



**American National Insurance Company
Independent Marketing Group**



**Contracting Procedures
Fixed Contract Only
(Does not apply to Variable Contract)**

This information is also available with appropriate forms at our Web site www.img.anicoweb.com, Marketing Services, Contracting.

The following documents are required for contracting/appointment:

1. **File Requirement Checklist**, Form 4980 (Rev. 07/09). Hierarchy must be listed at the bottom of the Checklist.
2. **Applicable Producer Agreement** (Agent, GA, SGA or RGA) Return signature page only and provide all information requested on signature page.
3. **For Solicitor** - Solicitor Appointment, Form 9035 (Rev. 01/09).
4. **Application to Represent American National**, Form 3779 (Rev. 07/09).
5. **Production Requirement Agreement** - Current year (required for RGA and SGA).
6. **Proof of Errors & Omission Coverage** - copy of declaration page (not required for Solicitor).
7. **Fair Credit Reporting Act Disclosure**, Form 4708 (Rev. 09/07) (required by The Fair Credit Reporting Act).
8. **Applicable Compensation Schedule** - 1 copy.
9. **For Florida appointment** a list of all counties in which applicant will solicit business (non-resident appointments only).
10. **For Virginia Appointment** a copy of signed Insurance Activities Requiring Persons to Be Licensed in Virginia (939-A-M).
11. **Check for Non-Resident License Appointment Fees** (non-contiguous states only). If faxing file, check must be mailed with a cover letter listing Applicant Name and Social Security Number.
12. **Anti-Money Laundering** - Applicant must complete required AML training or provide proof of completion of a company approved training course. (See Checklist, Form 4980 and Form 1770).
13. **New Business** - If contract is for Simultaneous Submission State and New Business is included list the New Business Application Date on the Checklist. If New Business is submitted with contract, file must be mailed. A postage paid return envelope, Form 4713, is available for this purpose. **Do not Fax New Business.**

Effective The Date Paperwork is mailed to the State

- In the following states the **agent appointment is effective the date the appointment paperwork is mailed to the state** by American National.

***California - 14 days**

*Appointment can be backdated in these states for the number of days indicated. Policies must be dated within that time frame.

Revised 04/09

Simultaneous Submission States

- In the following states the appointment for a licensed agent **must be received by the Department of Insurance within a specified number of days** from the date the Policy Application was signed, in order to be in compliance with solicitation and signing requirements:

Alabama	15 days	Nebraska	15 days
Alaska	30 days	Nevada	15 days
Arizona	*	New Hampshire	15 days
Arkansas	15 days	New Jersey	15 days
Colorado	*	New Mexico	15 days
Connecticut	15 days	New York	15 days
Delaware	15 days	North Carolina	15 days
District of Columbia	30 days	North Dakota	30 days
Florida	*** 45 days	Ohio	30 days
Georgia	15 days	Oklahoma	15 days
Hawaii	15 days	Oregon	*
Idaho	15 days	Pennsylvania	**
Illinois	*	Puerto Rico	15 days
Indiana	*	Rhode Island	*
Iowa	30 days	South Carolina	15 days
Kansas	30 days	South Dakota	15 days
Kentucky	15 days	Tennessee	15 days
Louisiana	15 days	Texas	30 days
Maine	15 days	Utah	15 days
Maryland	*	Vermont	15 days
Massachusetts	15 days	Virginia	30 days
Michigan	15 days	Washington	15 days
Minnesota	15 days	West Virginia	15 days
Mississippi	15 days	Wisconsin	15 days
Missouri	*	Wyoming	15 days
Montana	15 days		

If policy application is submitted to the Home Office with an applicant's file, indicate at the bottom of the Checklist, Form 4980, that policy application is included.

- * Indicates this is a producer state where no company appointment is required. Business may be submitted with the contracting and licensing paperwork directly to the Home Office. The agent's current, active producer license **must** accompany the application for business.

- **** Indicates there is no specified number of days. Business **may** be submitted, in a timely manner, simultaneously with the licensing/contracting paperwork to the Home Office for processing.
- ***** **Can** submit application prior to appointment being processed by insurer, but no commissions shall be paid by insurer until appointment has been received by DOI.

Note:

- Commissions cannot be paid to agents until they become appointed. This is applicable to all states.
- Particular attention should be paid to the regulations for each state that an agent and his/her sub-producers are writing business. American National is not obligated to accept any business that is not in compliance with state regulations.

Revised 09/09

APPLICATION TO REPRESENT AMERICAN NATIONAL INSURANCE COMPANY
Independent Marketing Group
Galveston, Texas

Full Name First	Middle	Last
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Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/>	Social Security #	Date of Birth	Military Status
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Residence Street Address	City	State	9-Digit ZIPCode
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Residence P/O Box or Mail Address	City	State	9-Digit ZIPCode
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Residence Telephone	Cell Phone
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Business Street Address	City	State	9-Digit ZIPCode
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Business P/O Box or Mail Address	City	State	9-Digit ZIPCode
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Business Telephone	Business FAX	E-mail Address
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Send all mail to ☐ Residence Street Address ☐ Residence P.O. Box ☐ Business Street Address ☐ Business P.O. Box

☐ Other _____

• Is the contract to be in the name of a **corporation or partnership**? ☐ **Yes** ☐ **No** If Yes, submit corporate license.

 If Yes Name _____ City & State _____

 Tax ID No. _____ ☐ Partnership ☐ Corporation

• List all non-resident states you wish to be appointed with through Independent Marketing. _____

• **If being appointed non-resident in Florida**, please provide all counties soliciting business. _____

• Have you sold insurance through another name or agency in the past five years? ☐ **Yes** ☐ **No** If Yes, provide details.

• The Violent Crime & Control Act of 1994 makes it a criminal offense for anyone who has been convicted of any criminal felony involving dishonesty or a breach of trust to willfully engage in the business of insurance.

 Have you ever been indicted or convicted of any such felony? ☐ **Yes** ☐ **No**

 Have you been arrested for any other crime? ☐ **Yes** ☐ **No**

 If Yes, please give specifics as to charge, date, jurisdiction and outcome. _____

- Have you ever filed or been declared bankrupt? ☐ Yes ☐ No
- Are you presently indebted to any insurance company or agency? ☐ Yes ☐ No If Yes, provide details.

To Whom	Nature of Debt	Amount	Payment Terms
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- Have you ever had, or now have, any federal, IRS, state tax liens or garnishments? ☐ Yes ☐ No
- Are you currently covered by errors and omissions insurance? ☐ Yes ☐ No
Proof of E&O coverage required. Submit copy of declaration page (not required for solicitor).
- Have you ever filed an errors and omissions claim? ☐ Yes ☐ No
- Have you ever been disciplined by a state insurance department? ☐ Yes ☐ No
- Have you ever been cautioned or disciplined for violating a professional code of ethics in any organization? ☐ Yes ☐ No
- Have you ever been expelled or disciplined by a professional organization such as the NALU? ☐ Yes ☐ No

Anti-Money Laundering (AML) Certification (Required to issue business)

- Have you completed AML training within the last 12 months? ☐ Yes ☐ No
If Yes, check one box. ☐ LIMRA ☐ Other If Other, attach a copy of your certification of completion.
- Was AML training completed through a Broker/Dealer? ☐ Yes ☐ No
If Yes, Broker/Dealer name _____ Broker/Dealer CRD _____
See Form #1770 for American National Insurance Company AML Compliance Requirements.

The person signing this form as "Applicant" hereby acknowledges that they are not obtaining a license/appointment with American National Insurance Company for the sole purpose or intention principally to solicit or place insurance on the applicant's own life or that of relatives, employers or employees.

I have received, read, understand, and agree to comply with the contents of the Producer's Code of Conduct, the Advertising Guidelines, the Notice of Privacy Policy, and the Company Guide to Anti-Money Laundering Program adopted by American National Insurance Company.

Furthermore, each of the undersigned declares for himself/herself, and all other interested parties, that all of the answers in the pages of this application and any supplements to it are full, complete, and true to the best of his/her knowledge and belief. In addition, the undersigned specifically attests that the Social Security Number or Tax Identification Number on the application is the correct number for the entity applying for appointment with American National Insurance Company.

I, the Applicant, have read, on the date shown below, a copy of the above statements as required by law. I have also read, understand, and signed a copy of Authorization Form 4708. I understand that in signing this application and Form 4708, I hereby authorize the Company, at any time, to investigate my background, including my credit history.

Applicant has the right to make a written request to Company's Home Office within a reasonable period of time for additional, detailed information concerning the nature and scope of the investigation.

_____	_____
Date	Applicant

**AMERICAN NATIONAL INSURANCE COMPANY
GALVESTON, TEXAS
GENERAL AGENT'S AGREEMENT**

American National Insurance Company (hereinafter designated as "Company") hereby appoints _____ its **GENERAL AGENT ("GA" or "you")** with the authority and obligations set forth in this Agreement, and you accept your appointment subject to the terms and conditions of this Agreement and all related Schedules and Supplements related to it.

Effective Date - This Agreement shall become effective on _____ If any provision of the Agreement is now or shall in the future be in conflict with any applicable law or any valid Department of Insurance ruling or order, it shall be modified to the extent necessary for compliance. This Agreement shall supersede all previous agreements between the parties.

GENERAL AGENT:

By: _____
(Signature)

(Print or Type Name Here)

AMERICAN NATIONAL INSURANCE COMPANY:

By: 
Title:

**EXECUTIVE VICE PRESIDENT
INDEPENDENT MARKETING**

Date: _____

(Indicate Appropriate Compensation Schedule)

RECRUITING ORGANIZATION:

By: _____
(Signature of Organization Representative)

Submitted by: _____
(Print or Type Name of Organization)

Recruiter's Personal Code #: _____

**BENEFICIARY TO RECEIVE COMMISSIONS
PAYABLE AFTER DEATH (LIMITED TO ONE
INDIVIDUAL):**

Name of Beneficiary (Print or Type)

Relationship: _____

Authority - You are hereby authorized to develop and supervise the company's business in conformity with the rules and regulations of the Company. You shall recruit and recommend for appointment by the Company individuals and agencies qualified and experienced in life insurance sales and service as agents. You shall train and supervise such agents in accordance with the standards of the company and the requirements of the state or states in which they function for the Company. You acknowledge that all agents in your hierarchy are independent contractors of the company and, at a subagent's election or at the sole discretion of the Company can be transferred by the Company in accordance with the Company's transfer rules.

You shall solicit applications for ordinary life insurance and annuities to be issued by the Company and submit such applications received to the Company, provided that you are properly licensed as required by any governmental authority applicable to you. You shall deliver policies issued by the company, collect the first premium therefor, transmit all collections immediately to the Company, and make every effort to maintain in force all policies issued by the Company.

You shall at all times comply with the rules and regulations of the Company pertaining to underwriting practices, acceptance of risks, delivery of policies, and all other areas of conduct of the Company's business. The relationship between the Company and you created by this Agreement is that of an independent contractor, and nothing in this Agreement shall be construed as creating the relationship of employer and employee between the Company and you. Neither you nor your employees nor agents shall be deemed to be the employee or servant of the company. You shall not be a fulltime insurance agent as defined by the Federal Social Security Law. None of the benefits provided by the Company to its employees, including, but not limited to, worker's compensation insurance and unemployment insurance are available to you, your employees or agents. If training courses, sales methods and material or similar aids and services are extended or made available to you, it is agreed that their purpose and effect shall not be to give the Company control over your time or direction, but only to assist you in your business.

Licensing of agents shall be in compliance with the statutory and regulatory requirements of the Departments of

Insurance or other regulatory agencies and in accordance with the standards and procedures established by the Company. Neither you nor any of your agents shall solicit business for the Company until your or their insurance license is in your or their possession or until the Company notifies you in writing that you or they are qualified to write business for the Company.

You shall assume full responsibility for, and indemnify the Company against, any liability in connection with the payment of all federal, state, and local taxes or contributions imposed or required under unemployment insurance, social security, income tax, and related laws with respect to compensation received under this Agreement by you.

In addition to the requirement that you comply with the rules and regulations of the Company pertaining to underwriting practices, acceptance of risk, delivery of policies, and all other areas of the Company's business, you are required to:

- (1) Comply with the Company's policies and procedures concerning the replacement of life insurance policies and annuity policies. A replacement occurs whenever an existing life insurance policy or annuity is terminated, converted, or otherwise exchanged in value. For any transaction involving a replacement, the Company requires you to:
 - (a) recommend the replacement of an existing policy only when replacement is in the best interest of the customer.
 - (b) fully disclose all relevant information to the customer, which information includes;
 - (1) comparison of old and new premiums, expenses, and surrender charges, cash values, and death benefits;
 - (2) any loss of cash value or policy value by surrendering the existing policy;
 - (3) all guaranteed and maximum values of both policies;
 - (4) the fact that a new contestability and suicide period starts under the new policy; and
 - (5) the requirement that the customer must be re-underwritten for the new policy.
 - (c) provide the customer with all applicable required state and Company forms if replacement is involved.
 - (d) provide state-required replacement notices to customers on the same day the application is taken and indicate on the application the transaction involves the full or partial replacement of an existing policy. never recommend that a customer cancel an existing policy until a new policy is in force, and the customer has determined that the new policy is acceptable.
- (2) Adhere to the Company's rules and regulations concerning ethical market conduct, which require that you:
 - (a) carefully evaluate the insurance needs and financial objectives of your clients, and use sales tools (e.g., policy illustrations and sales brochures) to determine that the insurance or annuity you are proposing meets these needs.

- (b) maintain a current license and valid appointment in all states in which you promote the sale of the Company products to customers and keep current of changes in insurance laws and regulations by reviewing the bulletins and newsletters that the Company provides.
- (c) comply with Company replacement policies, refrain from making disparaging remarks or providing false or misleading information about a competitor or competing product.
- (d) submit all advertising materials intended to promote the sale of any Company product to the home office for approval prior to use.
- (e) immediately report to the Company any customer complaints, whether written or oral, and assist the Company in resolving the complaint to the satisfaction of all parties.
- (f) communicate these standards to any producers or office personnel that you directly supervise and request their agreement to be bound by these conditions as well.

During the term of this Agreement, you shall have and maintain errors and omissions issuance coverage in an amount satisfactory to the Company underwritten by an insurer satisfactory to the Company insuring against negligent act, error, or omission by you or any person employed by you in the rendering of any services related to this Agreement. You must provide proof of such coverage upon application for appointment with the Company and further provide proof on an annual basis or as requested by the Company.

Territory - You may exercise your authority within any territory in which you are properly licensed, but that territory is not assigned exclusively to you.

Records - You shall keep correct and accurate accounts and records of all business transactions and monies which you or your agents collect for the Company. Such accounts and records shall be open at all times to inspection and examination by the Company's authorized representatives or by the Department of Insurance (as required by law) at all times.

Expenses - You shall pay all expenses of every nature incurred in connection with the performance of this Agreement, and the Company shall not be liable in any way therefore.

Trade Secrets - All accounts, policyholder files and records (including any names, addresses, and ages of policyholders or records of policy expiration or renewal date), application forms, rate books, software, and all other records in your possession pertaining to the Company business are trade secrets wholly owned by the Company and shall be returned to the company upon demand.

Prompt Transmittal - You shall immediately transmit to the Company all applications solicited and money received for the Company by you or your agents. All such funds shall be segregated by you and held by you in trust. You shall not use such funds for any purpose. If any citation or other paper shall at any time be served upon or received by you concerning any claim, or any other lawsuit, or any legal proceedings by or against the Company, within twenty-four (24) hours after receipt, you shall transmit it by certified mail to the Home Office of the Company in Galveston, Texas. If you neglect, refuse, or fail to do so, you agree to pay the Company, upon demand, the amount of any loss, damage, cost, attorney's fees, or expenses which may have been incurred by your failure to transmit the document within the 24-hour time period.

Hold Harmless - You agree to indemnify and hold harmless the Company from all losses, expenses, costs (including reasonable attorneys' fees whether in defending claims or enforcing this provision), and damages resulting from any acts by you which breach any terms of this Agreement.

Repayment of Commissions and Service Fees - You agree to repay to the Company, on demand, any unearned commissions and service fees and all other compensation received by you for or with respect to premiums or payments returned to policy or contract owners by the Company for any reason. You understand that it is sometimes necessary for the Company to refund premiums in order to settle disputes with policyholders. This decision is made solely at the discretion of the Company, and you will still be liable for the return of unearned commissions.

Limitation of Authority - You shall not possess or exercise any authority on behalf of the Company other than the power or authority expressly conferred by this Agreement and you shall not assume that any power or authority is implied. Specifically, but not in limitation to the foregoing, you shall have no authority on behalf of the Company to:

- (1) make, alter, or discharge any contract.
- (2) assign this Agreement or any compensation payable under it without the prior written consent of the Company.
- (3) solicit applications for the Company in any manner prohibited by or inconsistent with the provisions of this Agreement or the rules and regulations of the Company.
- (4) induce any Company employee or sales representative to terminate any agreement with the Company or any affiliate of the Company or otherwise interfere with any employee or agent's relationship with the Company of any affiliate of the Company.
- (5) incur any indebtedness or liability, expend, or contract for the expenditure of any funds of the Company.
- (6) extend the time for payment of any premium, bind the Company to the reinstatement of any terminated policy, or accept notes for payment of premiums.
- (7) waive or modify any terms, conditions, or limitations of any policy.
- (8) adjust or settle any claim or commit the Company with respect thereto.
- (9) issue or circulate any advertisement or literature unless the same shall have been first approved in writing by the compliance officer of the Company.
- (10) enter into any legal proceedings in connection with any matters pertaining to the Company, which may in any

way involve or affect the Company, its affiliates, their business, operations, or any policy issued by them.

- (11) deliver any policy issued by the Company until the applicant has made settlement for the first premium.
- (12) deliver any policy if you or your agents have knowledge of any impairment of the applicant's health not disclosed on the application or occurring subsequent to the securing of the application or if more than thirty (30) days have elapsed from the date of mailing of the policy by the Company, unless authorized in writing by an officer of the Company.

Compensation - For the purpose of determining compensation, your compensation shall include not only your personal production, but also the production of all agents assigned to you. You shall be compensated according to the related Compensation Schedule, based on premiums received on policies issued by the Company for applications secured under this Agreement. Payment of commissions and service fees shall be made at such times and in the manner the Company considers appropriate for the efficient administration of this Agreement. The Compensation Schedule is subject to change by the Company, but any change shall not apply to business written prior to the effective date of the change. The agent's statements rendered by the Company concerning commissions and service fees paid and/or payable, advances and indebtedness shall be conclusive, unless, within thirty (30) days following receipt of the statement, you notify the Company in writing of a dispute regarding any transactions reported since the last preceding report. If a policy on which you are receiving commission or service fees shall lapse for any reason, no further commission or service fees will be paid unless the policy is reinstated solely by the efforts of you. If, for any reason, the Company refunds any premium on which you received a commission or service fee, you shall immediately repay to the Company the commission or service fee received on such premium.

Compensation After Termination - If this Agreement is terminated by your death or by your total and permanent disability, you or your beneficiary shall receive compensation as provide in the Compensation Section of this Agreement on business written prior to termination. Unless otherwise designated in writing on the face page of this Agreement, your beneficiary shall be your spouse, if then living, otherwise, your estate. If this agreement is terminated for any cause other than your death or disability, or your acting to prejudice materially the interests of the Company or its affiliates, or your violation of any of its provisions, you shall receive Compensation as provided in the Compensation Section of this Agreement less a collection fee of 1% on the premiums paid. If you have materially violated any of the provisions of this Agreement or acted to prejudice materially the interests of the Company or its affiliates, at, before, or after termination of this Agreement, you shall forfeit all commissions and all other compensation due or to accrue under this or any previous Agreement between you and the Company or any of its affiliates or subsidiaries. In the event your total compensation after termination of this Agreement totals less

than \$300.00 during any year after termination no further compensation shall be paid to you or to your beneficiary. All compensation payable after termination of this Agreement shall be subject to the right of recoupment lien established in the Indebtedness Section of this Agreement.

Beneficiary - You may name a beneficiary to receive any commissions payable after your death. The Company reserves the right to require evidence that there are no conflicting claims before making payment to the named beneficiary.

Indebtedness - You shall be responsible to the Company for the acts and collections of you or your agents and employees and for the indebtedness of your agents to the Company. The Company shall have and is hereby given a right of recoupment on all commissions, fees, and any other compensation payable under this or any other contract with the Company and its affiliates for the payment of any and all debts or claims due or to become due to it from you. Without in any way limiting the Company's right to such recoupment, the Company shall have and is hereby given a valid first lien on and right of offset against all commissions, fees, and any other compensation payable under this or any other contract with the Company and its affiliates for the payment of any such debts or claims. This right of recoupment and lien shall not be extinguished by the termination of this Agreement. Following demand for repayment or termination of this Agreement, whichever first occurs, all indebtedness shall thereafter bear interest at the maximum lawful rate until paid. You shall be responsible to the Company for all costs and expenses, including legal fees, incurred by the Company as a part of its efforts to collect indebtedness.

Termination - You acknowledge that the Company has not expressly or by implication agreed to continue the term of this Agreement for any definite period of time. Either party may terminate this Agreement by giving thirty (30) days written notice prior to the date fixed for termination. Any notice may be mailed or delivered to the last known address of the other party. The Company may terminate this Agreement at any time upon the occurrence of any of the following events:

1. Your death or your total and permanent disability as defined under the Company's rules and practices then in effect.
2. The Company's written notice to you of its withdrawal from the territory in which you are licensed.
3. Upon written notice from the Company that your performance has been substandard under the Company's requirements applicable to you regarding production, persistency, or other matters, as they may be amended from time to time.
4. The Company's written notice to you that you have violated any of the provisions of this Agreement or that you have otherwise acted to prejudice materially the interest of the Company or its affiliates.

Upon termination, you shall in no manner thereafter act for the company and shall promptly account for and remit to the Company any monies then held for it. On demand, you shall turn over to the Company all undelivered policies, software, rate books, other records, materials, and properties pertaining to your agency business. Your right to any commissions or any other thing of value shall cease if you shall do any act which injures

the business or reputation of the Company or if you fail to account for and remit promptly any monies collected by you for the Company or shall withhold any policies, money, or other property belonging or returnable to the Company.

Enforcement - You agree that, in addition to all rights and remedies available to the Company to enforce the provisions of this Agreement, whether before or after its termination, whether by judicial action or otherwise, the Company may compel your compliance with this Agreement by injunction issued by any court of competent jurisdiction.

Award Recognition and Incentive Programs - The Company may, at its sole discretion, provide special award and incentive programs for its agents holding this Agreement. However, the Company is under no obligation to continue any such awards or programs and may discontinue them without notice.

Waiver - No act of forbearance on the part of the Company to enforce any of the provisions of this Agreement shall be construed as a modification of this Agreement, nor shall the failure of either party to exercise any right or privilege granted in the Agreement be considered as a waiver of that right or privilege.

Modification or Amendment - Any modification or amendment of this Agreement must be in writing and must be signed by an officer of the Company; provided, however, that the Company may, by written notice, unilaterally amend any Compensation Schedule or Supplement to this Agreement to affect policies to be issued after the date of the amendment.

Reserved Rights of the Company - The Company reserves the following rights: to refuse to accept any individuals or entity recommended for appointment and to terminate, at its sole discretion anyone whom you recommend for appointment; to unilaterally adopt rules and practices from time to time establishing compensation on old or new policies, commissions on conversions, or commissions on reinstated policies; to withdraw the availability of any policy; to withdraw from any territory; to modify or change its premium rates; to refuse to issue a policy to any applicant without stating any reason for refusal; to adopt rules and practices from time to time relating to any matter not otherwise provided in this Agreement.

Law Applicable - The execution and performance of this Agreement involves transacting business in the State of Texas by you with the Company. This Agreement shall be governed by and construed according to the laws of the State of Texas. All actions with respect thereto shall be brought in a court of competent jurisdiction in the State of Texas.

Arbitration - Any dispute or controversy arising out of or relating to this Agreement, with the exception of any request for injunctive relief sought by the Company, will be resolved exclusively and finally by arbitration under the Commercial Arbitration Rules of the American Arbitration

Association ("AAA"). The arbitration may be filed at any AAA location in the United States upon the payment of \$100 of any applicable filing fee. If the parties cannot agree on a binding Arbitration Agreement, then the arbitration will be conducted before a single arbitrator; however, if the amount in controversy is greater than \$50,000, the arbitration shall be conducted before three arbitrators. In any event, the arbitrator shall not award punitive damages or attorney's fees, those damages hereby being waived, and arbitration will be limited solely to the dispute or controversy between you and the Company. The arbitration may be held in person, by telephone, or online as agreed by the parties. Any decision rendered in such arbitration proceeding will be final and binding on each of the parties, and judgment may be entered thereon in a court of competent jurisdiction. The parties will share the cost of arbitration, (including the arbitrator's fees, if any), in the proportion that the final award bears to the amount of the initial claim.

Sole Agreement - This Agreement, with the related Compensation Schedule, constitutes the sole agreement and supersedes 'all prior agreements between you and the Company, but this Agreement shall not impair your right to commissions or fees, if any, earned under a prior agreement or agreements with the Company.

AMERICAN NATIONAL INSURANCE COMPANY

Direct Deposit - Mandatory

There are a number of benefits to having your commissions paid by Direct Deposit.

- * **SECURITY** – Transfer is done electronically – no extra trip to the bank to stand in line.
- * **CONVENIENT** – Your commissions will be deposited even though you may be out of the office or out of town.
- * **GUARANTEED** – In your account by Friday of the pay week.
- * **HOW MUCH PAID FOR THE WEEK** – Call 1-888-801-8845 for your commission amount (can begin calling after 12:00 P.M. on Tuesday of the pay week).

If you change banks while on Direct Deposit, we encourage you to continue to maintain your existing account until we can change bank accounts in our systems. This should eliminate delays in receiving direct deposits.

Direct Deposit is one of the steps in American National Insurance Company's automation process that will make it easier for you to access information regarding your payment of commissions.

AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSIT

I authorize American National Insurance Company and the bank listed to deposit my commissions to the account name below. This authority will remain in effect until I provide a new authorization or cancellation. The company reserves the right to initiate debit entries for recovery of sums due to credit entries processed in error, if determined within the week of the credit entry.

A Voided Check must be submitted with your request for Direct Deposit.

AGENT NAME _____

SSN # _____

AGENCY # _____

DEPOSITORY (BANK) NAME _____

ADDRESS _____

CITY, STATE, ZIP _____ / _____ / _____

CHECKING ACCOUNT # _____

SAVINGS ACCOUNT # _____

9 DIGIT ROUTING # _____

9 DIGIT ROUTING # _____

CREDIT UNION _____

MONEY MARKET ACCT. _____

% TO CHECKING ACCT. _____

% TO SAVING ACCT. _____

(Name as it appears on checking account)

(Name as it appears on savings account)

If contract file is submitted electronically through nomoreforms, a voided check should be scanned and submitted as an attachment to the file or you may fax a copy to 1-866-568-0449. If submitting voided check by fax, please include a cover sheet indicating original file was submitted through nomoreforms and list applicant's name.

EFT PROCEDURES

Once you have signed up, your check will be automatically deposited into your checking and/or savings account approximately 3-4 weeks from the day the Home Office received the request. You will receive a "DEPOSIT ADVICE" form which will replace your check stub. This form will show your gross and net pay for the month and year-to-date. It will also show other deductions.

For Agent Use Only

AUTHORIZATION

Required by The Fair Credit Reporting Act

The Federal Fair Credit Reporting Act, as amended, provides that any consumer reporting agency may furnish a consumer report in accordance with the written instructions of the consumer to whom it relates.

In accordance with that provision, the person signing this form as "Applicant" hereby authorizes any person or agency to give, in writing, orally, or in any other form, to American National Insurance Company or its designated representatives any information gathered or maintained by a consumer reporting agency bearing on the Applicant's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the Applicant's eligibility for credit, employment or any other purpose authorized under Section 604 of the Act.

Further, the Applicant understands that American National Insurance Company may, as part of its normal procedure, request that an investigative consumer credit report be made whereby information on the Applicant's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with business associates, employers, friends, neighbors and others with whom the applicant may be acquainted or who may have knowledge concerning any such items of information. The Applicant authorizes the individual or agency conducting the investigation to give, in writing, orally, or any other form, to American National Insurance Company or its designated representatives any information gathered or obtained during this investigation pertaining to Applicant's production, persistency, commissions, earnings, estimated future earnings, commission advances loans, and debts, including, but not limited to, any indebtedness that may have been charged to the Applicant's manager or agency, or which may have been written off.

The Applicant authorizes American National Insurance Company or its designated representatives to use the reports furnished in accordance with this authorization in any deliberations which it or they may undertake to determine whether or not American National Insurance Company will make an offer of a contract to the Applicant.

For California, Minnesota or Oklahoma applicants only, if you would like to receive a copy of the consumer report, if one is obtained, please check this box. ☐

For California applicants only, if public record information is obtained without using a consumer reporting agency, you will be supplied a copy of the public record information unless you check this box waiving your right to obtain a copy of the report. ☐

(Applicant's Printed Name)

(Applicant's Signature)

(Date)

(Social Security Number)

NOTICE OF PRIVACY POLICY

American National Insurance Company

**One Moody Plaza
Galveston, Texas 77550**

American National Insurance Company is committed to providing insurance and annuity products and services designed to meet your needs. We are equally committed to respecting your privacy and protecting the information about you that we may receive. We have prepared this notice to advise you what information we collect, how we use it and how we protect it.

What Information We Collect

As an essential part of our business, we obtain certain personal information about you in order to provide a financial product or service to you. Some of the information we receive comes directly from you on applications or other forms, and may include information you provide during visits to our Web site. We may also receive information from physicians, testing laboratories and other health providers, and from consumer reporting agencies. The types of information we receive may include addresses, social security numbers, family information, current and past medical history and financial information, including information about transactions with other financial institutions.

What Information We Disclose

We do not disclose nonpublic personal information about our current or former customers to any non-affiliated entity, except as permitted by law. Examples of the disclosures which we are permitted by law to make include: disclosures necessary to service or administer an insurance or annuity product that you requested or authorized; disclosures made with your consent or at your direction; disclosures made to your legal representative; disclosures made in response to a subpoena or an inquiry from an insurance or other regulatory authority; disclosures made to comply with federal, state or local laws and to protect against fraud.

Our Privacy Protection Procedures

We protect information about you from unauthorized access. Our employees and agents receive training regarding our privacy policies, and access to information about you is restricted to those individuals that need such information in order to provide products and services to you. Examples of activities requiring access to personal information include: underwriting; claims processing; reinsurance and policyholder service. Finally, we employ secure technologies in order to safeguard transmission of information about you through our web sites, and we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information.



Producer's Code of Conduct

As a representative of the American National family of companies I recognize my responsibility to:

Conduct myself in the highest character with *honesty, integrity, and fairness* at all times.

Provide information to clients in a professional manner which is *honest, relevant, and designed to meet the client's needs*.

Understand and accurately *represent* the Company's products and services.

Ensure my *personal interests do not conflict* with those of clients or the Company.

Render *prompt* and *quality service* both before and after the sale to clients and their beneficiaries.

Learn and *follow* all Company policies and procedures related to my role as a producer.

Keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.

Replace a life insurance, health insurance, or a financial product of a client, only when it is in the client's interest.

Foster *good will, courtesy, and consideration* in the treatment of policyowners and the general public, while maintaining *respect* for the Company.

Meet all continuing education requirements.

Endorse and support the Insurance Marketplace Standards Association's (IMSA's) Principles of Ethical Market Conduct.

- Conduct business according to high standards of honesty and fairness and to render that service to its customers which, in the same circumstances, it would demand for itself.;
- Provide competent and customer-focused sales and service;
- Engage in active and fair competition
- Provide advertising and sales materials that are clear as to purpose and honest and fair as to content;
- Provide for fair and expeditious handling of customer complaints and disputes;
- Maintain a system of supervision and review that is reasonably designed to achieve compliance with these Principles of Ethical Market Conduct.

**STATEMENT OF POLICY ON PRODUCER DEVELOPED ADVERTISING
AMERICAN NATIONAL INSURANCE COMPANY (Company)
INDEPENDENT MARKETING GROUP (IMG)**

GENERAL ADVERTISING GUIDELINES

Agents, Brokers, Marketing Organizations, Broker-Dealers, Registered Representatives of Broker-Dealers and other Producers appointed with the Company through IMG are required to secure written Home Office approval prior to the use of all advertising or promotional materials not furnished by the company. These materials include any advertisement that is targeted to clients, potential clients, current agents and prospective agents. Detailed Advertising Guidelines are available on IMG's web site www.img.anicoweb.com, Compliance Issues, Field Reference Manual, Compliance Section.

The Company must review and approve any advertisement that:

- Refers to the Company
- Refers to the Company's industry ratings and/or financials
- Refers to any Company product
- Refers to policy or operational/administrative procedures of the Company
- Describes features of a Company product, or the features of any product, in such detail that it can be identified as a Company product
- Targets current or potential agents (recruiting ads) if the advertisement has any of the features listed above
- Is attached to or a part of any mailing or distribution of an approved Company ad
- Is used on any web site
- Is used in the State of Florida that could result in the sale of ANICO products whether or not the Company name or its products are mentioned.

WHERE TO SUBMIT ADVERTISING

Agents, Brokers and other Producers should submit advertisements to their Marketing Organization for review, approval and forwarding to the appropriate IMG marketing representative. Registered Representatives of Broker-Dealers should submit advertisements to their Broker-Dealer. The Broker-Dealer should forward such advertisements, including any developed by the Broker-Dealer, to the NASD for review if applicable. Once reviewed by the NASD, the Broker-Dealer should forward such advertisements to the appropriate IMG marketing representative, along with the NASD comment letter.

APPROVAL PROCESS

An advertisement is **not** approved by the Company unless the Marketing Organization or the Broker-Dealer has received final, written approval from IMG. An advertisement that is returned to the Marketing Organization or Broker-Dealer for correction(s)/changes is **not** considered approved until all correction(s)/changes have been made as indicated by American National. Once all correction(s)/changes have been made and the advertisement has been re-submitted to IMG final, written notification will be sent to the Marketing Organization or Broker-Dealer who should notify the Agent, Broker, Producer, or Registered Representative that the advertisement has been approved by the Company. A final copy of the advertisement in the form it is to be used must be provided to IMG.

ADVERTISING VIOLATIONS

Failure to comply with the procedures as defined above and detailed in IMG's published guidelines is a direct violation of the contract or selling agreement of such agent with the company and state laws and regulations. It is the Company's policy upon discovery of the first violation to impose a penalty ranging from a formal warning to termination, depending upon the nature of the infraction. The penalty for repeat violations could result in the termination of the appointment, contract or selling agreement of the Agent, Broker, Producer, Marketing Organization or Broker-Dealer.



American National Insurance Company Company Guide to Anti-Money Laundering Program

As an insurance producer, your skills and services help our clients achieve financial success and security. Since you are on the front lines of a multi-billion dollar industry, you are in a unique position not only to serve our clients, but also to serve this country by helping prevent money laundering and the financing of terrorist activities.

To comply with new federal anti-money laundering regulations for insurance companies, our family of companies is implementing a detailed anti-money laundering program. You have an important role to play in that program. You may often be in a critical position to obtain information regarding the customer, the customer's source of funds for the products we sell, and the customer's reasons for purchasing an insurance product.

That in selling individual annuities and life insurance, the Company's anti-money laundering program requires you must:

- Ensure that all information requested on the product application and associated documents is accurate and complete, including the USA PATRIOT Act Notification and Customer Identification Verification form for all non-variable business.
- **Contact the appropriate Anti-Money Laundering (AML) compliance officer if a customer resists providing information.** (See contact information further in this document.)
 - Records of this information must be retained as long as the contract remains in force and for five years thereafter.
- Notify the appropriate AML compliance officer if you detect any money laundering red flags, so that the Company can determine whether a suspicious activity report (SAR) must be filed with the U. S. Department of the Treasury or any agency thereof.

Possible Red Flag Activity (*for a comprehensive list of red flag activity, contact the AML officer at American National*)

The purchase of a product that appears to be inconsistent with a customer's needs

- The purchase or funding of a product that appears to exceed a customer's known income or liquid net worth
- Any attempted unusual method of payment, particularly by cash or cash equivalents, such as money orders or cashier checks
- Payment of a large amount broken into several smaller amounts
- Little or no concern by a customer for the performance of an insurance product, but much concern about the early termination features of the product
- The reluctance by a customer to provide identifying information, or the provision of information that seems fictitious
- Any other activity which you think is suspicious

AML Contact Information

Report Suspicious Activity To

Contact: **Judith L. Regini (Judy)**, Assistant Vice President, Corporate Compliance, Chief Compliance Officer for Anti-Money Laundering

Mail: P.O. Box 1896, Galveston, Texas 77553-9902

Phone: (800) 933-5975

Fax: (409) 621-3885

Email: AMLCompliance@anico.com

Types of Payments Accepted

Advise customers that only the following types of payment may be accepted:

- Personal checks and pre-authorized check payments.
- Cash (currency or coin) in amounts less than \$1,000. (**Cannot accept cash for variable contracts.**)
- Cash equivalents (money orders, cashier's checks, traveler's checks, bank drafts).
 - Cash and cash equivalents must be reported to the IRS and FinCEN on Form 8300 when payments received by the Company in a single transaction or in two or more related transactions total more than \$10,000. Related transactions occurring within any 12-month period would be aggregated for reporting purposes even if individually they are less than \$10,000. [Agents may have independent reporting obligations and should check their Company's website for additional information.]
 - Limited to \$500 for variable contracts.
- **If a customer provides a form of payment that is not permitted, do not accept the payment and notify the appropriate AML compliance officer if it is in an amount greater than \$1,000.**

NOTE: *An employee, agent or broker must not, under any circumstances, disclose that he has reported suspicious activity or red flags to the Company. It is the sole responsibility of the Company's AML officer to determine whether a SAR is filed with the Dept. of Treasury. The AML officer and the Company are prohibited from disclosing to the agent and any other person that a SAR has been filed.*

The Company and its producers share an important responsibility to comply with the Company's program and all applicable anti-money laundering laws. A failure to do so will constitute grounds for discipline, up to and including termination. In addition, violation of anti-money laundering laws may expose those responsible to substantial penalties under federal law.

For more details on each of these requirements, contact the AML officer of American National or of SM&R, for broker/dealer questions involving variable contracts.

Certification of Completion -- Anti-Money Laundering Training

AGENTS – COMPLETE SECTIONS ONE THROUGH THREE

Section One: Agent Information

Agent's Name: _____ Social Security No: _____

Address: _____

City: _____ State _____ Zip Code _____

Phone: (daytime) _____ (evening) _____

Section Two: Training Information

Title of training program _____

Date training program completed _____

Training was delivered by: (Check all that apply)

Insurance company: ☐ (please specify full name and contact information)

Broker Dealer: ☐ (please specify full name and contact information)

Bank: ☐ (please specify full name and contact information)

Vendor: (please specify full name and contact information)

Other ☐ (please specify full name and contact information and attach outline of training program if available)

Section Three: Agent Affirmation of Anti-Money Laundering Training Program Completion

I am a duly licensed insurance agent and affirm that I have completed the above-referenced training program, which to the best of my knowledge satisfies requirements imposed on insurance companies by regulations issued under USA Patriot Act Section 352 (US 31 CFR 103.137). I acknowledge that the insurance company to which this certification has been provided retains the right to review and approve the training program and its curriculum before accepting this certification. I affirm (i) that I have read and understand the insurance company's AML Guide and (ii) that I am knowledgeable about my obligations under the regulation.

Signature of Agent _____ Date: _____

SECTION FOUR IS FOR BROKER-DEALERS, BANKS, AND INSURANCE COMPANIES ONLY

Section Four: Attach a certificate documenting the contents of the training program or complete and execute the items below (please check all that apply).

☐ Training program covers the ACLI Core Elements for an AML Course

☐ Training program is in compliance with regulations issued under USA Patriot Act Section 352 (US 31 CFR 103.137 and/or NASD Rule 3011)

I affirm that the above referenced agent completed the above referenced training program and that the program either covers the ACLI Core Elements and/or is in compliance with regulations issued under USA Patriot Act Section 352 (US 31 CFR 103.137 and/or NASD Rule 3011).

Entity Delivering Training: _____

Name _____ **Title** _____

Signature: _____ **Phone number:** _____

Email Address: _____

Instructions for Certification of Completion Anti-Money Laundering Training

Effective May 2, 2006, Insurance Companies are required to establish and maintain Anti-Money Laundering programs for covered products, in accordance with USA PATRIOT Section 352 (US 31 CFR 103.137). Agents and brokers must be integrated into these programs and receive anti-money laundering training. This form was developed to provide you with a convenient means to verify, to the various companies with whom you do business, that you have completed this training.

Agent or Broker: You should complete Sections One and Two and execute the affirmation in Section Three. If your training was provided by an insurance company, broker-dealer or bank, that entity must either provide a certificate including an outline of the training program or complete and execute Section Four.

Section One – Agent Information

Please complete this section in its entirety. Make sure that you include at least one telephone number where you can be contacted to verify the information you have submitted.

Section Two - Training Information

Please provide the name of the training program, the date you completed it, and the name of the entity providing the training, including a contact person. If you received training from an entity other than an insurance company, broker-dealer, bank, or vendor, you must attach an outline of the training program.

Section Three – Agent Affirmation

You must complete and sign this form before you submit it to an insurance company as proof that you have completed training.

Section Four – Training program Content and Affirmation (Insurance Companies, Banks, and Broker-Dealers Only)

If the training was delivered by an insurance company, bank, or broker-dealer, that entity must either provide a certificate (including an outline of the training program) or complete Section Four, certifying that the training program covers the ACLI's "Recommended Core Elements for an AML Training Program for Life Insurance Agents and Brokers" and/or that the training program is in Compliance with regulations issued under the USA PATRIOT Act.

The ACLI Core Elements are posted on the internet at the following site:

<http://www.acli.com/ACLI/Issues+nonmembers/AML+Resources%3a+Integrating+Agents+and+Brokers.htm>

If the training was delivered by an insurance company, broker-dealer, or bank, this form will not be accepted unless the firm performing the training provides a certificate of completion or executes this affirmation.

Insurance companies, broker-dealers and banks are subject to AML requirements imposed by regulations issued under Section 352 of the USA Patriot Act (31 CFR 103.137 and/or NASD Rule 3011). If your training was provided by a vendor or an entity not subject to these regulations, the insurance company you represent will need to verify the content of the training.

Contact Information

If you have any questions, please contact your AML Officer.



AMERICAN NATIONAL INSURANCE COMPANY
ONE MOODY PLAZA GALVESTON, TEXAS 77550-7999

INSURANCE ACTIVITIES REQUIRING PERSONS TO BE LICENSED IN VIRGINIA

Per the request of the Virginia Bureau of Insurance, I hereby certify, under penalty of perjury under the laws of the State of Virginia, that I have received, read, and understand the information provided to me in reference to the Administrative Letter 2002-8 (discusses the many changes in Virginia laws governing the licensing and other activities of insurance agents, consultants, and other licensees), Administrative Letter 2002-9 (discusses what activities require agents/agencies to be licensed and what activities are and are not permitted for those who are not licensed as insurance agents), and Administrative Letter 2008-03 (Rules Governing Military Sales Practices) found in the Virginia Bureau Insurance Code. The referenced Administrative Letters and other pertinent Administrative Letters may be located via the Bureau of Insurance web site at:

<http://scc.virginia.gov/division/boi/webpages/boiadminltrsforagents.htm>

Date _____

By _____
(Signature)

Print Name _____

Social Security Number/
Tax ID Number _____

Branch Office Number
(if known) _____



BC101008

Form
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

W-9

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶
☐ Other (see instructions) ▶

☐ Exempt
payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign
Here

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.