects broker-dealers to have the following provisions in their programs:

1. Written policies and procedures;
2. A Compliance Officer or committee to oversee the program's policies;
3. Management support;
4. Employee training;
5. Inclusion of the money laundering function in all aspects of the firm's business;
6. Auditing of the anti-money laundering program by an internal audit program or suitable third party.

Insurance firms have also become increasingly attractive to money laundering schemes because, historically, they have had fewer regulatory restrictions placed upon them than those applied to other financial institutions. However, variable products do fall under securities restrictions and insurers are now subject to anti-money laundering laws.

Proper monitoring of potential money laundering activities include using guidelines in identifying suspicious customer activity and defining specific measures that need to be taken when suspicious activities are detected. **Please note that all agents are responsible for knowing their customers and need to be aware of RED FLAGS indicating possible money laundering activities involving clients.**

#### **RED FLAGS**

- Ⓜ Money obtained by cashing in a recently purchased policy in the form of partial withdrawals, free look, loans or through falsified claims;
- Ⓜ Transactions which appear to be uncharacteristic with the client's usual personal or business needs and objectives;
- Ⓜ Transactions which are not conducive with standard market activities;
- Ⓜ Payments made in cash, bearer form or involving third parties, especially in small amounts adding up to \$10,000 or more;
- Ⓜ Transactions where the intermediaries identity is undisclosed or their involvement is indeterminate;
- Ⓜ Clients who buy a large single premium policy to be paid from a foreign financial institution;
- Ⓜ Policies where the owners or beneficiaries are foreign, the clients do not want to disclose the identity of the ultimate beneficiary and/or are reluctant to reveal usual application information;
- Ⓜ Policies where premiums are paid by wired funds and then promptly requested to be remitted to third party via check or wire;
- Ⓜ Clients who direct proceeds to a third party outside the U.S. and/or whose business operates in countries notorious as havens for illicit activities;

- ⌘ Clients whose business history is elusive, inconsistent or nonexistent;
- ⌘ Patterns where policy loans are taken out and repeatedly paid back within a short span of time.
- ⌘ Purchases with large numbers of traveler's checks, cashier's checks, or money orders;
- ⌘ Frequent, large redemptions, with the proceeds being sent to an account located in a bank secrecy or money laundering jurisdiction;
- ⌘ Unexplained, or sudden extensive wire activity, especially in accounts that had little or no previous activity;
- ⌘ Large, or frequent wire transfers into customer accounts, immediately withdrawn by check or debit card;
- ⌘ A high level of account activity with very low levels of securities transactions.

The Money Laundering Control Act of 1986 makes laundering money a crime. Under the federal regulation, it is a crime for any person, including an individual or company, to engage knowingly in financial transactions or in the international transportation or transmission of funds, with the proceeds from any of a long list of crimes or specified unlawful activities. Thirty-seven states have also enacted their own money laundering laws.

The Bank Secrecy Act (BSA) prohibits the "structuring" of transactions to avoid the impact of the BSA's reporting thresholds. "Willful blindness" qualifies as "actual knowledge" under the federal statutes, making awareness of "red flags" essential. Under the BSA, securities firms are subject to significant anti-money laundering reporting, record keeping and record retention requirements. Broker-dealers are responsible for:

- Filing Currency Transaction Reports (CTRs) for cash transactions above \$10,000;
- Reporting the transportation of currency or monetary instruments into and out of the US; and
- Reporting foreign financial accounts.

**With money laundering compliance now in the spotlight and additional regulations on the horizon, bear in mind that it is especially important to know your customer!** Keep complete documentation of insurance transactions and the identities of the policyholder and/or purchaser of the policy. For individual policy owners, be sure to have on file the full names, addresses, date of birth, nationality and social security number of the client. For business corporations, be sure to record the full names of the corporate entities, the addresses, and the taxpayer identification numbers of the company.

If you suspect money-laundering activity, make additional inquiries regarding the underlying purpose of the insurance transaction. Refer any suspicious activity to the Market Conduct Compliance Department to further investigate these transactions, and, if appropriate, refer them to law enforcement agencies.

If you have any questions please call the Market Conduct/IMSA Unit at 1-800-443-9975, and ask for Laurie Prindle at extension 3388 or Janet Smithson at extension 3314.

**PLEASE DISCUSS THE CONTENTS OF THIS BULLETIN AT YOUR NEXT COMPLIANCE MEETING. A COPY SHOULD BE MAINTAINED IN YOUR OFFICE WITH ALL OTHER COMPLIANCE BULLETINS AND MEMORANDUMS.**

<p><b>COMMISSION RATE SCHEDULE FOR PRODUCER AGREEMENT FOR FIXED LIFE PRODUCTS</b></p>
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**FREEDOM TERM II (10, 15, 20 and 30 Year Plans) AVAILABLE IN PENNSYLVANIA ONLY**

Commissions Payable

90.00%	of premiums received in the first policy year
2.25%	of premiums received in policy years 2-10

Service Fees

2.25%	of premiums received in policy years 11+
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**SERVICE FEES**

Service Fees are available only while the Agreement remains in effect. Service fees are not eligible for vesting.

**CHARGEBACKS**

There are no chargebacks on this product.

**MISCELLANEOUS**

Commissions are payable on collected premium. This will include the policy fee up to \$250,000 of the face amount.

Unless otherwise noted, compensation for commissionable riders will be the same as the base plan.

Commissions are payable on table ratings, but not on temporary flat extras.

All commissions will be reversed in the event of a "not taken" policy.

No commissions of any kind are payable for a policy that replaces, exchanges or terminates another in-force life policy of the Company or of any other affiliated life insurance company of AEGON USA, Inc. unless such replacement is accomplished in accordance with Company rules in effect at that time. Replacement of a policy sold hereunder is subject to all applicable laws and regulations, including the preparation of appropriate replacement forms and delivery of them to applicants and to the Company. Such forms are to be furnished in the proper format provided by the Company. Commissions on reissued, replaced or converted policies, or for issue ages not published by the Company, are not covered under this Schedule, but may be quoted upon request to the Home Office.

The Company reserves the right to adjust or chargeback commissions for decreases in amounts of insurance not contractually allowed and for amounts of insurance in excess of \$10 million.

Should the Company and Producer or Agency agree to some concession to the normal rules of the Company resulting in a reduction in compensation, such reduction in compensation will be reflected in the total compensation to be paid on the policy.



<p><b>COMMISSION RATE SCHEDULE FOR PRODUCER AGREEMENT FOR FIXED LIFE PRODUCTS</b></p>
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**FREEDOM TERM ROP (20 and 30 Year Plans)**

**Commissions Payable**

90.00% of premiums received in the first policy year.  
2.50% of premiums received in policy years 2-10.

**Service Fees**

2.50% of premiums received in policy years 11+.

**SERVICE FEES**

Service Fees are available only while the Agreement remains in effect. Service fees are not eligible for vesting.

**CHARGEBACKS**

There are no chargebacks on this product.

**MISCELLANEOUS**

Commissions are payable on collected premium. There is no policy fee for this product.

Unless otherwise noted, compensation for commissionable riders will be the same as the base plan.

Commissions are payable on table ratings, but not on temporary flat extras.

All commissions will be reversed in the event of a "not taken" policy.

No commissions of any kind are payable for a policy that replaces, exchanges or terminates another in-force life policy of the Company or of any other affiliated life insurance company of AEGON USA, Inc. unless such replacement is accomplished in accordance with Company rules in effect at that time. Replacement of a policy sold hereunder is subject to all applicable laws and regulations, including the preparation of appropriate replacement forms and delivery of them to applicants and to the Company. Such forms are to be furnished in the proper format provided by the Company. Commissions on reissued, replaced or converted policies, or for issue ages not published by the Company are not covered under this Schedule, but may be quoted upon request to the Home Office.

The Company reserves the right to adjust or chargeback commissions for decreases in amounts of insurance not contractually allowed and for amounts of insurance in excess of \$10 million.

Should the Company and Producer or Agency agree to some concession to the normal rules of the Company resulting in a reduction in compensation, such reduction in compensation will be reflected in the total compensation to be paid on the policy.

**COMMISSION RATE SCHEDULE  
FOR PRODUCER AGREEMENT  
FOR FIXED LIFE PRODUCTS**  
(including attached riders)

**WRL Lifetime**

**Commission Payable**

95.00% of premiums received in the first policy year up to the policy's Target Premium  
2.00% of premiums received in policy years 2+

**On Excess**

2.00% of premiums received in the first policy year in excess of the policy's Target Premium

**Trail Commission**

Trail commissions are not available on this product.

**Chargebacks**

There are no chargebacks on this product.

**Miscellaneous**

Unless otherwise noted, compensation for riders will be the same as the base plan. Commissions are payable on table ratings and temporary flat extras for issue ages under 65. (Commissions will not be paid on table ratings and temporary flat extras for issue ages above 65.)

All commissions will be reversed in the event of a "not taken" policy.

No commissions of any kind are payable for a policy that replaces, exchanges or terminates another in-force life policy of the Company or of any other affiliated life insurance company of AEGON USA, Inc. unless such replacement is accomplished in accordance with Company rules in effect at that time. Replacement of a policy sold hereunder is subject to all applicable laws and regulations, including the preparation of appropriate replacement forms and delivery of them to applicants and to the Company. Such forms are to be furnished in the proper format provided by the Company. Commissions on reissued, replaced or converted policies, or for issue ages not published by the Company are not covered under this Schedule, but may be quoted upon request to the Home Office.

The Company reserves the right to adjust or chargeback commissions for decreases in amounts of insurance not contractually allowed and for amounts of insurance in excess of \$10 million.

Should the Company and Producer or Agency agree to some concession to the normal rules of the Company resulting in a reduction in compensation, such reduction in compensation will be reflected in the total compensation to be paid on the policy.

**COMMISSION RATE SCHEDULE  
FOR PRODUCER AGREEMENT  
FOR FIXED LIFE PRODUCTS**

**WRL TermPlus (10 and 15 Year Plans without ROP; 20 and 30 Year Plans with or without ROP)**

**Commissions Payable**

90.00% of premiums received in the first policy year.

3.00% of premiums received in policy years 2-3. No commissions are payable in policy years 4+.

**CHARGEBACKS**

In the event a policy with a specified amount of \$250,000 or greater is terminated for a reason other than death or policy conversion during the first thirteen months, commissions will be charged back based on the following schedule. Percentages are applied to cumulative compensation at the time of policy termination.

<u>Policy Termination</u>	<u>Chargeback Percentage</u>
1-12 months	75%
13 <sup>th</sup> month	50%
14 <sup>th</sup> month +	0%

**MISCELLANEOUS**

Commissions are payable on policy fees.

Unless otherwise noted, compensation for commissionable riders will be the same as the base plan.

Commissions are payable on table ratings, but not on temporary flat extras.

There are no service fees or trail commissions available on this product.

All commissions will be reversed in the event of a "not taken" policy.

No commissions of any kind are payable for a policy that replaces, exchanges or terminates another in-force life policy of the Company or of any other affiliated life insurance company of AEGON USA, Inc. unless such replacement is accomplished in accordance with Company rules in effect at that time. Replacement of a policy sold hereunder is subject to all applicable laws and regulations, including the preparation of appropriate replacement forms and delivery of them to applicants and to the Company. Such forms are to be furnished in the proper format provided by the Company. Commissions on reissued, replaced or converted policies, or for issue ages not published by the Company are not covered under this Schedule, but may be quoted upon request to the Home Office.

The Company reserves the right to adjust or chargeback commissions for decreases in amounts of insurance not contractually allowed and for amounts of insurance in excess of \$10 million.

Should the Company and Producer or Agency agree to some concession to the normal rules of the Company resulting in a reduction in compensation, such reduction in compensation will be reflected in the total compensation to be paid on the policy.

**COMMISSION RATE SCHEDULE  
FOR PRODUCER AGREEMENT  
FOR FIXED LIFE PRODUCTS**

**WRL FREEDOM INDEX UNIVERSAL LIFE (IUL)**

Commissions Payable

90.00% of premiums received in the first policy year up to the Policy's Target Premium

On Excess

2.50% of premiums received in the first policy year in excess of the Policy's Target Premium and of premiums received in years two (2) through ten (10)

**CHARGEBACKS**

There are no chargebacks on this product.

**COMMISSIONS ON INCREASES TO THE SPECIFIED AMOUNT**

Increases to the initial specified amount of insurance and subsequent increases to the specified amount, (other than an increase caused by a death benefit option change) will increase the Policy's Target Premium as follows:

$$\text{Target Premium Increase} = (\text{Target Premium per unit based on the age of the last birthday at time of increase}) \times \frac{(\text{Specified Amount Increase})}{1,000}$$

Premiums received within one year subsequent to an increase up to the Target Premium Increase will be compensated at the Target Premium rates reflected above. Premiums received subsequent to increases that are in excess of the Target Premium Increase will be compensated at the same commission rate reflected for premiums received in excess of the Policy's Target Premium as reflected above.

If an increase in the specified amount occurs subsequent to a decrease in the specified amount, then the compensation payable on the specified amount increase will only apply to the increase that is in excess of prior decreases. For example, a policy is issued for \$500,000 and then in year 5 is decreased to \$400,000. If in year 8 the policy is increased to \$750,000, compensation will only be paid on \$250,000.

**MISCELLANEOUS**

Unless otherwise noted, compensation for commissionable riders will be the same as the base plan.

Commissions are payable on table ratings, but not on temporary flat extras.

There are no service fees or trail commissions available on this product.

All commissions will be reversed in the event of a "not taken" policy.

No commissions of any kind are payable for a policy that replaces, exchanges or terminates another in-force life policy of the Company or of any other affiliated life insurance company of AEGON USA, Inc. unless such replacement is accomplished in accordance with the Company rules in effect at that time. Replacement of a policy sold hereunder is subject to all applicable laws and regulations, including the preparation of appropriate replacement forms and delivery of them to applicants and to the Company. Such forms are to be furnished in the proper format provided by the Company. Commissions on reissued, replaced or converted policies, or for issue ages not published by the Company, are not covered under this Schedule, but may be quoted upon request to the Home Office.

The Company reserves the right to adjust or chargeback commissions for decreases in amounts of insurance not contractually allowed and for amounts of insurance in excess of \$10 million.

Should the Company and Producer or Agency agree to some concession to the normal rules of the Company resulting in a reduction in compensation, such reduction in compensation will be reflected in the total compensation to be paid on the policy.

## INFORMATION

Execute every line. If not applicable, so indicate.

In consideration of the Insurance Company initiating and/or maintaining one or more Agreements (e.g. Producer, Selling) for the Entity named below, I/We the undersigned, Authorized Persons, certify as follows:

\_\_\_\_\_  
The full title or name of the Entity

Type of Entity: ☐ Corporation ☐ Partnership ☐ Limited Liability Company

If Partnership: ☐ General ☐ Limited ☐ Qualified Retirement Plan ☐ Charitable Organization

\_\_\_\_\_  
The date Entity was established

\_\_\_\_\_  
State where Entity was established

\_\_\_\_\_  
Date of last Amendment to Entity Governing Documents

\_\_\_\_\_  
The Tax Identification Number for the Entity

The Authorized persons may act: ☐ Singly ☐ Jointly

## AUTHORIZED PERSONS

There are no Authorized Person(s) for the Entity other than the undersigned.

I/We agree to inform the Insurance Company in writing, of any amendment to the Entity's Governing Documents, any change in the composition of the Authorized Person(s), or any other event which could materially alter the Certifications made.

The Insurance Company reserves the right to request a copy of the Entity's Governing Documents (e.g. articles of incorporation, bylaws, partnership agreements, operating agreements) and other documents in addition to this executed form when deemed necessary.

The Insurance Company is authorized to accept instruction from those individuals listed below, on behalf of the aforementioned entity.

I/We hereby certify under penalty of perjury that the undersigned are all the Authorized Person(s). (All Authorized Person(s) must sign. Attach extra page if necessary.)

Should only one person execute this agreement, it shall constitute a representation that the signatory is the sole person authorized to act for the entity.

\_\_\_\_\_  
Authorized Person

\_\_\_\_\_  
Authorized Person

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Authorized Person Signature

\_\_\_\_\_  
Authorized Person Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date