

## GENERAL AGENT AGREEMENT

This General Agent Agreement is dated \_\_\_\_\_ and is between LIBERTY LIFE INSURANCE COMPANY, a South Carolina corporation (“Liberty”), and \_\_\_\_\_, a \_\_\_\_\_ (“GA”).  
[GA Legal Entity Name] [State & Type of Entity]

The parties agree as follows:

**1. Appointment and Authority.** (a) *Appointment.* Liberty hereby appoints GA as a subagent of \_\_\_\_\_ (the “Marketing Organization”) to market, solicit applications for, and provide related services regarding the insurance products set forth in **Schedule A** (the “Products”), subject to the terms and conditions of this agreement and the rules and procedures established by Liberty. A contract for a Product that is issued to a consumer is referred to as a “Policy”. Liberty may change or discontinue any Product.

(b) *Authority.* Liberty authorizes GA to (1) solicit and submit applications for Products in accordance with Liberty’s rules and procedures and applicable law, (2) perform all steps necessary to complete the application process, which may include (if specified by Liberty) arranging paramedical examinations, (3) communicate with applicants regarding the status of applications, and (4) recruit and recommend subagents for appointment with Liberty. Additional authority with respect to a particular Product may be set forth in **Schedule A**. GA may exercise this authority only in jurisdictions in which Liberty is licensed to transact insurance, the Products are available, and GA is licensed and appointed with Liberty. Liberty may appoint other agents in this same territory.

(c) *Limits on Authority.* GA has no power or authority to represent Liberty other than as expressly granted by Liberty in this agreement. GA has no authority to alter, modify, waive or change any of the terms, rates or conditions of Liberty’s policies or contracts or extend the time for paying any premiums to Liberty or bind Liberty by making any promises about any policy benefits. GA shall not receive any money due or to become due to Liberty, except in exchange for a printed receipt as authorized by Liberty. GA shall not pay, offer, or permit any rebate of premium as an inducement to any person to purchase any Liberty policy or contract.

(d) *Independent Contractor Status.* GA’s activities under this agreement are that of an independent contractor and nothing contained herein is to be construed to create the relationship of an employer and employee between GA and Liberty. GA is free to exercise independent judgment as to the persons from whom applications for Liberty’s Products are solicited, and the time, place, and manner of solicitation. Liberty may, from time to time, prescribe rules, regulations, and procedures with respect to the conduct of Liberty’s business by GA without interfering with GA’s freedom of action.

**2. Duties.** (a) *Conduct.* GA must be duly licensed and appointed by Liberty, personally or through licensed and appointed agents as appropriate, to solicit applications for Products. GA shall act in accordance with applicable laws and regulations, including without limitation applicable unfair competition laws, replacement regulations, privacy and information security laws and regulations, and do-not-call laws, and adhere to the principles and codes of the Insurance

Marketplace Standards Association, which require the highest degree of ethical market conduct. GA shall keep complete and accurate records of GA's dealings on Liberty's behalf. Before soliciting an application for a Product, GA shall first ascertain the consumer's need for the Product and strive to ensure the product is suitable for that particular consumer. When taking applications for Products, GA shall accurately record all information supplied by an applicant. GA shall hold all moneys collected or received on behalf of Liberty in a fiduciary capacity and promptly deliver all such moneys to Liberty. GA shall provide to applicants for Products all information, disclosures, representations, and materials specified by Liberty. GA shall not give any information or make any representations or statements on behalf of or concerning Liberty other than the information or representations contained in sales literature, promotional material, or other information expressly approved in writing by Liberty.

(b) *Notify Liberty.* GA shall assist Liberty in investigating and responding to any insurance regulatory investigation concerning GA's or its subagents' activities under this agreement. GA shall promptly inform Liberty of any customer or regulatory complaints that concern Liberty's business and of which GA becomes aware. GA shall notify Liberty within one business day of receipt of any revocations or suspensions of any qualification or license of GA or any of its subagents who are appointed with Liberty. GA shall also notify Liberty of any reprimand or fine given by an insurance regulatory authority to GA or any of its subagents who are appointed with Liberty.

(c) *Training and Supervision of Subagents.* GA may recommend subagents to Liberty for appointment to sell the Products. GA shall prepare and submit for Liberty's approval completed agent appointment forms on its recommended subagents. GA shall not allow its subagents to solicit applications for the Products unless they are licensed and appointed with Liberty and have executed separate producer contracts with Liberty; except that a separate contract is not required if the subagent is GA's employee. In any event, GA is responsible for the acts and omissions of its subagents. GA shall supervise GA's subagents to ensure that they adhere to the standards of conduct set forth in this agreement. GA shall train its subagents who are appointed with Liberty to ensure that they become fully informed as to the provisions and benefits of the Products, that they represent the Products adequately and fairly to prospective purchasers, and that they follow Liberty's rules and procedures with respect to Liberty's business.

**3. Advertising.** GA shall not advertise, create, use, or publish Liberty's name, logos, trademarks, rates, products, or services without Liberty's prior written consent. The parties shall comply with all applicable insurance advertising laws and regulations.

**4. Compensation.** (a) *Commissions.* Subject to any offsets described in this agreement, Liberty shall pay GA, either directly or through GA's Marketing Organization, the commissions on premiums for "Settled Policies" that are sold by GA and its licensed and appointed subagents, as set forth in **Schedule B**. A Policy is "Settled" when it is issued and delivered and the first full modal premium is paid, regardless of the payment mode. Liberty may revise **Schedule B** at any time upon written notice to GA. Any change to **Schedule B** does not apply to applications dated before the effective date of the change. The commissions payable under this agreement are compensation in full for all services performed and all expenses incurred by GA.

(b) *Chargebacks.* “Chargebacks” are commissions that GA must repay to Liberty in accordance with **Schedule B** for a Policy that is rescinded or not taken or that terminates for any reason. Unpaid Chargebacks of GA and its subagents are an indebtedness of GA to Liberty. Chargebacks of GA and its subagents will be deducted from the next commission payment due GA. If there are not enough commissions to cover this Chargeback within 30 days, GA shall pay the balance to Liberty in cash within 30 days of Liberty’s written demand for payment. After this 30-day period, any remaining balance will accrue interest at a rate of 8% per year. All payments toward this debt will be applied first to interest and then to principal. GA shall pay all costs and expenses incurred by Liberty in recovering any amount owed by GA, including attorney’s fees and court costs, if any. The amount of these costs and expenses are to be added to the principal balance of GA’s debt to Liberty.

(c) *Adjustments to Commissions.* Commissions are not payable on premiums waived under a waiver of premium provision. Liberty may make adjustments in GA’s compensation for policy exchanges, rewrites, policy changes, conversions, errors and changes in plan, age, amount, or for policies written in excess of Liberty’s retention limits, in accordance with the rules and procedures Liberty establishes from time to time. Liberty shall provide GA with at least 30 days notice of any changes to those rules and procedures.

(d) *Assignment of Commissions.* No assignment of commissions or other compensation under this agreement is valid unless it is made in accordance with applicable state insurance laws and regulations and unless Liberty authorizes and acknowledges it in writing. Liberty assumes no responsibility for the validity or sufficiency of any assignment made by GA.

**5. Indemnification.** GA shall indemnify and defend Liberty from and against any and all losses, claims, demands, liabilities, costs, damages, and expenses (including attorney’s fees) asserted against or incurred or sustained by Liberty arising out of any act, error, or omission of GA, its employees, agents, subagents, or subcontractors in the performance of its duties and obligations under this agreement or the breach of any statute, regulation, agreement, covenant, representation, or warranty by GA, its employees, agents, subagents, or subcontractors. If Liberty seeks indemnification under this agreement, it shall (1) give prompt written notice to GA as to the existence of the indemnifiable event, and (2) provide information, cooperation, and assistance as may be reasonably necessary for the defense of the action or claim. Before GA hires legal counsel to defend Liberty, GA shall obtain Liberty’s written consent (which shall not be unreasonably withheld or delayed) of GA’s choice of legal counsel. GA shall not settle an indemnified claim without Liberty’s written consent, which consent will not be unreasonably withheld.

**6. Liberty’s Property.** If Liberty gives GA access to any computer software or program owned or licensed to Liberty, GA shall not copy or transfer that software or program without Liberty’s prior written permission. All undelivered policies, rate and procedure manuals, applications, printed forms, books, policyholder records, accounts, documents, vouchers, papers, computer disks, computer chips, or other computer software, and all other materials furnished or delivered to GA by Liberty, or otherwise obtained or prepared by GA when acting on behalf of Liberty, belong to Liberty. Upon termination of this agreement, GA shall promptly deliver that property to Liberty.

7. **Audit Rights.** GA shall keep the records related to business produced under this agreement as may be required by Liberty and as required under applicable laws and regulations. GA shall make all accounts, correspondence, or other records pertaining to GA's operation and its subagents' operations under this agreement, available for inspection by Liberty or its representative during business hours. In addition, each party may audit the other during business hours to ensure compliance with Section 10. GA shall also secure the right for Liberty to audit third parties engaged by GA to assist with its obligations under this agreement, where that third party has or had possession of Liberty's Confidential Information.

8. **Errors And Omissions Coverage.** GA shall maintain, at GA's own expense, errors and omissions insurance in the amount of at least \$2,000,000 with a deductible not to exceed \$250,000, covering GA's activities under this agreement. GA shall deliver to Liberty a certificate of insurance evidencing the above insurance coverage upon Liberty's request.

9. **Term; Termination.** (a) *Upon Notice.* This agreement is to continue until terminated as provided in this section. Liberty, GA, or the GA's Marketing Organization with Liberty's prior written consent may terminate this agreement upon 30 days written notice to the other party.

(b) *Upon Death or Dissolution.* This agreement terminates upon dissolution or liquidation of GA, upon death of GA if GA is a natural person, or upon the death of any partner of GA if GA is a partnership.

(c) *For Cause.* Each party may terminate this agreement upon written notice to the other party if the other party (1) becomes bankrupt or insolvent, (2) is disqualified or suspended to do business under any applicable state or federal law where that party's ability to perform its duties under this agreement is materially impaired, (3) commits an act of fraud, dishonesty, misrepresentation or conversion of funds relating to this agreement, (4) commits a material breach of this agreement, or (5) commits a material violation of any federal, state, or local law or regulation applicable to insurance business. Any remedy provided in this agreement for termination under this subsection is cumulative and not exclusive of any and all other rights and remedies available at law or in equity.

(d) *Effect on Commissions.* If this agreement is terminated under subsection 9(a), Liberty shall continue to compensate GA for Policies issued as a result of applications submitted prior to the date of termination. If this agreement terminates under subsections 9(b) or 9(c), commissions will immediately cease and Liberty will not be liable to GA for further compensation under this agreement.

10. **Confidential Information and Privacy.** (a) *Definition.* "Confidential Information" means any information, in whatever format, that is confidential and proprietary to either party, including, without limitation any information about the disclosing party's business or products; the terms of this agreement; the names and information relating to any current, past or prospective customer of the disclosing party; and any other information designated by the disclosing party as confidential. Confidential Information excludes (1) information that is in the public domain without breach of this agreement and without reliance on the Confidential Information and (2)

information a party obtains from a third party without breach of this agreement.

(b) *Duties; Rights.* Each party shall (1) use Confidential Information only for the purpose of fulfilling its duties under this agreement; (2) not disclose any Confidential Information to any third party or to any of its employees or agents except those who need to know it to enable that party to fulfill its duties under this agreement, provided that the party shall take all reasonable measures to ensure that Confidential Information of the other party is not disclosed or duplicated in contravention of the provisions of this agreement by those third parties, agents and employees; (3) implement a written information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of the information, and protect against unauthorized access to or use of the information that could result in substantial harm or inconvenience to any customer; and (4) return to the disclosing party or destroy (at the disclosing party's option) all Confidential Information of the disclosing party in the receiving party's possession or under its control when that information is no longer required for the purposes of this agreement, and confirm to the disclosing party in writing that the receiving party has done so.

(c) *Remedies.* Any breach or threatened breach of this section may result in irreparable harm, an injury for which there is no adequate remedy at law. Therefore, each party may move for any and all appropriate equitable relief including preliminary and permanent injunctions in any court of competent jurisdiction to prevent a breach or threatened breach of this section. This injunctive relief does not preclude a party from seeking other available remedies. When moving for injunctive relief, a party is not required to post bond or, if required to post bond by court order or other operation of law, is only required to post the minimum or nominal bond permitted.

(d) *Compelled Disclosure.* A party may disclose Confidential Information if that party becomes compelled to disclose the Confidential Information pursuant to court or administrative order, legal process, law, or regulation; provided, however, that before disclosure, to the extent allowed by law, and not more than three business days from its receipt of the order or legal process or its decision that a law or regulation compels the disclosure, the compelled party shall notify the other party of the compelled disclosure and shall cooperate with the other party in seeking a confidentiality agreement, protective order, or other protection of the confidentiality of the Confidential Information.

(e) *Unauthorized Acts.* Each party shall (1) notify the other party promptly of any material unauthorized possession, use or knowledge, or attempt thereof, of the other party's Confidential Information by any person or entity which may become known to that party, (2) promptly furnish to the other party full details of that incident, (3) use reasonable efforts to cooperate with the other party in any litigation or investigation deemed necessary by the other party to protect its proprietary rights, and (4) promptly use all reasonable efforts to prevent a reoccurrence of any unauthorized possession, use or knowledge of Confidential Information. Each party shall bear the cost it incurs as a result of compliance with this Section 10(e). The parties shall not commence any legal action or proceeding regarding any unauthorized possession, use or knowledge, or attempt thereof, of the other party's Confidential Information without the consent

of the other party.

**11. No Waiver.** No forbearance or neglect by either party to endorse or insist upon any of the provisions of this agreement is to be construed as a waiver of any rights or privileges. If a party waives any of its rights arising from any default or failure of performance by the other party, this waiver does not modify this agreement, or extend to or affect either party's rights arising from any subsequent default or failure of performance.

**12. Entire Agreement.** This agreement, the attached schedules, and any attached addenda constitute the entire agreement between the parties with respect to the subject matter of this agreement. No amendment or modification of this agreement (except revisions to Schedule B) is binding on any party unless it is in writing and signed by all parties.

**13. Severability.** If any term or provision of this agreement is held to be unenforceable or illegal, that determination is not to affect the validity or enforceability of any other term or provision of this agreement and, to that extent, this agreement will be deemed to be severable.

**14. Governing Law.** The laws of the State of South Carolina govern all matters arising out of this agreement.

**15. Headings.** The headings in this agreement are for convenience only and do not affect its meaning.

**16. Assignment.** GA shall not assign its rights or delegate its duties under this agreement without the express written consent of Liberty. This agreement is binding upon and will inure to the benefit of the parties and their permitted assigns.

**17. Survival.** In addition to those provisions expressly surviving termination or expiration, the terms of Sections 4(b), 5, 7, and 10 are to survive the expiration of this agreement or the termination of this agreement for any reason.

**18. Notices.** The parties shall provide all notices, requests, approvals and consents and other communications required or permitted under this agreement in writing by hand delivery, a nationally recognized overnight courier service, or certified or registered mail (return receipt requested), addressed as follows:

Liberty: Liberty Life Insurance Company  
2000 Wade Hampton Boulevard  
Greenville, SC 29615  
PO Box 1389 (29602-1389)  
Attention: Jim Sharkey

with a copy to the Chief Corporate Counsel  
(same address)

GA: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Notices will be deemed given one day after sent, if sent by overnight courier; when delivered and received for, if hand delivered; or when received for (or upon the date of attempted delivery where delivery is refused) if sent by certified or registered mail, return receipt requested. Either party may change its address for notification purposes by giving the other party notice of the new address and the date upon which it will become effective.

**19. Compliance.** The parties shall fully comply with all applicable local, state, and federal laws, rules, and regulations governing their activities under this agreement. Any provision of this agreement that is in conflict with any applicable law, rule, or regulation is hereby amended to conform to the minimum requirements of that law, rule, or regulation.

**20. Counterparts; Facsimile Execution.** This agreement may be executed in any number of counterparts, all of which taken together constitute one single agreement between the parties. Execution and delivery of this agreement may be evidenced by facsimile transmission.

The parties are signing this agreement on the date stated in the introductory clause.

**LIBERTY:**

Liberty Life Insurance Company

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

**GA:**

\_\_\_\_\_  
[GA Legal Entity Name]

By: \_\_\_\_\_  
[Signature of Authorized Officer]

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

Title: \_\_\_\_\_

## SCHEDULE A

### Products

**RBC LevelTERM<sup>sm</sup>:** 10, 15, 20, and 30-year level term life insurance, Form Nos. RBC-LT (06-04), et. seq. Optional accidental death, children's coverage, and waiver of premium riders, Form Nos. LT-AD (06-04), LT-CR (06-04), and LT-DIS (06-04), respectively.

**RBC ExpressTERM<sup>sm</sup> I:** 10, 15 and 20-year level term life insurance, Form No. ST(01-03), et seq.. Optional accidental death and children's coverage riders, Form Nos. T-AD(01-03) and T-CR(01-03).

With respect to ExpressTerm I, GA may promote Liberty and the product to third-party organizations (such as financial institutions) and assist Liberty in securing joint marketing agreements with such organizations; provided that, if Liberty notifies GA that a particular third party is restricted, GA shall not contact such third party for the purpose of promoting Liberty or the product.

**RBC ExpressTERM<sup>sm</sup> II:** 10, 15, 20, and 30-year level term life insurance, Form No. ST2(04-04), et seq. Optional accidental death and children's coverage riders, Form Nos. T-AD(01-03) and T-CR(01-03).

With respect to ExpressTerm II, GA may promote Liberty and the product to third-party organizations (such as financial institutions) and assist Liberty in securing joint marketing agreements with those organizations; provided that, if Liberty notifies GA that a particular third party is restricted, GA shall not contact such third party for the purpose of promoting Liberty or the product.

The target market for Express Term II consists of standard-risk individuals who are looking for a simplified issue product in a face amount of \$250,000 or less. GA shall not target pools of sub-standard or otherwise impaired risks either individually or in groups. This includes but is not limited to individuals whom GA knows or has reason to know (1) have been rated or declined previously by another carrier; (2) engage in hazardous activities or are employed in hazardous occupations; (3) have a disease or impairment, have sought or have been recommended to seek medical treatment, or have symptoms of or are otherwise suffering from an unknown illness; (4) are not United States citizens, are not domiciled in the United States (even if they maintain a permanent address in the United States) or plan to travel to a politically unstable country; (5) are on active duty in any branch of the military; or (6) are incarcerated or on parole.

## SCHEDULE B

### Compensation

(a) Subject to any offsets described in this agreement, Liberty shall pay GA, either directly or through the GA's Marketing Organization, a percentage of the total first-year premium (excluding the Policy fees) received and accepted by Liberty on Settled Policies as set forth below. Renewal commissions are not payable on any Policies. Liberty and GA may mutually agree for Liberty to pay a portion of the commission directly to GA's subagents for Policies sold by those subagents. If Liberty agrees to directly compensate GA's subagents, GA's compensation will be the difference between the total applicable commission and the commission paid to GA's subagents.

<b>Commissions for Sales by GA or its Subagents</b>	
<b>Product</b>	<b>Rate</b>
RBC LevelTERM 10 & 15 Year	__%
RBC LevelTERM 20 & 30 Year	__%
RBC ExpressTerm I	__%
RBC ExpressTerm II	__%

<b>Commissions for Sales by Third Parties Where GA is the Broker</b>	
<b>Product</b>	<b>Rate</b>
RBC ExpressTerm I	__%
RBC ExpressTerm II	__%

<b>Policy Fees</b>		
<b>Product</b>	<b>Annual Policy Fee</b>	<b>Annual Companion Policy Fee</b>
RBC LevelTERM	\$50	\$35

(b) Liberty may charge back 100% of commissions paid under this agreement (1) on premiums that are refunded and (2) on premiums not yet paid on a Policy that is rescinded or not taken or terminated for any reason (collectively, "Terminated"). In addition, if a Policy Terminates in the first Policy year, Company will charge back to the NMO a certain percentage of commissions paid on premiums that are paid and not refunded, which varies on a monthly basis as set forth in the following table.

	<b>RBCExpress Term II</b>
<b>Month of Policy Termination</b>	<b>Percentage</b>
1	100.00%
2	100.00%
3	100.00%
4	100.00%
5	100.00%
6	100.00%
7	83.33%
8	66.67%
9	50.00%
10	33.33%
11	16.67%
12	0.00%