



DISTRIBUTOR CONTRACT APPLICATION AND AGREEMENT

MGA IMC RM

Agent Number _____
 (Home Office Use Only)

All Questions Must Be Completed.

Full Name _____			Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female
(First Name)	(Middle Name)	(Last Name)	
Business Name _____			
Contract Type: <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Other _____			
Check box for desired mailing address			
<input type="checkbox"/> Resident Address _____			
(Street, City, State, County, ZIP Code)			
<input type="checkbox"/> Business Address _____			
(Street, City, State, County, ZIP Code)			
Resident Phone (____) _____		Business Phone (____) _____ Fax (____) _____	
E-Mail Address _____		License # _____ (attach Photocopy)	
Date of Birth _____		Social Security # _____ or Taxpayer ID # _____	

PLEASE RESPOND TO ALL QUESTIONS FOR YOU PERSONALLY AND ANY ORGANIZATION OVER WHICH YOU HAVE EXERCISED CONTROL. IF YOU ANSWER "YES" TO ANY QUESTIONS, YOU MUST ATTACH AN EXPLANATION WITH ALL RELEVANT INFORMATION AND SUPPORTING DOCUMENTS.

- Yes No Have you ever had your insurance license or securities license suspended or revoked or have you ever had an application for an insurance license denied by any insurance department?
- Yes No Have you ever had a complaint filed against you with an insurance department, NASD or other regulatory agency, or do you anticipate one being filed?
- Yes No Has any claim ever been made against you, your surety company, or errors and omissions insurer arising out of insurance sales or practices or have you been refused surety bonding?
- Yes No Has your contract or appointment ever been terminated involuntarily by an insurer?
- Yes No Are you at the present involved in any litigation or are there any unsatisfied judgments or liens (including state or federal tax liens) against you?
- Yes No Do you currently have a pending bankruptcy or have you ever declared bankruptcy?
- Yes No Have you pled guilty or nolo contendere to or been found guilty of a felony or a crime including but not limited to crimes involving dishonesty, breach of trust, or a violation of any federal law or are you now under indictment?
- Yes No Does any insurer, insured, or other person claim any indebtedness from you as a result of any insurance transactions or business?
- Yes No Are you currently licensed in your resident state? If yes, please attach a copy of your resident license.
- Yes No Are you currently licensed as a non-resident in any state? If yes and you would like to be appointed in that state, attach a copy of that license, and appointment fees.
- Yes No I certify that I have received, understand and will conform with the procedures outlined in the brochures Partnering with You on Compliance Matters.
- Yes No Do you have Errors & Omissions coverage? (Required by North American Company)

PLEASE PROVIDE COPY OF DECLARATION PAGE.

Please indicate other companies with which you are currently licensed: _____	
Do you have a NASD license? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, who is your Broker-Dealer? _____	
What products do you sell? <input type="checkbox"/> Life <input type="checkbox"/> Variable <input type="checkbox"/> LTC <input type="checkbox"/> Group <input type="checkbox"/> Disability <input type="checkbox"/> Senior <input type="checkbox"/> Small Business <input type="checkbox"/> 403(b)	
Annual Earnings: _____	

CONDITIONS AND AGREEMENTS—By signing this application, I hereby acknowledge I have read a specimen copy of the proposed Contract and all applicable supplements and addendums thereto to be entered into between myself and North American Company for Life and Health Insurance (North American). If this application is approved by North American, I agree to be bound by all of the terms and conditions of such contract, supplements and addendums, the terms of which are incorporated into this application by reference. I agree not to solicit business until I have been notified by North American that I am authorized to do so, either by mail or North American's Solicitation Guidelines.

Any marketing materials which have not been provided by North American must be approved by North American prior to their use. I understand that any specimen sales brochures and material I have received are provided only for my personal examination of product provisions and rates.

I understand that the Fair Credit Reporting Act requires North American to notify me that, as a routine part of processing my contract application, a consumer report may be obtained which may include information bearing on my credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living. I authorize North American or any of its affiliates¹ to obtain a consumer report and Vector One report in connection with this application. I further authorize North American or any of its affiliates or their duly authorized representative to contact any organization or individual who has knowledge of my employment history, credit history, financial status, or record of any illegal activity in order to obtain a record of such history, status or activities; and I hereby authorize the release of such information by such organization or individual about any debit balance I may incur to Vector One, its successors, or any organization designated to replace Vector One. I understand that by providing the fax/mail information above, I hereby consent to receive communications sent by or on behalf of Sammons Financial Group.

¹Affiliate means any company owned, directly or indirectly, by Sammons Financial Group, Inc.

I hereby certify that all information and answers given by me on this application are true, and correct without any consequential omissions of any kind.

Signature _____ Date _____

Distributor:

Printed Name: _____ Agent Number _____

By: _____
(Authorized Signature)

North American Company for Life and Health Insurance Approval:

By: _____
(Authorized Signature)

Title: _____

Effective Date of Agreement: _____

The North American Companies endorse and support the concepts in the Principles and Code of Ethical Market Conduct established by the Insurance Marketplace Standards Association (IMSA).

Return pages 1 and 2 for approval by North American. North American will return an executed copy to you upon approval.

Retain pages 3 through 8 for your records.

**NORTH AMERICAN COMPANY FOR LIFE & HEALTH INSURANCE'S
DISTRIBUTOR CONTRACT**

1. RELATIONSHIPS

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

2. AUTHORITY

a) The Distributor agrees to:

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

b) The Distributor may:

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

3. LIMITATION OF AUTHORITY

The Distributor may not:

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

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

4. NACOLAH'S RIGHTS

NACOLAH at any time may:

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

5. COMPENSATION

The Distributor agrees that:

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

6. VESTING

The Distributor agrees that:

- a) except as provided herein, all first year and renewal commissions will vest immediately,
- b) service fees, if applicable, are not vested,
- c) vesting, if any, applies only to business remaining in force after termination of this Contract,
- d) if you are terminated for cause, all commissions no longer vested,
- e) if, after termination other than for cause, commissions are less than \$600 in any calendar year, NACOLAH shall have the option of paying you the "present value" of those commissions and no further commissions shall be due to you under this Contract. "Present Value" as used here means the value of such commissions determined by NACOLAH on the basis of accepted actuarial practices,
- f) if you are appointed as a sole proprietorship and this Contract is terminated by your death or physical disability at a time when commissions are payable to you,
 - i) the Company will continue to pay, for the vesting period specified in this section, such commissions to your legal surviving spouse during his or her life and,
 - ii) thereafter to such persons as your spouse may appoint by will or, in default of appointment, to your spouse's legal representative, and
- g) if this Contract is terminated by your mental disability or if you die leaving no legal surviving spouse, such commissions will be payable to your legal representative or estate.

7. INDEBTEDNESS

You are liable and shall repay the company for any indebtedness resulting from your marketing activities or transactions under sub-section A below, or resulting from the activities of your Producers or Distributors under sub-section B below. Any liability as defined by your Indemnity obligations in Section 10 is also a legal debt. Any such indebtedness is a legal debt, due and payable upon the Company and shall constitute and become a first lien upon any and all compensation due under this contract or any successor contracts. The Company is not limited to this means of collection and may at any time pursue additional means as necessary to satisfy your then-outstanding indebtedness.

- a) You are personally liable for any debts arising from your own marketing activities or transactions that result in an indebtedness to the Company, or from the payment of any unearned commissions or bonuses if applicable to you.
- b) You are personally liable for any debts arising from your Distributor's or Producer's business activities, including but not limited to Distributor's or Producer's marketing activities or transactions that result in an indebtedness to the Company, or from the payment of any unearned commissions or bonuses to the Producer or Distributor. In addition, you are liable for the indebtedness to the extent you have guaranteed such indebtedness by separate Guarantee.
- c) To the extent you are liable for any Producer's or Distributor's indebtedness, the Company is free to seek satisfaction and/or offset of the debt from you at any time and is not obligated first to seek satisfaction or offset from the Distributor or Producer involved.

You shall be responsible for your and your employees' present and future indebtedness to NACOLAH. The Company may offset such indebtedness from compensation otherwise due to the Distributor from NACOLAH. Any unsatisfied indebtedness to NACOLAH shall accrue interest at a rate equal to NACOLAH's current practice rate and shall be payable upon demand together with all collection costs incurred by NACOLAH.

8. TERRITORY

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

9. ASSIGNMENT

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

10. INDEMNITY AND ERRORS AND OMISSIONS INSURANCE

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

- d) Additionally, the Distributor will communicate that the Company requires all Distributors to have and maintain Errors and Omissions liability insurance covering themselves during the term of this Contract and also submit proof and subsequent renewal of coverage each year.

11. PRIVACY AND CONFIDENTIALITY

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

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

12. TERMINATION

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

- a) this Contract may be terminated without cause at any time by mutual agreement, or by you or the Company by written notice in regular U.S. mail addressed to the last known address of the other party at least 30 days prior to the date of such termination,
- b) if the Distributor is a corporation, corporate dissolution or cessation of doing business will cause immediate termination of this Contract,
- c) if the Distributor is a partnership, death of one of the partners will cause immediate termination of this Contract,
- d) if the Distributor is an individual, his or her death, will cause immediate termination of this Contract,
- e) if the Distributor is an individual or corporation, bankruptcy or commission of any act of bankruptcy, will cause immediate termination for cause of this Contract,
- f) NACOLAH at any time also may terminate this Contract immediately for cause. "For cause" includes, but is not limited to:
 - 1) any determination by NACOLAH that the Distributor has breached this Contract, Company rules, guidelines or procedures, or state or federal law of regulation:
 - 2) becoming involved in any legal or regulatory proceeding which might impair its ability to perform its obligation,
 - 3) committing or attempting to commit, an illegal or fraudulent act,
 - 4) inducing or attempting to induce to replace, lapse or otherwise terminate their policies with the Company,
 - 5) acting detrimentally towards NACOLAH or its policyholders,
 - 6) withholding funds or documents from NACOLAH or its policyholders,
 - 7) misrepresenting NACOLAH's products or services,
 - 8) or misrepresenting, falsifying or omitting (or has encouraged or attempted to misrepresent, falsify, or omit) material information furnished to NACOLAH on any applicable license or bond or if the applicable license or bond is refused, canceled, or not renewed,
- g) upon termination, the Distributor and or their legal representatives will immediately cease acting on behalf of NACOLAH, will return all of NACOLAH's property, and will promptly account to NACOLAH for all funds held on behalf of NACOLAH, and
- h) termination will not dismiss or reduce any indebtedness you owe the Company. Any indebtedness you have becomes due in full upon termination of this contract. The indebtedness includes but is not limited to any debts arising from your own or your agents marketing activities or transactions that result in an indebtedness to the Company, or from the payment of any unearned commissions or bonuses.

13. CONSTRUCTION AND EFFECT

The Distributor and NACOLAH agree that:

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

14. NON WAIVER

Failure of the Company to require strict compliance with any of the terms of this Contract shall not constitute a waiver of such terms or conditions nor affect the right of the Company thereafter to require such compliance.

15. SEPARABILITY

The provisions of this Contract will be considered to be separable and independent from each other, and in the event any provision of this Contract is found to be invalid, it will not affect the validity or effectiveness of the remaining provisions.

16. SUPPLEMENTS, ADDENDUMS, AND AMENDMENTS

Supplements, Addendums and Amendments to this Contract shall run concurrently with it and are subject to the terms and conditions of the Contract thereof, except as specifically modified by the Supplement, Addendum or Amendment.

17. MEDIATION AND ARBITRATION OF DISPUTES

Any disputes or controversies between you and the Company arising out of or relating to your contract may, upon written demand of either party, be submitted to mediation and non-binding arbitration administered by the American Arbitration Association or a similar arbitration organization agreed upon by you and the Company, under the organization's then-applicable mediation and arbitration rules. This clause in no way limits or restricts the rights of you or the Company to obtain relief in a court of competent jurisdiction.

18. ENTIRETY OF CONTRACT

This Contract and any supplements, amendments, addendums, or guarantees plus the Distributor Contract Application and Agreement form the complete contract between you and the Company. Any amendment, supplement, or addendum to this contract must be in writing. Your signed Contract on file with the Company will control as to form and content.

NOTICE REGARDING CONSUMER REPORTS

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