

Annualization Addendum to General Agent's or General Producer's Agreement

INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY

This Annualization Addendum to General Agent's or General Producer's Agreement (the "Addendum") is made as of the ____ day of _____, by and between Fidelity & Guaranty Life Insurance Company (the "Company") and _____ ("you," "your," or "yours").

You and the Company agree that this Addendum will modify your General Agent's or General Producer's Agreement dated _____ (the "Agreement") as follows:

1. Subject to the terms of the Agreement and this Addendum, the Company agrees to pay you, upon issuance of the policy, an initial commission(s) in the following percentage amount(s) _____ of the first year commission shown on your Compensation Schedule for all authorized life insurance policies sold by you (the "initial commission"). The balance of the first year commission shown on the Compensation Schedule, if any, shall be paid on an earned basis upon the Company's receipt of the premium in months 10, 11 and 12 of the first year of the policy.
2. In the event of termination, for any reason, of a policy on which an initial commission has been paid under Paragraph 1 of this Addendum, there will be a chargeback as provided in the Compensation Schedule. The chargeback will be withheld from the next commission payment(s) due you until fully repaid. If there is insufficient activity to repay the amount of the chargeback within thirty (30) days, you must remit the balance to the Company within ten (10) days of the Company's written notice to you or the terms of Paragraph 8 of this Addendum will apply.
3. The Company's agreement to pay initial commissions under this Addendum is subject to the following conditions and limitations:
 - (a) The amount of the initial commission is limited to \$3500 for any one policy.
 - (b) Premiums paid through payroll deductions and/or as a part of a grouping of payments made by one entity or individual (also known as "list bill") are not eligible for annualization.
 - (c) Premiums on annuity contracts are not eligible for annualization.
 - (d) You must maintain a yearly production of \$10,000 of paid annualized premiums on a pro rata monthly basis.
 - (e) No commission shall be eligible for annualization unless the Company receives the required premium for the policy in full and all requirements for the issuance of the policy are fulfilled.
 - (f) Payment of an initial commission under this Addendum is limited to policies paid by pre-authorized check and annual payment plans.
 - (g) The chargeback provisions in the applicable Compensation Schedule continue to apply.
 - (h) Any policies which name you, your spouse, relatives, friends, etc. as the insured are not eligible for annualization.
4. In consideration for the privilege of receiving annualized commissions under this Addendum, the Company reserves the right to require, on thirty (30) days prior written notice, that you pay a fee in an amount not to exceed two percent (2%) of commission and/or two percent (2%) of your advanced commission balance.
5. The Company reserves the right to modify or terminate this Addendum at any time upon written notice to you. The Company may terminate this Addendum without also terminating the Agreement. However, termination of the Agreement for any reason will automatically terminate this Addendum.
6. In the event that the Company reasonably believes that you or your Agents/Producers are engaged in consistent internal replacement activity, the Company reserves the right to lower renewal commission rates on all business written with the Company.
7. The Company reserves the right to hold commissions that would otherwise be paid under this Addendum if it has outstanding issues of conduct or performance that need to be resolved with you or your Agents/Producers.
8. Upon termination of this Addendum or upon termination of any policy on which an initial commission was paid, there will be a chargeback as provided in the Compensation Schedule, which must be repaid by you within ten (10) days. If you fail to repay you debt to the Company, the Company has the right to pursue all legal and equitable remedies available to it in enforcing your obligations hereunder and collecting your debt, including without limitations, the following:
 - (a) The Company has the right to setoff the amount it is owed against any commissions you earn from the Company or any of its affiliates.
 - (b) The Company has the right to attach any commissions that you have earned or will earn in the future from the sale of insurance products for other companies.
 - (c) The Company, at its sole option, may agree to allow you to repay the debt in twelve (12) consecutive equal monthly installments, together with interest on the unpaid principal balance at a fixed rate of the lesser of eight percent (8%) per annum or the maximum rate of interest allowed by law. Each payment shall be due on the first day of each month. All payments shall be applied first to interest and then to principal. You agree to execute a promissory note and loan agreement as the entire principal balance outstanding, together with all accrued and unpaid interest thereon, shall become immediately due and payable, in full, without notice or demand. In the event of default, you hereby authorize the Company, by its attorney or by the clerk of any court, to appear before any court of competent jurisdiction and to confess judgment against you in the full amount of your debt to the Company, plus all costs and expenses incurred by the Company in recovering any amount you owe, including attorneys' fees and court costs, if any, hereby waiving and releasing any and all rights of presentment, demand, protest, notice of non-payment and all rights of exemption, modification, appeal, vacation or stay of execution to which you may be entitled under the laws of the State of Maryland or the United States now in force or which may hereafter be passed.
9. The amount of your debt to the Company under Paragraph 8 shall be increased to include the Company's costs and expenses to enforce this Addendum and recover the amount you owe, including without limitation, the Company's reasonable attorney's fees and court costs.
10. The Company's failure to insist on strict compliance with this Addendum or to exercise any right or remedy shall not constitute a waiver of any rights contained in this Addendum or the Agreement, or prevent the Company from insisting on strict compliance or exercising any right or remedy in the future.
11. This Addendum sets forth the entire agreement between the parties with respect to the subject of commission annualization and supersedes all prior or contemporaneous agreements and understandings, whether oral or written. This Addendum shall be governed by and construed under the laws of the State of Maryland, without regard to rules concerning conflicts of law.
12. Except as expressly set forth in this Addendum, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed by their authorized representatives, under seal, on the dates indicated next to their respective signatures.

General Agent/Producer (type or print) and Agent/Producer Code No. _____

Signature/Date (SEAL)

Title

Approved: _____
Master General Agent/Producer (type or print) and Agent/Producer Code No. _____

Signature/Date (SEAL)

Title

Fidelity & Guaranty Life Insurance Company

By: _____ (SEAL)
Signature/Date

Its _____
Title

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INSURER: FIDELITY & GUARANTY LIFE INSURANCE COMPANY

Instructions for Completing Fidelity & Guaranty Life Insurance Company's Annualization Addendum

1. In the opening paragraph, insert effective date of the Annualization Addendum. (This should be the later of the following dates: (a) the date on which Fidelity & Guaranty Life Insurance Company executes the Annualization Addendum, or (b) the date on which the Master General Agent/Producer approves the Annualization Addendum.)
2. In the opening paragraph, insert complete name of General Agent/Producer as it appears on the General Agent's/Producer's Agreement.
3. In the second (unnumbered) paragraph, insert effective date of the General Agent's/Producer's Agreement.
4. In Paragraph #1, insert the percentage of first year commissions which will be annualized and paid as an initial commission or commissions. (Express both in words *and* insert as a number in parenthesis.)
5. In the signature provisions, type or print the name of the General Agent/Producer and insert the General Agent's Agent Code Number (for DSS purposes).
6. Have the General Agent/Producer sign and date the Addendum.
7. Below the General Agent's/Producer's signature, insert the Title of General Agent/Producer. (To be used only if the General Agent/Producer is a corporation and the person who signed the Addendum has signed as an officer of the corporation and not as an individual. If the General Agent/Producer is an individual, you can leave this space blank or insert the words "General Agent/Producer.")
8. In the signature provisions, type or print the name of the Master General Agent/Producer and insert the Master General Agent's/Producer's Agent/Producer Code Number (for DSS purposes).
9. Have the Master General Agent/Producer sign and date the Addendum.
10. Below the Master General Agent's/Producer's signature, insert the title of the Master General Agent/Producer. (To be used only if the Master General Agent/Producer is a corporation and the person who signed the Addendum has signed as an officer of the corporation and not as an individual. If the Master General Agent/Producer is an individual, you can leave this space blank or insert the words "Master General Agent.")
11. The Addendum must be signed and dated by an officer or authorized representative of Fidelity & Guaranty Life Insurance Company.
12. Below the signature of the Fidelity & Guaranty Life Insurance Company officer or authorized representative, insert that person's title.

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