



**SETTLERS LIFE INSURANCE COMPANY**  
**Bristol, VA. 24201**

**ADVANCE COMMISSION AGREEMENT**

This Advance Agreement is attached to and made a part of the Agent/Representative Agreement between \_\_\_\_\_ and Settlers Life Insurance Company, Bristol, VA.

The Company agrees to advance first year commissions on life business under the following conditions:

1. Issued business persistency (based upon the 13 month LIMRA formula for new first year business and calculated as of the close of each calendar month) of the Agent shall be no less than 70%.
2. Advances will be made on issued business with automatic premium modes only, e.g. bank draft (a/k/a "EFT" or "PAC"), payroll deduction and government allotment.
3. Advances will be calculated as follows:
  - a. The Agent will be advanced 60% of 1<sup>st</sup> year annualized commissions on all issued business qualifying for an advance under this agreement.
  - b. The Agent's account will then be credited with 40% of all earned 1st year commissions with the balance withheld to repay advances and cancellation on business advanced.
  - c. The agreement will be paid the initial earned commission on all business not qualifying for an advance under this Agreement. The remaining 1st year commissions, and all renewal year commissions, will be credited to the Agent's account.
  - d. All such earned commissions credited to the Agent's account will be paid monthly subject to repayment of all policy cancellations and other charges the Agent owes to the Company.
4. Advances of overrides on commissions of business written by agents assigned to the Agent and who are on this advance program will be calculated and paid to the Agent as described in paragraph 3 above.
5. Should a policy lapse or should the death of an insured occur before the full advance becomes earned commission, the unearned portion will be charged against earned commissions.
6. There will be no advance commissions on business on the agent's own life or on any member of his/her immediate family.
7. The Company reserves the right to establish a maximum amount which an agent can be indebted to the Company.

8. Daily advance checks shall either be mailed or direct deposited daily or weekly advance checks shall either be mailed or direct deposited on Friday for business which was issued by the preceding Wednesday. The total advance in any month shall be paid as long as it does not exceed the maximum stipulated by Settlers Life Insurance Company.
9. All applications received from the Agent will be considered under this Agreement as long as this Agreement remains in effect. This Agreement may be terminated by any party at any time by giving prior written notice to each of the other party. Such termination will not terminate the right of the Company to make charges to the Agent's account as they become due.

It is further agreed that any advances made to me as a result of this Agreement will be charged to my account, and shall constitute a legal debt to Settlers Life Insurance Company. If such debt is not repaid and legal action is necessitated, I agree to pay reasonable attorney's fees and court costs incurred for collection of such debt.

IN WITNESS WHEREOF, the Company and the Agent have executed this Agreement and agree that it shall become effective on the date specified below.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent's/Representative's Signature

I hereby recommend that the Company enter into this Agreement with Agent. I acknowledge that the Agent is a Representative assigned to me and agree that any immediately uncollectible net debt balance in the account of the Agent as a result of this Agreement shall constitute an amount owed by me to the Company and I shall be responsible therefore pursuant to the terms of my Representative's Agreement with the Company.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Sponsoring Representative's Signature

**ADMINISTRATIVE OFFICE APPROVAL**

This agreement is approved and shall be effective as of

\_\_\_\_\_  
Month

\_\_\_\_\_,  
Day

\_\_\_\_\_  
Year

Settlers Life Insurance Company

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date