

Master General Agent

AGREEMENT



Products underwritten by:

American General Life Insurance Company
Houston, Texas

**The United States Life Insurance Company
in the City of New York**

New York, NY

www.americangeneral.com/employeebenefits

The underwriting risks, financial and contractual obligations and support functions associated with the products issued by the above-listed companies are the responsibility of each individual company.

American General Life Insurance Company does not solicit business in the state of New York.

Master General Agent Contract
("Contract")

between

American General Life Insurance Company
and each Affiliated Insurer made a party to this Contract

and

Legal Name of Entity or if Individual, Last Name	First name	Middle Initial
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Master General Agent: Individual Corporation or other legal entity

If Master General Agent is a corporation or other legal entity, its full name must appear above and an authorized corporate officer must sign and indicate the officer's title below.

Individual- Social Security Number:	Corporation- Tax Identification Number:
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By: _____ Title: _____
Master General Agent's or Officer's Signature

AMERICAN GENERAL LIFE COMPANIES

By: _____ Title: _____

TO BE COMPLETED BY AMERICAN GENERAL LIFE COMPANIES

Contract Date: _____

1. DEFINITIONS

For purposes of this Contract, the following terms and phrases will have the respective meanings assigned to them in this Section 1:

- a. “Affiliated Insurer” means each insurance company subsidiary of American International Group, Inc., other than the Primary Company, which: (i) appoints Master General Agent to transact business with such Affiliated Insurer, and (ii) is made a party to this Contract as reflected by the addition of one or more compensation schedules to this Contract.
- b. “Company” refers, jointly and severally, to the Primary Company and each Affiliated Insurer.
- c. “Company Rules and Procedures” means Company’s current rules, procedures, methods, practices, requirements, and standards, as reflected in Company’s Compliance Manual and guidelines and all other written publications, bulletins, directives, and instructions issued by Company and reasonably communicated to Master General Agent, as each of the same may from time to time be revised or changed by Company in its sole discretion.
- d. “Law” whether singular or plural, means all applicable statutes, rules, ordinances or regulations (including codes, plans, judgments, injunctions, administrative interpretations or orders thereunder, or charges, judgments, orders, decrees, rulings, or other restrictions) of any federal, state, local, or foreign government or any department, division, agency or instrumentality thereof.
- e. “Primary Company” means the insurance company identified on the first page of this Contract. Primary Company executes this Contract on its own behalf, and on behalf of each Affiliated Insurer.
- f. “Products” means the life, health and accident policies, and other insurance products issued by Company and reflected on one or more compensation schedules to this Contract. The term “product” (not capitalized), means any and all life, health and accident policies, and other insurance products issued by Company, whether or not reflected on a compensation schedule to this Contract. The products of Primary Company and each Affiliated Insurer are separately underwritten and independently supported by each respective insurer.
- g. “Subagent” means each agent and solicitor contracted under or otherwise assigned to Master General Agent, as reflected in Company’s records. Each Subagent must be appropriately licensed, and contracted and appointed with Company, as provided in this Contract.

2. PURPOSE OF CONTRACT

Master General Agent desires to enter into an agency relationship with Company for the purpose of: (a) selling Company’s Products, and (b) recruiting agents to be considered by Company for contracting and appointment. Master General Agent is responsible for producing quality business for Company and recruiting qualified agents. In return for performance of such activities by Master General Agent, Master General Agent will be paid the compensation set forth in the compensation schedules to this Contract, subject to the terms and conditions of this Contract.

3. EFFECTIVE DATE

This Contract is dated effective (the “Effective Date”) as of the later of (a) the Contract Date indicated on the first page of this Contract, or (b) the date Master General Agent is appropriately contracted and appointed with Company in accordance with applicable Law. This Contract applies to all Products written by Master General Agent or its Subagents on or after the Effective Date.

4. APPOINTMENT AND AUTHORITY OF MASTER GENERAL AGENT

Company hereby contracts with and appoints Master General Agent, and Master General Agent agrees to perform the following:

- a. **Solicit Applications for Products.** Solicit and procure, both personally and through Subagents, applications for Products. Managing General Agent shall develop and provide quotes to prospective clients in accordance with Company Rules and Procedures. No solicitation is permitted by Master General Agent unless Master General Agent is appropriately licensed, and Master General Agent has been contracted and appointed with Company in accordance with applicable Laws and Company Rules and Procedures.
- b. **Service Issued Products.** Service customers, endeavor to maintain in-force all issued Products, and perform such other duties to aid the purposes of this Contract, as requested by Company, and in accordance with Company Rules and Procedures.

- c. **Recruit Subagents.** Recruit and recommend prospective Subagents to Company. Prospective Subagents must be appropriately licensed by each insurance regulatory authority where the Subagent conducts business, and must otherwise meet all Company standards as may then be in effect. Company shall have the sole discretion concerning whether a prospective Subagent becomes an appointed and contracted agent of Company. Master General Agent shall facilitate the contracting of Subagent with Company and will provide the appropriate licensing and appointment paperwork for Subagents to Company.

5. LIMITATIONS AND PROHIBITIONS

Master General Agent is authorized to act on behalf of Company only to the extent expressly provided in this Contract. Master General Agent has no authority to take any action that is adverse to the interests of Company or its affiliates or customers, or that is contrary to applicable Law or Company Rules and Procedures. Master General Agent further agrees as follows:

- a. **Licensing.** Master General Agent shall conduct business only in those states, territories and jurisdictions in which Master General Agent is licensed by the appropriate regulatory authorities, and appointed with Company in accordance with applicable Law. Master General Agent shall not permit any Subagent to conduct business in any state, territory or jurisdiction where the Subagent is not licensed by the appropriate regulatory authorities and appointed with Company in accordance with applicable Law. Where required by Company Policies and Procedures or by Law, Master General Agent must have the appropriate licenses and appointments in each state, territory and jurisdiction where a Subagent is conducting business in order to receive compensation on the business produced by such Subagent. Master General Agent agrees to immediately notify Company in the event any insurance license of Master General Agent is terminated or not renewed for any reason.
- b. **Territory.** Master General Agent shall solicit, and shall permit Subagents to solicit, applications for Products only in states, territories and jurisdictions in which Company is admitted to do business and only for those Products offered by Company in each such state, territory or jurisdiction. The right to solicit in these states, territories and jurisdictions shall be nonexclusive.
- c. **Advertising.** Master General Agent may not issue, print, or circulate any advertisement, sales material or other communication concerning Company or Company products without first obtaining the prior written approval of Company. Master General Agent is not permitted to use any advertisements or sales materials previously created by Company that have been replaced, updated or discontinued.
- d. **Use of American General Names and Logo.** The name “American General” is a registered service mark of American International Group, Inc. (“AIG”). Master General Agent is authorized to use the American General logo and other related “AIG, or American General terms, names and/or company names” only in connection with Master General Agent’s solicitation, sale and servicing of Company products and only after having obtained prior written approval from Company for each such use. The phrase “AIG, or American General terms, names, and/or company names” refers to company, marketing, and product names and/or other symbols or logos, that contain the term “AIG”, or “American General”, as well as those AIG and AIG affiliate’s names, symbols or logos that do not contain the words “AIG”, or “American General”. Master General Agent’s authority to use the American General logo and the other related AIG, or American General terms, names and/or company names shall automatically terminate upon termination of this Contract. Business cards, stationery and any other materials using company names, symbols or logos where multiple copies may have been printed or reproduced must be destroyed when this Contract terminates.
- e. **Policy Delivery and Coverage.** Master General Agent shall not, and shall ensure that its Subagents do not: (i) deliver or cause to be delivered any issued Product unless the applicant is in good health and insurable at the time of delivery of such Product in accordance with Company Rules and Procedures; or (ii) accept risks, pass upon insurability, or bind Company in any way.
- f. **Rebating.** Master General Agent shall not, and shall ensure that its Subagents do not, directly or indirectly, provide as an inducement to any person to purchase a policy or contract, any rebate of premium or any inducement not specified in the policy or contract.
- g. **Communications to Clients.** Master General Agent shall not, and shall ensure that its Subagents do not: (i) make any misrepresentation, incomplete comparison or unsuitable recommendation in order to induce a policy or contract owner of Company or of any other company to convert, lapse, forfeit, or replace such policy or contract owner’s insurance; (ii) guarantee dividends or interest rates; (iii) alter or waive the terms of any Products; or (iv) extend the time of paying any premium.

- h. Funds.** Master General Agent shall not, and shall ensure that its Subagents do not: (i) collect or give any receipt for deferred or renewal premiums or any other payments; (ii) deposit any cash or negotiable instruments representing payment of any premium, including the first; or (iii) withhold, commingle or convert to the use of Agent or to the benefit of others, any monies, securities, policies or receipts belonging to Company, the applicant, policy or contract owner, or the insured.
- i. Status.** Master General Agent shall not, and shall ensure that its Subagents do not, represent that Agent is an employee, partner, franchisee or joint venture partner of Company.
- j. Fair Competition and Political Activity.** Master General Agent shall not, and shall ensure that its Subagents do not: (i) make disparaging oral or written remarks about competitors or dissuade a consumer from doing business with a competitor; or (ii) appear to represent, and must avoid the appearance of representing, personal political activity as activity on behalf of Company.
- k. Agreements.** Master General Agent shall not, and shall ensure that its Subagents do not: (i) contract or incur any debt, obligation or other liability in the name or on behalf of Company; or (ii) enter into agreements involving the splitting or sharing of commission or other compensation with persons who are not licensed, contracted and appointed with Company.
- l. Practice.** Master General Agent shall not, and shall ensure that its Subagents do not, introduce, amend or terminate any Company Rules and Procedures, without Company’s prior written consent.
- m. Proceedings.** Master General Agent shall not, and shall ensure that its Subagents do not, institute legal proceedings arising out of transactions which, directly or indirectly, relate to Company or Company’s business on behalf of Company.
- n. Assignment.** Master General Agent may not assign this Contract or any duties hereunder to any third party. No commissions or other compensation payable by Company to Master General Agent may be assigned without the advance written consent of Company. All assignments of compensation approved by Company shall be subject to debits and offsets by Company for any indebtedness owed by Master General Agent to Company as provided under this Contract. Company will not be responsible for any consequences, including tax consequences, of any assignment.

6. RELATIONSHIP

- a.** The relationship between Company and Master General Agent shall be that of principal and independent contractor. Nothing contained herein shall be construed as creating the relationship of partnership, joint venture, franchise, or employer and employee for any purpose, including tax purposes. Agent agrees to be responsible for all taxes as a self-employed independent contractor.
- b.** Master General Agent’s individual contractual relationships with other persons shall have no bearing on Company’s right to enter into contractual relationships with the same or any other persons.
- c.** If Master General Agent is a corporation or other legal entity, the corporation or legal entity shall designate an authorized officer of the corporation or legal entity to act on behalf of the Master General Agent.
- d.** Master General Agent shall be free to exercise independent judgment to determine the time and manner in which Master General Agent shall perform the activities authorized under this Contract, subject to applicable Law and Company Rules and Procedures.

7. MASTER GENERAL AGENT RESPONSIBILITIES

- a. Compliance with Laws.** Master General Agent agrees to keep informed of and to comply with the Laws of each state, territory and jurisdiction where Master General Agent conducts business.
- b. Company Rules and Procedures.** Master General Agent agrees to comply with Company Rules and Procedures and any system of review and control of Master General Agent’s activities relative to this Contract, including, any method of sanctions as may be used by Company. Adherence to Company Rules and Procedures will not negate the intent of Section 6. of this Contract.

- c. **Insurance.** Master General Agent agrees to maintain errors and omissions insurance covering the acts and omissions of Master General Agent in connection with Master General Agent’s performance of this Contract and its representation of Company. Such coverage shall be with a carrier and for amounts and deductibles acceptable to Company. Master General Agent must provide evidence of such coverage satisfactory to Company prior to the execution of this Contract by Master General Agent, and thereafter, upon the request of Company. Failure to provide satisfactory evidence of the required insurance coverage will result in action by Company, including, but not limited to, a hold on compensation due Master General Agent, which compensation will be released only when Company receives acceptable evidence of insurance coverage, or the immediate termination of this Contract by Company.
- d. **Product Familiarity.** Master General Agent agrees to become fully informed as to the provisions and benefits of each Product offered by Company for which Master General Agent solicits applications and to represent such Products accurately and fairly to prospective purchasers of Products.
- e. **Confidential Information and Privacy Obligations.**
 - (i) Master General Agent agrees to use Confidential Information (defined below) solely for the purposes of this Contract and not to disclose such Confidential Information to any third party in any form without the prior written consent of Company, or as may be allowed by applicable Law. Master General Agent will advise and cause its respective employees, directors, officers, accountants, attorneys, agents, and representatives (collectively “Representatives”) who will have access to Confidential Information not to use or disclose any Confidential Information for any purpose other than for the purposes set forth in this Contract, or as required by Law, and any such use or disclosure shall be at all times and in all events on the terms of and in compliance with the restrictions of this Contract. “Confidential Information” includes all information and data provided by Company to Master General Agent, or acquired or used by Master General Agent pursuant to this Contract, including Company’s business and proprietary information, actual or potential customers, customer lists, strategic alliances, plans, reports, analyses, studies, models, sales data, marketing materials (including, without limitation, illustrations, disclosures and consumer advertising), or any other secret or confidential work, knowledge, know-how, trade secret or business information of Company or its respective affiliates, any information relative to any products, business procedures, coverage, or underwriting rates or pricing. “Confidential Information” also includes all records, files, input materials, reports, books or records, forms and other data or information, whether in written, electronic, or oral form, received, collected, processed, used or stored by, or provided to, Master General Agent, pursuant to this Contract, including, without limitation, customer, applicant, contract or policy owner information, such as names, addresses, e-mail addresses, account numbers, and financial and health information. Confidential Information does not include information which is or becomes: (A) generally available to the public at the time of disclosure; or (B) was independently developed by Master General Agent.
 - (ii) Master General Agent agrees to indemnify and hold harmless Company and Company’s affiliates, and their respective shareholders, officers, directors, employees and affiliates, from all claims, losses, liabilities, suits, actions, demands, settlements, losses, judgements, fines, costs, damages, fees and expenses, including, without limitation, reasonable attorney fees and expenses, incurred as a result of the failure of Master General Agent or its Representatives to perform its confidentiality obligations hereunder.
 - (iii) In the event that Master General Agent becomes legally compelled to disclose any of the Confidential Information or take any other action prohibited by this Contract, Master General Agent will provide Company with prompt written notice for the purpose of enabling Company to seek a protective order or other appropriate remedy, or waive compliance with the provisions of this Contract. In the event that such protective order or other remedy is not obtained within the time required to provide the Confidential Information, or if no such time period is specified, within thirty (30) days of such written notice to Company, Master General Agent so legally compelled will furnish only that portion of the Confidential Information or take only such action which is, in the opinion of Master General Agent’s counsel, legally required, and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so furnished.
 - (iv) Master General Agent shall maintain security procedures to protect against improper disclosure or use of Confidential Information, and shall comply in full with the privacy and security requirements of the Gramm-Leach-Bliley Act (“GLBA”) and the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as may be applicable, and any rules and regulations promulgated thereunder. To the extent that any applicable state or regulatory authority’s requirements are more stringent than GLBA or HIPAA, Master General Agent’s

use and/or disclosure of Confidential Information shall be in accordance with such requirements. Except to the extent otherwise required or specifically permitted by Law, Master General Agent's use and/or disclosure of Confidential Information shall be limited solely to the purposes for which such information is disclosed to Master General Agent to perform its obligations under this Contract.

- (v) Master General Agent shall maintain appropriate administrative, technical and physical safeguards to assure that Confidential Information is not used or disclosed other than as provided by this Contract or as allowed by Law. Master General Agent expressly warrants that all Master General Agent personnel with access to the Confidential Information: (A) will be advised of, and appropriately trained regarding the confidentiality and privacy obligations required under this Contract and by Law; and (B) will comply in all respects with such obligations.
 - (vi) Master General Agent agrees to report to Company in writing within forty-eight (48) hours of discovering the same, any use or disclosure of Confidential Information not provided for in this Contract or for a purpose not expressly permitted by Law. To the extent such unauthorized use or disclosure occurs, Master General Agent agrees to immediately mitigate, to the greatest extent possible, any harmful effect thereof.
 - (vii) Master General Agent agrees that it will abide by the limitations of Company and its affiliates' current privacy policies as published by Company and its affiliates and as reasonably communicated to Master General Agent from time to time.
 - (viii) Master General Agent agrees that Master General Agent will, prior to or simultaneously with the execution of this Contract, execute a HIPAA Business Associate Addendum to this Contract satisfactory to Company. A copy of the executed HIPAA Business Associate Addendum shall be attached to this Contract as Addendum B.
 - (ix) Master General Agent's obligations under this Section 7.e. shall continue after termination of this Contract.
- f. **Customer Service.** Master General Agent agrees to maintain in force all issued Products during the term of this Contract, and following the termination of this Contract, Master General Agent will not violate Section 12d.(i)bb. of this Contract. This Section 7(f) shall survive the termination of this Contract.
- g. **Prompt Transmittal.**
- (i) Master General Agent shall transmit to the home office of Company, by certified mail or overnight delivery, within 24 hours after receipt, any documents served upon Master General Agent or Master General Agent's employees in connection with any regulatory action or legal proceedings by or against Company. Master General Agent shall not act as Company's agent for service of process without Company's prior written approval.
 - (ii) Customer complaints, whether written or oral, including all correspondence and documentation related to the complaints, shall be promptly transmitted to Company in accordance with Company Rules and Procedures.
 - (iii) Master General Agent agrees to transmit to Company all applications solicited and money accepted for Company in accordance with Company Rules and Procedures.
 - (iv) This Section 7.g. shall survive the termination of this Contract.
- h. **Expenses.** Unless otherwise agreed to in writing between Company and Master General Agent, Master General Agent shall be responsible for and shall pay all expenses incurred by Master General Agent or Master General Agent's employees in the performance of this Contract, including, without limitation, local and municipal fees and taxes, and occupational and privilege taxes, with no right of reimbursement.
- i. **Indemnity and Hold Harmless.** Master General Agent agrees to indemnify and hold harmless Company and Company's affiliates, and their respective shareholders, officers, directors, employees and affiliates, from all claims, losses, liabilities, suits, actions, demands, settlements, judgments, fines, costs, damages, fees and expenses, including, without limitation, reasonable attorney fees and expenses, resulting from any acts or omissions of Master General Agent or Master General Agent's employees. In the event Company asserts any rights under this or any other hold harmless and indemnification provision under this Contract, or any other contract between Company and Master General Agent, Company shall have the right to withhold all compensation then due or to become due to Master General Agent under this Contract, or any predecessor agreements, and to apply the same against the hold harmless and indemnification obligations of Master General Agent to the extent determined by Company. This Section 7.i. shall survive the termination of this Contract.

j. Records.

- (i) Master General Agent agrees to maintain, safeguard, and produce for inspection upon request by Company, complete and accurate files of all transactions related to Company, Company Products, applicants, insureds, and policy and contract owners of Company. Such files shall be maintained and retained in accordance with Company Rules and Procedures.
- (ii) If Master General Agent is licensed and appointed to solicit the Products of a Company licensed to do business in the State of New York, the records relating to Products issued in the State of New York shall be maintained in accordance with New York Insurance Regulation 152.
- (iii) Master General Agent agrees that all records in the possession of or under the control of Master General Agent which are connected with or relate to business transacted under this Contract shall be open to inspection and shall be fully disclosed to Company. Master General Agent also agrees that the compensation accounts of Company shall be competent and conclusive evidence of the state of Master General Agent's compensation accounts.

k. Repayment of Unearned Compensation.

- (i) Master General Agent agrees to immediately repay to Company all unearned Master General Agent compensation received by Master General Agent for, or with respect to, premiums or payments returned to policy or contract owners by Company for any reason.
- (ii) Such unearned compensation will first be debited against Master General Agent's compensation account. Master General Agent agrees to pay to Company on demand any unpaid amounts remaining after such debit against Master General Agent's compensation account.
- (iii) The obligation to repay compensation shall apply even if the applicant, policy owner, or contract owner does not accept the premium refund.
- (iv) Payments of compensation to Master General Agent made in error will be repaid in the same manner as unearned compensation.
- (v) Other provisions regarding repayment of unearned compensation or chargebacks may be contained in one or more commission schedules to this Contract.
- (vi) This provision 7.k. shall survive the termination of this Contract.

l. Indebtedness.

- (i) To secure any and all present and future indebtedness of Master General Agent to Company, Master General Agent hereby pledges, assigns, and grants to Company a security interest in, a first lien upon, and rights of set-off and recoupment against all compensation due Master General Agent from Company. In the event that Master General Agent is indebted to Company, Company shall have the right, at any time, to deduct such indebtedness from any and all compensation due to Master General Agent from Company, at the sole option of Company.
- (ii) Master General Agent shall be responsible for any indebtedness owed to Company by Master General Agent and its Subagents. Except as otherwise agreed to in writing between Company and Master General Agent, any indebtedness owed to Company by Subagents will first be offset against the compensation account of the Subagent, and next against the compensation account of Master General Agent, if the indebtedness of Subagent is deemed uncollectable by Company, as determined by Company in its sole discretion. A Subagent's indebtedness will not be deemed uncollectable until ninety (90) days after demand for repayment has been made by Company to the Subagent.
- (iii) In the event of Master General Agent's failure to pay any indebtedness of Master General Agent to Company when due, Company may elect to exercise any and all of its rights and remedies allowed under this Contract, any other contract between Master General Agent and Company, and any right or remedy existing at Law or in equity. Company's option not to exercise any such rights or remedies shall not be construed as a waiver of the right to exercise any such rights or remedies at a later date. An exercise by Company of any of its rights or remedies shall not prevent the concurrent or subsequent exercise or any of its other rights or remedies.

- (iv) All indebtedness of Master General Agent to Company, whether occurring before or after termination of this Contract, and all rights and remedies of Company to recover the same, shall survive the termination of this Contract.
- m. Supervising and Training.** Master General Agent shall be responsible for supervising and training of Subagents. Such training shall assure that each Subagent:
- (i) is fully informed as to the provisions and benefits of each Product offered by Company;
 - (ii) represents such Products accurately and fairly to prospective purchasers;
 - (iii) is aware of and complies with the applicable Laws of each state, territory and jurisdiction in which Subagent conducts business; and
 - (iv) becomes fully informed of and acts in compliance with all Company Rules and Procedures.
- n. Property.** Master General Agent agrees to return on demand all property of Company. Property of Company includes, but is not limited to: rate books, manuals, supplies, applications, policy and contract forms, policy and contract owner records, video tapes, computer hardware and software, advertising, sales and promotional literature, any business forms, all other Company materials, and any materials displaying the American General terms, names, and Company names, words, or logos described in Section 5.d. above.
- o. Subagents.**
- (i) At its option, Company will contract with, and appoint qualified prospective Subagents recruited by Master General Agent. Such Subagents must meet standards then generally required by Company for contracting and appointment of agents. Company reserves the right to not contract and appoint a particular agent, or to terminate, at any time, the contract and appointment of any agent.
 - (ii) Master General Agent shall promptly notify Company, in writing, if Master General Agent terminates an employment or other contractual relationship with a Subagent.
 - (iii) Master General Agent shall promptly report to Company, in writing, any known or alleged misappropriation of funds by Subagents regardless of whether such known or alleged misappropriation is with respect to funds of Company or funds of any other person or company.
 - (iv) If a Subagent's compensation is paid through Master General Agent and Master General Agent is terminated for any reason, Company is authorized to pay directly to such Subagent any compensation due Subagent in accordance with the terms of such Subagent's contract with Company, as reflected in Company's records. Master General Agent agrees to release and indemnify and hold harmless Company and Company's affiliates, and their respective shareholders, officers, directors, employees and affiliates, from all claims, losses, liabilities, suits, actions, demands, settlements, judgments, fines, costs, damages, fees and expenses, including, without limitation, reasonable attorney fees and expenses, resulting from payments of compensation made by Company to Subagents pursuant to this Section 7.o. (iv).
- p. Employees.** Master General Agent shall be financially responsible to Company for the acts of Master General Agent's employees and shall promptly report to Company, in writing, any known or alleged misappropriation of funds by Master General Agent's employees regardless of whether such known or alleged misappropriation is with respect to funds of Company or funds of any other person or company.
- q. Complaints.** Master General Agent shall document and promptly report to Company all customer complaints involving the conduct, performance, or services of Master General Agent under this Contract, or any Subagent in accordance with Company Rules and Procedures. Master General Agent agrees to fully cooperate with Company in the investigation and resolution of such complaints.
- r. Remittances.** All moneys or other properties belonging to Company, while in the custody or control of Master General Agent, shall be held by Master General Agent in a fiduciary capacity and shall not be commingled with other funds or properties held by Master General Agent. No moneys or other properties belonging to Company shall be used by Master General Agent for any purpose whatsoever but are to be reported and transmitted to Company in accordance with Company Rules and Procedures. Master General Agent shall be responsible to Company for all moneys paid to or collected by Master General Agent, its employees, and Subagents.

8. COMPENSATION

- a. Master General Agent shall be paid compensation for Products sold by Master General Agent and Subagents while this Contract is in effect in accordance with the compensation schedules made a part of this Contract, subject to the terms and conditions of this Contract and Company Rules and Procedures, and applicable Law. Master General Agent must be appropriately licensed and appointed to receive compensation under this Contract.
- b. Compensation will be calculated based on the compensation schedules in effect on the date the application for a Product is received by Company. Company reserves the right to adjust the level of compensation paid on future sales of Products.
- c. If any policy or contract is considered to be a replacement or conversion of an existing Company policy or contract, or a replacement or conversion of a policy or contract of one of Company's affiliates, then compensation shall be adjusted in accordance with Company's then current replacement rules. If all or any portion of a policy or contract is reinsured, compensation may also be adjusted.
- d. If a policy or contract should lapse for non-payment of premium, no further compensation will be payable on such policy or contract unless it is thereafter reinstated in accordance with Company's reinstatement rules.
- e. For group policies, the Master General Agent's compensation is vested for the first year of sale.
- f. For group policies, if a policyholder requests a broker of record change, any compensation payable to a Master General Agent and/or his Subagent shall cease on the next premium billing cycle, except for any vested compensation. All future commissions not accrued before the billing cycle will be payable to the new agent. The Master General Agent will no longer be assigned to the policy.
- g. For individual policies, if a policyholder requests a broker of record change, all commissions for new business written will be paid to the new agent of record. Commissions for existing business at the time of the broker of record change will be vested and will continue to be paid to the Master General Agent and/or his Subagent.
- h. Unless otherwise agreed to in writing by Company, compensation payable under this Contract will not be included in determining compensation credits for the purposes of qualifying for prizes, trips, deferred compensation plans or other production awards which may be available to Master General Agent through any other Master General Agent or other agreement between Master General Agent and Company or Company's affiliates, or any profit center of Company.
- i. Any bonus program in effect, or any bonus program described in compensation schedules that becomes effective in the future, is not vested and may be discontinued at any time. No bonus will be payable in the event of forfeiture under Section 12. below.
- j. It is mutually agreed that unless Master General Agent makes demand for compensation hereunder or otherwise within one (1) year from the date such compensation is earned, Master General Agent agrees that compensation paid to him/her is correct.

9. COMPENSATION UPON TERMINATION

- a. Except as otherwise provided in a compensation schedule to this Contract, if this Contract is terminated for any reason other than for cause, compensation under this Contract is payable as follows:
 - (i) Master General Agent is vested for the compensation payable for the first year of sale on business written by the Master General Agent and/or his Subagents.
 - (ii) Other than the vested first-year compensation in Section 9.a.(i) above, upon termination of this Contract, Master General Agent's compensation, shall be reduced to zero on premiums paid to and accepted by the Company on or after the effective date of the termination on business written by the Master General Agent and/or his Subagents.
 - (iii) In the event of dissolution of a Master General Agent that is a corporation or other legal entity, all compensation otherwise payable to Master General Agent shall be paid to a single successor payee, provided that such successor payee shall have been designated in writing in a form satisfactory to Company.

- b. Payment of any vested compensation as provided under this Section 9. is superseded in the event of a forfeiture under Section 12. below.
- c. This Section 9. shall survive the termination of this Contract.

10. CHANGES IN SCHEDULES

Compensation schedules attached to this Contract may be changed by Company at any time with notice to Master General Agent. Such changed compensation schedules shall apply to applications for Products received by Company on and after the date of the new schedule.

11. CHANGE OF AFFILIATION

- a. If a Subagent requests to write business directly or through another Master General Agent or Producer, the Subagent must do the following:
 - (i) if the Subagent is considered an Active Producer by the Company, the Subagent will be prohibited from submitting new business to the Company for a period of six months unless the Subagent requests a letter from his/her former Master General Agent relinquishing the Subagent. This letter must be forwarded to the Company's Licensing Department. For the purposes of this provision, an Active Producer means an agent who has submitted new business within the last 12 month period, excluding renewals. This would include the addition of new coverage to existing inforce business.
 - (ii) If the Subagent is not an Active Producer, the Subagent must send a letter of termination to his/her former Master General Agent and forward a copy of the letter to the Company's Licensing Department.

12. TERMINATION

- a. **Automatic Termination.** This Contract shall automatically terminate upon:
 - (i) the death of Master General Agent, if Master General Agent is an individual;
 - (ii) the dissolution of the partnership, or upon the death of a partner, if Master General Agent is a partnership or a limited liability partnership;
 - (iii) the dissolution of the corporation or entity, if Master General Agent is a corporation, limited liability company, or other business entity existing under Law;
 - (iv) the sale of a majority or controlling interest of the corporation or other entity, if Master General Agent is a corporation or other entity;
- b. **Immediate Termination.** This Contract may be terminated, immediately, at Company's sole discretion upon:
 - (i) the filing of a voluntary petition in bankruptcy or for reorganization by Master General Agent; or
 - (ii) the filing of an involuntary petition in bankruptcy or for reorganization against Master General Agent.
- c. **Written Notice.** This Contract may be terminated either by Company or by Master General Agent upon thirty (30) days written notice to the other party. Master General Agent's authority to solicit, procure, or otherwise participate in the solicitation or procurement of applications for Products shall terminate on the date specified within the notice.
- d. **Termination for Cause.**
 - (i) This Contract may be terminated for cause by Company immediately upon written notice to Master General Agent, if Master General Agent:
 - (a) Wrongfully withholds or misappropriates any funds, insurance policies, vouchers or other property belonging to the applicant, policy or contract owner, or Company;
 - (b) Directly or indirectly endeavors to induce Company's policy or contract owners or certificate holders to surrender, replace or lapse their policies or contracts, or participates in such activities;
 - (c) Acts to materially prejudice the interests of or to discredit Company;

- (d) Fails to comply with or otherwise breaches the terms or conditions of this Contract or Company Rules and Procedures;
 - (e) Has any license to act as an insurance agent or broker revoked or not renewed;
 - (f) Violates any insurance or other material Law;
 - (g) Commits any fraud upon Company or its policy or contract owners; or
 - (h) Directly or indirectly endeavors to induce agents of Company, including Subagents, to discontinue their contracts with Company, or participates in such activities.
- (ii) For a period of two years following a contract termination made pursuant to Sections 12 .a., b., or c., Company reserves the right to convert said termination to a termination for cause upon the determination by Company that an activity or event listed in Sections 12.d.(i)(aa.-hh.) occurred either before the initial termination or within two years after the initial termination. Should Company elect to convert a termination to one for cause pursuant to this Section 121 .d., the provisions of Section 12 .e. will remain fully applicable.
- e. **Forfeiture.** Should Master General Agent at any time while this Contract is in force, or within two years following its termination, be terminated for cause, then Master General Agent shall forfeit any and all rights to compensation or remuneration of any kind, then due or to thereafter accrue under this or any other contract with Company. This forfeiture shall be without prejudice to Company as to any other remedy available at Law or in equity.
 - f. **Servicing.** Upon termination, Company may assign a servicing agent of Company's choosing in connection with any business written by Master General Agent or its Subagents.
 - g. **Survive Termination.** The provisions of Sections 12 .d. e., and f. shall survive the termination of this Contract.

13. **ARBITRATION**

- a. Any and all disputes arising under this Contract shall be settled by arbitration in Houston, Texas, or such other place as may be mutually agreed upon by the parties, under the rules of the American Arbitration Association, and judgment may be entered upon the award in any court of competent jurisdiction.
- b. The arbitrator will decide the dispute in accordance with the substantive law of Texas. Following the arbitration hearing, the arbitrator shall issue a decision and a separate written opinion that summarizes the reasoning behind the decision and the legal basis for the decision. The separate written opinion will be kept confidential by the arbitrator and by all parties. The decision is not reviewable by any court for errors of law or fact.
- c. The determination of the arbitrator shall be final and binding upon all parties. The costs of arbitration shall be borne equally by both parties.
- d. **COMPANY AND MASTER GENERAL AGENT EACH WAIVES ALL RIGHTS TO RECOVER SPECIAL, PUNITIVE AND NON-COMPENSATORY DAMAGES AGAINST THE OTHER PARTY.**
- e. This Section 13 shall survive the termination of this Contract.

14. **WAIVER**

Failure of Company to exact strict compliance with the terms of this Contract or the failure to declare any default when the same shall become known to it, shall not operate as a waiver of such conditions nor release Master General Agent from Master General Agent's obligation to perform all requirements of this Contract strictly in accordance with its terms.

15. **PRODUCTION AND PERSISTENCY**

Company shall have the right to establish minimum production and persistency standards and minimum rate of distribution growth as a requisite to Master General Agent maintaining this Contract, which standards Company shall be free to amend, in its sole discretion. Master General Agent's failure to meet production or persistency standards or the minimum rate of distribution growth will be subject to adverse action by Company, including but not limited to, termination of this Contract. Company shall provide Master General Agent 90 days advance written notice prior to taking any adverse action.

16. PREVIOUS CONTRACTS

- a. By execution of this Contract, all previous agent contracts, including any compensation schedules and supplements to such contracts between Company and Master General Agent, other than single case commission agreements, are terminated as of the Effective Date of this Contract. Master General Agent's right to compensation from Company under a previous contract is not hereby terminated and shall be determined under the contract in effect when the application(s) for new business were written.
- b. Notwithstanding the termination discussed in Section 16.a. above, any lien, security interest, claim, right or remedy that Company has or may have against Master General Agent under any previous agreement shall survive such termination and remain in full force and effect.

17. PARAGRAPH HEADINGS

The captions contained herein shall not be considered a portion of this Contract nor a limitation thereon, but are inserted for reference only.

18. ENTIRE AGREEMENT

This Contract, including all applicable schedules and all supplements thereto, and all other written agreements between Company and Master General Agent which are expressly made a part of this Contract, constitutes the entire Contract between the parties. However, Master General Agent's right to compensation from premiums on products issued by Company under a previous agreement is not affected except as provided in the Indebtedness and Previous Contracts Sections hereof.

19. MODIFICATIONS

This Contract cannot be modified or changed by any oral promise or statement by whomsoever made. No written modification of this Contract will bind Company unless it is signed by an authorized officer of Company and specifically expresses an intention to modify or change this Contract.

20. EXONERATION CLAUSE

Should any legislation, court decision or ruling of any state insurance department or other applicable Law render any provision of this Contract unlawful, it is mutually agreed that any changes in this Contract as may be necessary shall be made without loss, damage or other expense to Company. Any provision of this Contract which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, enforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

21. NOTICE AND GOVERNING LAW

- a. All notices required under this Contract must be in writing. Such notices may be sent by U.S. mail, certified, return receipt requested, or air courier service with return receipt. Notice will be deemed completed to Master General Agent upon deposit, postage prepaid, in the U.S. mail, or by air courier service, addressed to Master General Agent at Master General Agent's address according to Company's records, or to Company, upon actual receipt by Company, at its home office, whichever applies.
- b. The terms of this Contract shall be governed by and constructed in accordance with the Laws of the State of Texas, without regard to its conflicts of law principles. Master General Agent agrees to subject itself to the jurisdiction of the courts in Harris County, Texas for the enforcement of the Arbitration Section of this Contract.
- c. This Section 21 shall survive the termination of this Contract.

22. FEDERAL CRIME CONTROL ACT NOTICE AND CERTIFICATION

- a. By execution of this Contract, Master General Agent represents and warrants that Master General Agent has not been convicted of any criminal felony involving dishonesty or breach of trust, or has obtained the required written authorization or written consent from each Department of Insurance in the states, territories and jurisdictions in which Master General Agent transacts insurance business, in which case, Master General Agent shall advise Company of such conviction and furnish such authorization or consent for Company's examination.

- b. Should Master General Agent at any time while this Contract is in effect be convicted of a criminal felony involving dishonesty or breach of trust, Master General Agent agrees to immediately notify Company in writing of the felony conviction. Master General Agent understands that failure to comply with the requirements of the Federal Crime Control and Law Enforcement Act of 1994 (18 U.S.C.S. Sec. 1033, 1034) may result in disciplinary action up to and including termination for cause by Company.

23. CONDUCT OF BUSINESS

Company may make such changes and decisions as it deems advisable in the conduct of its business, including the discontinuance of any Product or policy or contract form or the withdrawal from any state, territory or jurisdiction, and Company shall incur no liability to Master General Agent by reason of its doing so. Company shall have the right to test market any product on a select basis without making the product available to all agents or in all locations.

24. INVESTIGATION NOTICE

Master General Agent authorizes Company to obtain an investigative consumer report from a consumer reporting agency or similar source, at any time Company deems it advisable to evaluate the financial condition, character, credit, reputation and personal traits of Master General Agent and all signatories of this Contract. Master General Agent and all signatories of this Contract release those contacted and Company and Company's affiliates, and their respective shareholders, officers, directors, employees and affiliates, from any liability with respect to the content of the information provided and any resulting action by Company. In furtherance of this provision, Master General Agent and all signatories of this Contract agree to immediately execute, upon the request of Company, any authorization or other document or instrument as may be required to obtain such reports or information.

25. ELECTRONIC COMMUNICATIONS AND TRANSACTIONS

Master General Agent must at all times have the capacity to communicate with Company through electronic mail and to accept electronic transactions including, but not limited to, electronic fund transfers, the capacity to receive e-mail correspondence and access to the internet.

26. MASTER GENERAL AGENT REPRESENTATIONS

By executing this Contract, Master General Agent makes the following representations:

- a. Master General Agent has read, understands, and will abide by the terms of this Contract.
- b. Master General Agent has reviewed this Contract with counsel or has voluntarily chosen not to do so.
- c. Master General Agent will abide by Company Rules and Procedures, whenever Master General Agent is acting as an agent of Company.
- d. If Master General Agent is a corporation, partnership or other legal entity, each and every individual who signs this Contract for Master General Agent jointly and severally guarantees the performance of all the obligations hereunder.
- e. Master General Agent has received, read, understands, and will abide by the contents of Company's Compliance Manual.

IN WITNESS WHEREOF, Company has caused this Contract to be signed by its duly authorized officer, and Master General Agent has caused the same to be signed, the date and year first above written.

ADDENDUM A

**Compensation Schedules
Please attach the applicable schedule.**

ADDENDUM B

PRIVACY (HIPAA) BUSINESS ASSOCIATE ADDENDUM

This addendum (“Addendum”) effective as of _____, 20____ is between _____ (for purposes of this Addendum, hereinafter referred to as “Agent”) and American General Life Insurance Company and each affiliated insurer made a party to the agreement to which this Addendum is attached. American General Life Insurance Company and such affiliated insurers shall be hereinafter collectively referred to as “Company”.

WHEREAS, Company is an insurance company licensed to sell insurance or financial services products (the “Products”) in a variety of jurisdictions;

WHEREAS, Agent entered or is entering into an agreement (the “Agreement”), such as an agent’s or a solicitor’s contract, whereby Agent will solicit applications for Company’s Products;

WHEREAS, through performing services pursuant to the Agreement, Agent may receive or have access to individually identifiable health information (“Protected Health Information” or “PHI”) or other information about a customer, such as financial or health information, that is not publicly available (“Nonpublic Personal Information” or “NPI). PHI and NPI shall be collectively called the “Information”; and

WHEREAS, the parties wish to amend the Agreement: (i) to include additional terms and requirements concerning Information privacy, (ii) to satisfy the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), and, any applicable rules and regulations, as may be amended from time to time, and, (iii) to include additional terms.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

A. Privacy.

1. The terms “Protected Health Information” and “PHI” shall have the meaning set forth in 45 C.F.R. Sec. 164.501 as may be amended. Other terms shall have the same meanings as set forth in the applicable definition of the HIPAA Privacy Rule or other regulations.
2. Agent shall maintain the confidentiality, and use and disclose Information solely for the purposes specified in the Agreement and any addendum thereto and to fulfill the purposes of the Agreement and any addendum thereto, consistent with Company’s notices of privacy practices, policies and procedures, provided that such use or disclosure would not violate any applicable, laws, rules or regulations if done by Company.
3. Agent shall:
 - a. Not use or further disclose PHI other than as permitted or required by the Agreement or any addendum thereto or as required by law.
 - b. Use commercially reasonable efforts and appropriate safeguards to maintain the integrity, confidentiality, and security of PHI and to prevent the unauthorized use or disclosure of PHI and to comply with the security standards or the HIPAA security regulations. Upon Company request Agent will provide to Company access to and documentation regarding any safeguards.
 - c. Report promptly within forty-eight (48) hours to Company’s Privacy Officer in writing any use or disclosure of PHI that is not permitted by the Agreement or any addendum, of which Agent becomes aware. Agent’s report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the PHI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Agent has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) what corrective action Agent has taken or shall take to prevent future similar unauthorized use or disclosure, and (vi) any other information as reasonably requested by Company’s Privacy Officer.
 - d. Require all of its employees, representatives, subcontractors or agents that receive or have access to PHI to agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply herein, including the obligation to return or destroy the PHI as provided for below.

- e. Make Agent's internal practices, books, and records relating to the use and disclosure of PHI available to the Department of Health and Human Services for purposes of determining Agent's and Company's compliance with the HIPAA requirements; provided that, Agent shall immediately notify Company upon receipt by Agent of any such request.
 - f. Within ten (10) days of receiving a written request from Company, provide to Company such information as is requested by Company, if any, to permit Company to respond to a request by an individual for access to, an amendment of, or an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. Secs. 164.524, 164.526, and 164.528. If an individual contacts the Agent directly about access to, amendment of, or an accounting of disclosures of his/her PHI, the Agent will forward such request immediately to Company and not provide such access, amendment, or disclosure. Notwithstanding anything herein to the contrary, Agent shall make reasonable efforts to cooperate with Company in responding to any such requests and enabling Company to comply with federal laws and regulations regarding the timing of response to such requests.
 - g. Upon termination of the Agreement and subject to applicable law and the Company's file and record maintenance requirements in the Compliance Manual, return or destroy (with Company's written permission) all PHI that Agent maintains in any form pursuant to the Agreement, and retain no copies of such information. However, if Company determines that such return or destruction is not feasible, Agent will continue to extend the protections of this Addendum to such PHI and limit further use of the information to the purposes that make the return or destruction not feasible. The respective rights and obligations of each party pursuant to this subsection shall survive the termination of the Agreement.
4. In the event Agent breaches a material obligation under this Addendum, Company may at its option: (i) require Agent to cure the breach within forty-eight (48) hours of Company notice to Agent, and/or (ii) immediately terminate the Agreement.
5. Agent agrees to abide by the limitations of any notices of privacy practices published by the Company.
6. Restrictions On Use. Company shall notify Agent of any restriction to the use or disclosure of PHI Company has agreed to in accordance with 45 CFR Sec. 164.522, to the extent that such restriction may affect Agent's use or disclosure of PHI.
- B. To the extent that state law is more stringent than the HIPAA regulations, any use or disclosure of PHI by Agent shall be made in accordance with the law. Any provision or ambiguity of this Addendum which conflicts with an applicable state or federal law shall be interpreted so as to permit compliance with HIPAA or the minimum requirements of any such statute or regulation.
 - C. The terms and conditions of this Addendum and Agent's obligations hereunder shall survive any termination or expiration of this Addendum or the Agreement for any reason whatsoever.
 - D. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than the parties hereto any rights, remedies, obligations, or liabilities whatsoever.
 - E. If there is any conflict between the Agreement and this Addendum, this Addendum shall control. If any other Agreement or Company policy or procedure concerning the use or disclosure of PHI is more restrictive than the provisions of this Addendum, then the more restrictive provisions shall control.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed as of the date below.

Master General Agent

American General Life Insurance Company

By: _____
Signature

By: _____
Signature

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ADDENDUM C
List of affiliates of Primary Company

The United States Life Insurance Company in the City of New York

Note: MGA must also be properly appointed for each affiliate for whom MGA is selling Products in order for the affiliate to be an Affiliated Insurer under the terms of this Contract.