

NETWORKING AGREEMENT

This Agreement is entered into as of _____, 20____ (“The Effective Date”), by and between [insert name of Insurance Agency], (“IA”) whose business address is [location] and [insert name of Broker-Dealer] (“BD”), whose business address is [location]. IA and BD shall be collectively referred to as the “Parties”

Recitals

WHEREAS, IA is licensed as a corporate insurance agent and general insurance agent and as such is authorized by, and in good standing with, the Office of the Commissioner of Insurance of Puerto Rico (“OCI”). IA is authorized to sell insurance products and variable contracts subject to the terms of this Agreement and further subject to authorization by the OCI and the Office of the Commissioner of Financial Institutions (“OCFI”).

WHEREAS, BD is a broker dealer registered and in good standing with the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority (“FINRA”), and the OCFI and is authorized to sell variable products by the OCI.

WHEREAS, all securities services provided in connection with the sale of variable contracts will be provided by IA through persons who will be registered representatives of BD (“Dual Representatives”). All Dual Representatives will be registered and qualified as provided below in Section 4 of this Agreement.

NOW THEREFORE, in consideration of mutual covenants, agreements, representations, and warranties herein contained, the parties hereby agree as follows:

OCIF Rev. 03-13. Instructions: This document must be accompanied by a ruling request filed with the Office of the Commissioner of Financial Institutions seeking authorization to enter into this Agreement.

AGREEMENT

1. Recitals are part of the Agreement. Recitals are a material part of this Agreement.

2. Services to be provided by the Parties. Subject to the terms and conditions of this Agreement:

(a) IA hereby appoints BD to provide certain administrative and compliance services to facilitate the offer and sale of variable products.

(b) BD hereby accepts such engagement and agrees to abide by the terms and conditions regarding the offer and sale of variable contracts as set forth in this Agreement, as well as all applicable laws and regulations.

(c) Subject to the terms and conditions of this Agreement, BD hereby appoints IA to provide certain administrative and compliance services to facilitate solicitation and sale of variable contracts.

(d) IA hereby accepts such engagement and agrees to abide by the terms and conditions regarding the sale of variable contracts as set forth in this Agreement, as well as all applicable laws and regulations.

3. Licenses. The Parties hereby represent and warrant that they possess and will maintain at all times all the necessary licenses and registration requirements to conduct the insurance and securities' activities described in this contract. The Parties hereby further represent that they are in compliance, and during the term of this Agreement, will remain in compliance, with all applicable requirements including but not limited to the capital and/or net capital and financial reporting requirements of the SEC, the FINRA, any applicable securities exchanges of which it

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is a member, and all other applicable federal or Puerto Rico laws and will establish such rules and procedures as may be necessary to cause diligent supervision of the sale of variable contracts by the Dual Representatives.

4. Dual representatives. Dual Representatives must meet the following requirements:

- (a) Be registered agent of BD and of IA; and
- (b) Be licensed to sell securities and insurance; and
- (c) Have good character and moral fitness to sell securities and insurance products.

5. Term of Services.

(a) Under this Networking Agreement, only Dual Representatives will effect securities transactions and provide securities services.

(b) Designated principals of BD or members of BD's compliance staff authorized to supervise employees under self-regulatory organization ("SRO") rules will train, supervise, control, and assume responsibility for all of the securities activities of Dual Representatives in connection with the offer and sale of variable contracts.

(c) IA will agree that any Dual Representative whom the SEC, the OCFI or an SRO bars or suspends from association with the BD or any other broker-dealer will be terminated or suspended from all securities and variable contract activities conducted by IA.

(d) IA and BD will advise every Dual Representative, in writing, that in connection with the offer and sale of variable contracts, he or she will be subject to the terms and conditions contained in their employment agreement.

6. Responsibilities of BD. With regard to the Dual Representatives, BD will be responsible for:

(a) Assisting IA in the selection and supervision of IA Dual Representatives under applicable securities laws only as it relates to their activities performed pursuant to this Agreement.

(b) Taking all necessary steps to make sure that each IA Dual Representative is a registered agent of BD before such IA Dual Representative engages in the solicitation of applications for variable contracts. BD shall cause such IA Dual Representative securities' qualifications to be in compliance to the satisfaction of IA.

(c) Training and supervision, in accordance with the applicable securities laws, of all Dual Representatives and other persons associated with BD who is involved in the offer or sale of variable contracts. All such Dual Representatives and persons shall be subject to the control of BD with respect to regulated securities activities in connection with the offer and sale of variable contracts.

(d) Taking all necessary steps to ensure that the Dual Representative's investment recommendations in the sale of variable contracts are suitable for the individual customer pursuant to federal and Puerto Rico securities laws and regulations, including also applicable rules issued by the FINRA.

(e) Assuring compliance with all of the Dual Representative securities related obligations arising from activities pursuant to this Agreement.

(f) Notifying IA as soon as BD becomes aware that a Dual Representative fails or refuses to submit himself or herself to the supervision of BD and/or IA, or otherwise fails to meet the procedures and standards imposed by BD for the sale of the

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variable contracts. Also, BD shall be responsible of notifying IA of any complaints received against any Dual Representative.

(g) BD will approve and assume all responsibility for all advertisements and promotional materials prior to their distribution, to ensure compliance with applicable federal and Puerto Rico securities laws and regulations, and with FINRA disclosure requirements in accordance with FINRA Rule 2210.

(h) BD will maintain all relevant and required books and records relating to transactions in the Products at its Office of Supervisory Jurisdiction in Puerto Rico, and ensure compliance with statutory, regulatory and FINRA requirements regarding the retention and availability for inspection of such records. BD shall also be responsible for compliance with all reporting requirements regarding the receipt and payment of commissions or other compensation related to the sale of Variable Products.

7. Responsibilities of IA.

With regards to the Dual Representatives, IA will be responsible for:

(a) Training and supervising all Dual Representatives and other persons associated with IA who are engaged directly or indirectly in the offer or sale of any insurance products, in accordance to the applicable insurance laws. All such persons shall be subject to the control of IA with respect to such persons' regulated insurance activities in connection with the variable contracts.

(b) Taking all necessary steps to ensure that the Dual Representative's insurance recommendations in the offer and sale of the variable contracts are adequate for the individual customer pursuant to Puerto Rico insurance laws and regulations.

(c) Assuring compliance with all of Dual Representatives insurance related obligations arising from activities pursuant to this Agreement.

(d) Notifying any Dual Representative that he or she is no longer authorized to sell the insurance products. IA and BD shall take whatever additional action may be necessary to terminate the sales activities of such Dual Representatives relating to the variable contracts.

(e) Take all necessary steps to assure Dual Representatives compliance with insurance license requirements, including continuing education.

(f) Notifying BD immediately after it becomes aware that a Dual Representative fails or refuses to submit to the supervision of IA and/or BD, or otherwise fails to meet the procedures and standards imposed by IA for the sale of the variable contracts. The IA shall also notify BD of any complaints received against Dual Representatives.

(g) Establishing policies and procedures to assure compliance with Puerto Rico Insurance Code and its regulations.

8. Rules of Conduct.

BD and IA shall ensure that each Dual Representative complies with a standard set of rules of conduct including, but not limited to, the following:

(a) Unregistered employees of IA and BD are not authorized to engage in any securities brokerage or advisory services activities (including but not limited to the sale of variable products), recommending any security, giving investment advice with respect to securities, discussing the merits of any security or type of security, and handling any question that might require familiarity with the security industry. Such unregistered

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employee will not receive any compensation from the sale of securities or the provision of investment advice, and will be instructed to refer all questions pertaining to securities to the IA Dual Representatives or BD Dual Representatives.

(b) Unregistered employees of IA and BD will be prohibited from maintaining and handling customer funds in connection with securities transactions, or having any involvement in any securities transactions other than providing ministerial or clerical assistance.

(c) BD will provide conduct manuals to unregistered employees of IA to indicate the limitations on their activities, as set forth in paragraphs (a) and (b) above, and IA will monitor and conduct periodic reviews of the activities of its employees to ensure compliance with said conduct manual.

(d) The Dual Representatives shall be duly qualified, licensed and registered to solicit and participate in the sale of the variable contracts.

(e) A Dual Representative shall not solicit applications for variable contracts without delivering, when required, the appropriate prospectus and/or trust prospectus.

(f) In soliciting applications, a Dual Representative shall only make statements, oral or written, which are in accordance with the prospectus, the trust prospectus and written sales literature regarding the variable contracts authorized by the IA and that have been approved for customer distribution. A Dual Representative shall utilize only those applications provided by the IA.

(g) A Dual Representative shall recommend the purchase of a variable contract to an applicant only if he or she has reasonable grounds to believe that such purchase is suitable for the applicant in accordance with, among other things, applicable

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regulations of any state regulatory authority, the SEC and the FINRA. While not limited to the following factors, a determination of suitability shall be based on information supplied to a Dual Representative after a reasonable inquiry concerning the applicant's insurance and investment objectives and financial situation and needs.

(h) A Dual Representative shall have no authority to alter, modify, waive or change any of the terms, rates, charges or conditions of the variable contract.

(i) A Dual Representative shall make no representations concerning the continuation of non-guaranteed terms or provisions of the variable contracts.

9. Prospectus, Advertising and Marketing Materials.

(a) All applications for variable contracts shall be made on the forms required and supplied by the respective Insurance Company. IA and BD shall secure prospectuses relating to the variable contracts and such other material as IA determines to be necessary or desirable for use in connection with sales of the variable contracts.

(b) BD shall approve and assume all responsibility for all advertisements and promotional materials prior to their distribution, to ensure compliance with applicable federal and Puerto Rico securities and regulations, and with FINRA disclosure requirements in accordance with FINRA Rule 2210.

(c) Dual Representatives shall not use any sales promotion materials or advertising relating to the variable contracts unless such materials have been approved in writing prior to use by BD, and by IA or a BD Registered Principal. BD shall require Dual Representatives to deliver a then-current prospectus prior to the solicitation or sale of the variable contracts.

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(d) The IA, BD or Dual Representatives shall make no representations in connection with the sale of the variable contracts, other than those contained in the currently effective registration statements and prospectuses for the variable contracts filed with the SEC or with the OCFI, or in the approved sales promotion materials.

10. Suitability.

BD shall, through a FINRA General Securities Principal, evaluate and approve each application for variable contracts as being suitable for the client, review each application for completeness and promptly forward it to IA.

11. Payment.

(a) Customers purchasing variable contracts will make their checks payable to the insurance company issuing the variable contracts. Checks for the purchase of variable contracts will not designate BD, IA, or any of their employees as payee. Initial checks and applications for the purchase of variable contracts, and any subsequent payments, will be sent directly by the customer to the insurance company or will be forwarded to the insurance company by the BD or its Dual Representative by noon of the business day following their receipt. If the insurance company receives customer checks directly, the insurance company will provide BD with copies necessary to make the required suitability determinations.

(b) Alternatively, to the extent that BD maintains an arrangement with a carrying or clearing broker-dealer (the "Clearing Broker") pursuant to which the BD client purchases securities, including the variable contracts, through the Clearing Broker holding funds in a brokerage account for such customer, the customer/purchaser may authorize BD as the

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introducing broker-dealer, and the Clearing Broker, in writing to forward amounts due to the insurance company from funds held in their brokerage account. If the client authorizes the Clearing Broker to forward amounts due to the insurance company, the Clearing Broker may deduct the appropriate commission from such payment, if authorized in writing by the client and the insurance company.

(c) BD and/or the Clearing Broker, as applicable, shall forward the checks or funds to the insurance company within the applicable regulatory period from the date of receipt of the checks or written instructions.

(d) Only Dual Representatives will handle checks routed through BD. Furthermore, only Dual Representatives will receive or handle customer funds or securities in connection with the sale of variable contracts.

(e) Neither BD, nor IA, nor any of their respective employees, will cash premium checks or use any portion thereof for payment of commissions or other compensation, or for any other purpose.

(f) No payments for variable contracts may be made in currency or securities.

(g) Neither the Parties nor any Dual Representatives shall rebate or offer to rebate all or any part of a premium on any variable contract or any other insurance product in violation of applicable state insurance laws or withhold any premium on any of the variable contracts or any other insurance products.

12. Commissions.

(a) Commissions (or other transaction-related compensation) resulting from variable contracts transactions will be paid by, or on behalf of, IA to BD. BD will report all commissions on its FOCUS and FINRA Fee Assessment reports.

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(b) The parties agree that the compensation shall be in accordance with all regulatory requirements and shall be incorporated by reference to this Agreement in the compensation schedule to be subscribed by the Parties.

13. Books and Records.

(a) IA shall maintain the books, accounts and records of the Dual Representatives as required by applicable insurance laws and regulations.

(b) BD shall maintain at its offices in Puerto Rico all of the books, accounts and records required by the SEC, the FINRA and other applicable federal and Puerto Rico securities laws and regulations.

14. Tax Reporting Responsibility.

The Parties shall be solely responsible under applicable tax laws for reporting the compensation paid to its Dual Representatives, respectively, and for any withholding of taxes from compensation paid to Dual Representatives, including, without limitation, FICA, FUTA, and federal and Puerto Rico income taxes.

15. Bonding.

(a) BD represents that all of its directors, officers, employees, and registered agents of the broker-dealer who are appointed pursuant to this Agreement as Dual Representatives are and shall be covered at all times by a fidelity bond, including coverage for larceny and embezzlement, which fidelity bond shall be issued by a reputable bonding company. BD shall maintain this bond in effect at its expense. Such bond shall be, at least, of the form, type and amount required under the FINRA Conduct Rules. IA may require evidence, satisfactory to it, that such coverage

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is in force, and BD shall give prompt written notice to IA of any cancellation or change of coverage.

(b) BD hereby assigns any proceeds received from the fidelity bonding company to IA to the extent of each loss due to activities covered by the bond. If, after the proper investigation, it is determined by the parties that a BD Dual Representative has acted with gross negligence or with willful misconduct, BD will promptly pay any deficiency amount, as a result of a deductible provision or otherwise. BD hereby indemnifies and holds IA harmless from any such deficiency and from the costs of collection thereof, including reasonable attorneys' fees.

16. Investigations; Customers Complains.

(a) The parties agree to cooperate fully in any insurance, securities or other regulatory or judicial investigation or proceeding arising in connection with the Variable Contracts.

(b) The parties further agree to cooperate in resolving all customer complaints with respect to the Variable Contracts and/or the Dual Representatives.

17. General Provisions.

(a) Neither party shall assign this Agreement without a prior written notification to and written approval of the other party. Any assignment of this Agreement must first be authorized by the OCFI and the OIC.

(a) This Agreement is the entire agreement and understanding between Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings among such parties. No course of dealing, course of performance or parole evidence shall be used to supplement or modify any terms hereof.

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(c) Any provision of this Agreement which is found to be invalid, void or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

(d) This Agreement may only be amended, in writing, by both parties, after such amendments are duly authorized by the OCFI and the OIC.

(e) Failure of any party to insist upon strict compliance with any of the conditions of the Agreement shall not be construed as a waiver of any of the conditions, but the same shall remain in full force and effect. No waiver of any of the provisions of this Agreement shall be deemed a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

(f) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(g) This Agreement is made in the Commonwealth of Puerto Rico and all questions concerning its validity, construction or otherwise shall be determined under the laws of the Commonwealth of Puerto Rico.

18. Termination.

(a) This Agreement may be terminated, without cause, at any time by either party, upon thirty days' prior written notice to the other party, and may be terminated immediately for cause.

(b) For purposes of this section, "cause" shall include:

(i) failure to return money to clients where appropriate, failure to account for any money received from or on behalf of client, or in violation of any federal or Puerto Rico

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law or regulation or violation of any of the terms of this Agreement.

(ii) failure to perform in accordance with the requirements of this Agreement and any default is not cured within 10 days from receipt of notice, or

(iii) if BD ceases to be registered under the Exchange Act or ceases to be a member in good standing with the FINRA.

(iv) if IA ceases to be authorized or ceases to be in good standing with the OCI.

(c) Notification of the termination of this Agreement must be delivered to the OCFI and the OCI, within the next ten (10) days from the termination date.

(d) Notices to each party shall be addressed to its principal office, as follows:

{Insert respective addresses}

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the day and year first written above.

[Insert name of broker dealer]
Agent]

[Insert name of Insurance Agent]

By

By

Name

Name

Title

Title
