



Agent Licensing KIT

- ✓ Contracting Instructions
- ✓ Application For Contract
- ✓ E&O Information
- ✓ Agents Agreement



Contracting Instructions

Please review and complete each section.

- __1. Complete the Application for Contract (form AG-591, page 2) inside the Agent License Kit. Sign the back of the form.
- __2. For advance commission, complete and sign the Advance Commission section on the back of the Application for Contract (page 3).
- __3. **Errors and Omissions coverage is required!** If you currently have E&O coverage, send proof of coverage. If you do not have E&O coverage, you can apply at: www.napa-benefits.org/licoa/errors-and-omissions.
- __4. Sign the Agent's Agreement (AG-AG-10, page 16). Your signature is required on the "Agent" line.
- __5. Sign the Schedule of Commissions form on back.
- __6. Include a copy of your current state agent license.
- __7. Include a check for your state license fee made payable to LICOA (\$40 AL & KY, \$60 FL, \$20 LA & NC, \$25 MS, \$55 OK, \$15 TN, no fee for AR, GA, SC).
- __8. Agency/Manager/Director Name: _____

IMPORTANT

Return the complete Agent License Kit to our marketing department at the following address. You can also fax to 256-485-4777.

US Mail

Ken Lewis, VP Marketing
LICOA
PO Box 349
Gadsden, AL 35902

UPS – FedEx

Ken Lewis, VP Marketing
LICOA
302 Broad Street
Gadsden, AL 35901

Message from the Chief Marketing Officer

The Sure Way To Miss Success Is To Miss The Opportunity!

You have seen them, you may know them personally, they have been very successful, they have reaped all the happiness and financial rewards that their success brings. You say to yourself, "What a lucky person, I work just as hard as them, I'm smarter than them". They just happened to be in the right place at the right time.

But, was it just dumb luck or did they have the good sense to take advantage of opportunity?

*Today you have the opportunity to hitch your wagon to a rising star. Life Insurance Company of Alabama is perfectly positioned to take advantage of the hottest markets in the business today. ...**Worksite Marketing and Supplemental Insurance...** We have the products, the know how and the personal service to help you realize your full potential.*

You are in the right place at the right time. Welcome to the Life of Alabama family. We want you to be a part of our success story.

*Ray Renfrow, Jr., CLU
Executive Vice President
& Chief Marketing Officer*

Ray Renfrow joined Life of Alabama in 1971. After working in the field as an agent for 15 years he became Agency Director in 1986 and Chief Marketing Officer in 2007. During this time the Company has experienced phenomenal growth. He is a Life member of the Million Dollar Round Table.

Contracting Instructions For Agent Appointment



Contracting Checklist

- ☐ Application for Contract
- ☐ E & O Information
- ☐ Agent's Agreements
- ☐ Appropriate Schedule of Commissions
- ☐ A copy of your current Agent License
- ☐ State appointment fee

Individual Agent

1. Complete the Application for Contract (Form AG-591). Complete front side only for as earned commissions or front and back for advance commissions. Signatures are required.
2. Complete application for Errors and Omission coverage (enroll online at www.napa-benefits.org/licoa) or submit details concerning present coverage. (NOTE: Life of Alabama requires that all agents have Errors and Omissions Insurance).
3. "Agents Agreement" must be submitted. Signature is required on the "Agent" line found on the back of the Agreement.
4. "Schedule of Commissions" must be submitted. Signature is required on the "Signature of Agent" line found on the back of the Schedule of Commission.
5. Furnish a copy of your current Agent License.
6. A check made payable to the Life Insurance Company of Alabama for the appropriate resident and/or non-resident state appointment fee. Not applicable in the states of Arkansas or South Carolina.
7. The Agreement materials should be sent through your Manager or Regional Director for processing.

Corporation or Partnership as Agent

1. Follow steps 1 and 2 above.
2. "Agents Agreement" Signature is required on the "Agent" line found on the back of the Agreement. If the Agreement is a partnership, each partner must sign individually as a partner; if a Corporation, only the President or properly designated Corporate Officer must sign.
3. "Schedule of Commissions" Signature is required on the "Signature of Agent" line found on the back of the Schedule of Commission. If the Agreement is a partnership, each partner must sign individually as a partner; if a Corporation, only the President or properly designated Corporate Officer must sign.
4. Furnish a copy of your current Agent License.
5. A check made payable to the Life Insurance Company of Alabama for the appropriate resident and/or non-resident state appointment fee. Not applicable in the states of Arkansas or South Carolina.
6. The Agreement materials should be sent through your Manager or Regional Director for processing.

Life of Alabama is licensed in the following states: AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN

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**LIFE INSURANCE COMPANY OF ALABAMA
APPLICATION FOR CONTRACT**

(Please Print)

Full Name _____
First Middle Last Nick Name

Birthdate / / Social Security Number# - -

Home Address _____
Street City State Zip Code County

Business Street Address _____
(For UPS) Street
City State Zip Code

If applicable:

P. O. Box Number _____ E-mail Address _____

Business - -

Residence - -

Cell - -

Fax - -

Agents License# _____ Licensed For: Life ☐ Life / A & H ☐ A & H Only ☐

Are you currently covered by Errors & Omissions insurance? ☐ Yes ☐ No If yes attach a copy of your policy or proof of current coverage.

Commissions To Be Paid To, Check one: ☐ Agent ☐ Agency

Agency Name _____ Federal Tax Number _____

Name of Immediate General Agent or Regional Director _____

Please Print

NAME OF FINANCIAL INSTITUTION: _____

Institution Address _____

Type of Account: Checking ☐ **ATTACH VOIDED CHECK**
Savings ☐ IF SAVINGS, ATTACH DEPOSIT SLIP

Under the Violent Crime Control and Law Enforcement Act of 1994, we are required to make a determination as to whether any agents of the company have been convicted of a felony involving dishonesty or a breach of trust, or have been convicted of any offense under the Violent Crime and Law Enforcement Act of 1994.

☐ I have not been convicted of a felony.

☐ I have been convicted of a felony. Information regarding the conviction is as follows:

Date of Conviction _____ Offense for which I was convicted _____

Court in which I was convicted _____

Sentence received for such conviction _____

See Reverse Side for Signatures

As part of normal procedure for processing applications, a routine inquiry will be made. This inquiry typically concerns information on an applicant's criminal records, insurance license record, financial background, personal characteristics and mode of living. Further information on the nature and scope of this report is available to you upon written request.

I authorize Life of Alabama to obtain credit, criminal, insurance licensing, and other records or information concerning my character, general reputation, mode of living, personal characteristics, and other applicable data. Such information may be obtained through relatives, friends, associates, neighbors, financial sources, law enforcement agencies, Vector One (or other debit balance reporting services), or regulatory bodies. I further authorize Life of Alabama to charge my earned commission account the cost of state(s) appointment fee(s) renewals annually. I acknowledge that I have received and read Life of Alabama's Guide to Market Conduct. I further understand and agree that I am not permitted to write insurance until I receive written approval of this application from Life of Alabama.

I authorize and request to direct the net amount of any payment to me for crediting in my account at the financial institution designated on reverse. "Payment" means any compensation payable to me under the terms of my contract. This authorization is not an assignment of my rights to receive such payment and revoke all prior payment direction notifications applicable to any such payment. I understand that the financial institution designated on reverse reserves the right to cancel this agreement by notice to me; however, this authorization will remain in full force and effect with Life Insurance Company of Alabama until Life Insurance Company of Alabama has received written notification from me of its termination in such time and in such manner as to afford Life Insurance Company of Alabama a reasonable opportunity to act upon it or until my agent status with Life Insurance Company of Alabama is terminated.

AUTHORIZED HOME OFFICE OFFICIAL

Signature of Agent, General Agent or Director

Complete This Section for Advance Commissions

SIGN HERE

1. List all companies from which you have received advance commission payments:

2. Do you have any outstanding debit balances with any company? ☐ Yes ☐ No

If Yes, list all companies, the amount of each debit balance and the amount each of these accounts is currently earning:

3. Have you ever had a contract canceled by any company or agency? ☐ Yes ☐ No

If so for what reason? Name of company or Agency?

I understand that any advance commissions paid by Life of Alabama is not actual commission due until the premium upon which the advance is calculated is paid to the Company at the Home Office in Gadsden. Until such time as all premiums upon which these advance payments are based are paid to the Company, these advance payments constitute a loan and a debt due Life of Alabama upon which interest may be charged at the legal rate.

As security for the obligation of the undersigned to repay to the Company any and all such loans and debts arising from the advance payment of commissions by the Company to the undersigned, together with interest thereon as aforesaid, the undersigned does hereby assign and transfer to the Company any and all commissions now due or to become due in the future to the undersigned from the Company under the agent contract executed between the Company and the undersigned, or which may be executed in the future between the Company and the undersigned, and the undersigned authorizes the Company to apply any and all such commissions now due or to become due in the future, first to the accrued interest on such loans and debts, and next to the outstanding principal balance of such loans and debts, until the same is paid in full.

I also understand that at such time as my contract with Life of Alabama is cancelled any outstanding debit balance plus any interest due that is not immediately paid to Life of Alabama may be reported to Vector One debit balance reporting service (or any other debit balance reporting agency being used by the Company) which reports such outstanding debit balances to its subscribers.

Date

Signature of Agent, General Agent, or Director

**SIGN HERE FOR
ADVANCE
COMMISSIONS**

Life Insurance Company of Alabama
P. O. Box 349 • Gadsden, AL 35902
Phone: 256-543-2022 or 800-226-2371

Signature of Witness

Trusted Benefits Provider Since 1989



ERRORS AND OMISSIONS INSURANCE PROGRAM

Exclusively for Life Insurance Company of
Alabama Agents

Critical Protection For Insurance Agents

Coverage starts at just \$42.08 per month!

Program Pricing

Program Rates		
	\$1M Per Claim	\$1M Annual
	Single Payment	Down Payment*
01/01/16	\$506.00	\$103.12
02/01/16	\$465.92	\$100.12
03/01/16	\$425.83	\$97.12
04/01/16	\$385.75	\$94.12
05/01/16	\$345.67	\$91.12
06/01/16	\$305.58	\$88.12
07/01/16	\$265.50	\$85.12
08/01/16	\$225.42	\$82.12
09/01/16	\$185.33	\$79.12
10/01/16	\$145.25	\$76.12
11/01/16	\$105.17	\$73.12
12/01/16	\$65.08	\$65.08
Monthly Payment: \$42.08		

*Down payment includes one month's premium, NAPA dues, administrative fees and \$5.00 monthly processing fee. Down payments will be processed immediately. Future monthly payments are deducted in advance on the 1st of each month. Includes \$25.00 administrative fee and \$36.00 prorated NAPA dues.

Program Underwritten by BCS

★ Financial Strength: A.M. Best: A- (Excellent)

★ BCS Insurance Company
2 Mid America Plaza, Suite 200
Oakbrook Terrace, IL 60181



Apply online today! www.napa-benefits.org/licoa

Please note Life of Alabama requires appointed agents maintain \$1M/\$1M of E&O coverage.



Program Highlights

- ★ Option A: Limit of liability \$1,000,000 each claim subject to annual aggregate of \$1,000,000 each agent each policy period
- ★ Coverage includes life, accident, health and disability insurance products as well as mutual funds, variable products, universal life, annuities and section 125, employee benefit plans, managed health care organizations
- ★ Provides coverage for the sale and servicing of mutual funds, variable life and variable annuity products through a FINRA-registered broker dealer
- ★ \$500 deductible Life Insurance Company of Alabama product-related claims (damages only); \$2,500 deductible for all other claims (damages only)
- ★ Defense costs are paid from first dollar and are within your liability limit
- ★ Pay in full or choose monthly payments via credit card or electronic funds transfer (EFT)
- ★ Provides coverage for your administrative, clerical and support personnel while they are acting on your behalf
- ★ Prior acts coverage back to first date of continuous E&O coverage
- ★ Provides coverage for the agency under which you are doing business or are employed but only as respects such agency's liability as it might arise out of your individual activities as covered under this policy
- ★ Administered by Gallagher MGA

Program Eligibility

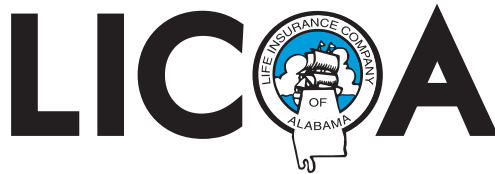
- ★ You must be actively contracted with Life Insurance Company of Alabama Life at the time of your effective date under this policy in order to be eligible for coverage.
- ★ You must be actively contracted with Life Insurance Company of Alabama Life at the time you submit a claim under this policy in order to be eligible for full benefits.
- ★ If you are terminated from Life Insurance Company of Alabama Life during the policy period, coverage for any new business activities ceases immediately as of your termination date. You will be covered under an extended reporting period up to the policy anniversary date. The extended reporting period only applies to claims filed between the date of termination and the policy anniversary date and will only respond to covered claims that arose from transactions that occurred while you were actively Insured under the policy, subject to the terms of the policy.
- ★ You may purchase an extended reporting period for the reporting of claims for one year commencing on the next policy anniversary date. The agent must request and purchase the extended reporting period within 30 days of their termination date. The cost for the extended reporting period will be 100% of their last annual premium.
- ★ Coverage under this program is offered on a claims made basis. The policy will only cover claims first made against the Insured and reported to the Carrier during the policy period. The agent must not have had knowledge of the claim or circumstances likely to result in a claim at the effective date of coverage.
- ★ This policy applies to an act, error or omission which takes place anywhere in the world, provided that the claim is made and suit is brought against the Insured in the United States of America, its territories or possessions and the District of Columbia, Puerto Rico or Canada.

Key Program Exclusions

- ★ Any dishonest, fraudulent, criminal or malicious act, or assault or battery committed by or contributed to by the Insured or Insureds;
- ★ Bodily injury to, or sickness, disease or death of any person arising out of the Wrongful Act(s) of an Insured;
- ★ Injury to or destruction of any property, including the Loss of use thereof;
- ★ Any liability assumed by the Insured under contract, unless the Insured would have been legally liable in the absence of such contract;
- ★ The financial inability to pay, insolvency, receivership, bankruptcy or liquidation of any insurance plan, any reinsurer, any IPA, HMO, PPO, DSP or any pool, syndicate, association or other combination formed for the purpose of providing health care, insurance or reinsurance;
- ★ Any claim arising out of the insolvency, receivership, bankruptcy, liquidation or financial inability to pay of any company, entity or other investment vehicle in which any customer has invested;
- ★ Any Wrongful Act based upon, arising out of, directly or indirectly resulting from or in consequence of the sale or recommendation of investments other than Life, Health or Accident Insurance or mutual funds other than through a FINRA-registered broker/dealer organization.

For complete policy details and exclusions, visit www.napa-benefits.org/LICOA.

Apply online today! www.napa-benefits.org/licoa



P.O. Box 349 • Gadsden, Alabama 35902

AGENT'S AGREEMENT

Life Insurance Company of Alabama of Gadsden, Alabama, an Alabama corporation engaged in the business of underwriting and selling certain insurance policies/certificates in the Southeast United States of America (hereafter "LICOA") and the undersigned person (hereafter "Agent") in consideration of their obligations in this Agent's Agreement (hereafter "Agreement") and intending to be legally bound, agree as follows:

1. APPOINTMENT

Subject to the terms of this Agreement and from and after the date of the Agreement and until its termination or until revocation of Agent's appointment, whichever first occurs, LICOA engages Agent to solicit applications for insurance policies/certificates offered for sale by LICOA.

2. RELATIONSHIP

Agent represents, warrants, and agrees that the performance of Agent under this agreement shall be as an independent contractor of LICOA. Agent will not be treated as an employee for purposes of the Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act or tax withholding. Agent shall indemnify LICOA in full for any claims, cost or liability or harm, including reasonable attorneys' fees, suffered by LICOA as a direct or indirect result of Agent's breach of this Agreement. Nothing in this Agreement shall be construed or deemed to create a relationship of employer or employee, partnership, joint venture, or principal, nor shall this Agreement be construed in any proceeding or for any purpose whatsoever between Agent and LICOA so as to make one party liable to a third person for the debts, faults or actions of the other. Agent acknowledges that as an independent contractor, Agent has certain responsibilities under state and federal tax laws including the payment of all applicable taxes and fees. Agent must report all sales commissions to the IRS and pay any federal income taxes due. LICOA may, after the close of each calendar year, furnish the Internal Revenue Service with a Form 1099 Income Statement for any commission amounts paid directly by LICOA to Agent.

3. AUTHORITY

LICOA authorizes Agent, and Agent's under your supervision:

- (a) to solicit applications for insurance policies/certificates within the states where Agent(s) is duly licensed to solicit such insurance applications;
- (b) to exercise Agent's own judgment as to time and place of solicitation in accordance with the terms of this Agreement and LICOA's current rules and practices;
- (c) to recruit, organize, train and supervise an Agent's force to sell policies/certificates for LICOA;
- (d) to contract Agent's recruited by Agent, using forms provided by LICOA for such purpose. All Agent's recruited must be properly licensed under the laws of the jurisdiction in which they do business;
- (e) to ensure that applications for the policies/certificates submitted to LICOA are completed accurately before submission, making full and accurate disclosure to LICOA of all facts and circumstances of which Agent(s) is aware that might affect LICOA's decision as to underwriting of the risk;
- (f) to collect the full initial premium for policies/certificates to be issued and to promptly submit all premiums collected to LICOA;
- (g) promptly forward applications for policies/certificates to LICOA;
- (h) to deliver all policies/certificates in accordance with any delivery requirements;
- (i) to make reasonable efforts to maintain LICOA policies/certificates in force and to provide reasonable assistance to LICOA policy/certificate holders;

4. UNAUTHORIZED ACTS

Agent authority does not permit you to

- (a) deliver a policy/certificate for insurance if the first premium has not been fully paid;
- (b) collect or receive any premiums after the initial premium;
- (c) extend the time for any premium payment or reinstate any lapsed policy;
- (d) to make, alter or discharge any contract to which LICOA is a party;
- (e) adjust or settle any claim;
- (f) retain any issued LICOA policy/certificate not delivered within thirty (30) days of issue;
- (g) solicit any applications for insurance in any state without a valid insurance license for that state;
- (h) enter into any legal proceedings pertaining to LICOA business without the prior written consent of LICOA;
- (i) waive, modify or amend any provision, terms, rates, limitation or condition of any LICOA application or policy/certificate;
- (j) approve evidence of insurability or bind or commit LICOA on any risk in any manner;
- (k) deliver any policy/certificate where the health of the applicant at the time of delivery is other than as stated in the application
- (l) exercise any authority on behalf of LICOA other than as authorized by paragraph 3;
- (m) publish or circulate any advertisement, sales literature, policy analyses/comparisons, illustrations and/or proposals or any other printed material referring to LICOA or its products except on forms either provided by LICOA or approved by LICOA in advance, in writing;
- (n) endorse, cash checks, drafts, money orders or hold any monies made payable to LICOA or any LICOA policy/certificate holder;
- (o) incur any liability of any kind on the part of LICOA;
- (p) to hold any monies received for or on behalf of LICOA or to use it for any personal or other purposes.
- (q) to use any Confidential Information or Protected Information (those terms are defined in paragraphs 20 through 23);

The commissioner may place you on probation, refuse to issue or renew, suspend, or revoke your license or may levy a civil penalty for any one or more of the following causes: (1) Intentionally misrepresenting the terms of any actual or proposed insurance contract or application for insurance. (2) Having admitted or been found to have committed any insurance unfair trade practice or fraud. (3) For inducing, persuading, or advising any policyholder to surrender or cause to be cancelled any policy of insurance issued to the policyholder by any authorized insurer in exchange for a policy offered by the licensee where the surrender or cancellation shall proximately result to the financial detriment of such policyholder, unless the policyholder shall have been fully advised of that fact by the licensee. (4) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

5. LICENSES AND FEES

Agent shall pay all expenses incurred in the sale and service of policies/certificates and the performance of Agent duties under this agreement. Agent must be properly licensed in every state in which commissions may be earned. Agent is responsible for all state license fees and all other business occupational costs, including non-residents state license fees, unless otherwise mandated by state law. Unless Agent is properly licensed, LICOA cannot pay commissions on business Agent submits or business submitted by Agent's under your supervision.

6. NON-EXCLUSIVE TERRITORY

Agent acknowledges that LICOA does not assign exclusive right to any product, sales or recruiting territory, unless otherwise agreed to in writing by LICOA.

7. LICOA RIGHTS

LICOA specifically reserves the right:

- (a) to discontinue or withdraw Agreement, policy/certificate contract from any state;
- (b) to modify or amend any Agreement, policy/certificate contract or premium rate;
- (c) to determine maximum or minimum limits on any Agreement, policy/certificate contract;
- (d) to modify or change the conditions or terms under which any Agreement, policy/certificate contract may be offered;
- (e) to modify, amend, delete or add any LICOA procedure by written notice of the change;
- (f) to cease doing business in any state;
- (g) to refuse to accept any proposed Agent and to terminate any Agent with or without cause;
- (h) to decline or offer a modification of coverage or rating on any policy/certificate application submitted for issue;
- (i) to require Agent(s) to provide their own Errors & Omissions liability insurance.

8. TERMINATION BY NOTICE WITHOUT CAUSE

- (a) Either party may terminate this Agreement at will, without cause or reason, upon written notice mailed to the last known address of the other party.
- (b) This Agreement will terminate without cause when Agent dies.
- (c) If this Agreement is with a partnership or a corporation, the dissolution, bankruptcy, insolvency or assignment of this Agreement for the benefit of creditors shall immediately terminate this Agreement without cause.
- (d) If this Agreement is with a partnership, the death of one or more partners will terminate this Agreement without cause concurrent with the close of the "winding up period" of the partnership.
- (e) This agreement shall be automatically terminated without cause if Agent fails to acquire or maintain any license required by law.

9. TERMINATION FOR CAUSE

- (a) LICOA may terminate this Agreement for cause upon written notice mailed to Agents' last known address. Such termination shall become effective immediately upon mailing of the notice.
- (b) Upon Termination For Cause, Agent shall have no further rights under this Agreement to any commissions or other compensation otherwise payable under the terms of this Agreement.
- (c) This Agreement shall be terminated for cause if Agent has wrongfully withheld any funds, commissions or other compensation, policies/certificates, receipts or other documents or property belonging to LICOA; or if Agent willfully and knowingly failed to comply with the laws or regulations of any regulatory authority; or if Agent has misrepresented any product or service offered by or through LICOA; or if Agent willfully and knowingly failed to comply with the terms of this Agreement or LICOA rules and regulations currently in force in any manner; or if Agent defrauds or attempts to defraud LICOA; or if Agents' license is revoked, suspended, or refused renewal by any regulatory agency or any branch of the government for any violation of law; or if Agent does not renew Agents' license after a plea of nolo contendere; or if any bond LICOA requires is not furnished or shall be canceled for any reason whatsoever; or if, in order to induce LICOA to enter into this Agreement, Agent willfully and knowingly (1) furnished to LICOA false financial, biographical or other information of a material nature or (2) failed to disclose unfavorable information of a material nature; or if Agent, at any time without written consent of a LICOA officer, endeavors to induce any agent or employee of LICOA to discontinue his or her association with LICOA or to induce policy/certificate holders/owners of LICOA to relinquish their policies/certificates.
- (d) If this Agreement is terminated without cause and cause is later proved to exist, then Agents' remaining rights shall end from the date of the action giving rise to termination for cause, even if this action occurs subsequent to the original termination.

10. COMMISSIONS

- (a) So long as Agent is not in breach of the terms of this Agreement, and subject to the other terms and limitations set forth in this Agreement, including any vesting limitations and requirements in paragraphs 15 and 16, Agent shall be entitled to receive first-year commissions and renewal commissions as herein provided in this Agreement on policies/certificates issued by LICOA on applications taken, signed and submitted by Agent in states where Agent is duly licensed and appointed at the time of the sale, in every instance where the policies/certificates are issued after the date of this Agreement and prior to its termination.
- (b) Agent agrees that the first-year commissions and renewal commissions paid to Agent in accordance with this Agreement constitute full payment for soliciting the application that resulted in the insurance policy/certificate being issued, and the performance of all other duties by Agent pursuant to this Agreement.
- (c) The percentage rates for first-year commissions and renewal commissions applicable to each policy/certificate are set forth in the Commission Schedule. Agent acknowledges that he or she has received a complete copy of said Commission Schedule, which is incorporated in this Agreement by this reference.
- (d) At no time shall the total commissions payable exceed the applicable percentage in the Commission Schedule on any policy/certificate written by Agent or Agent's under your supervision.
- (e) Should more than one Agent claim entitlement to a commission, one gross commission will be paid among the claimants as determined by the submitted application(s) and LICOA in its sole discretion. In no event will LICOA be liable for more than one gross commission per policy/certificate.
- (f) No commission will be payable on premiums paid in advance until one month after the due dates of the respective premiums so paid in advance, and then only if the policy/certificate is in force and effect.
- (g) There is no contractual right of the Agent to any commission paid in advance of its actual earned date.
- (h) The commissions for policies/certificates not listed in the Commission Schedule, shall be governed by LICOA's then-current Commission Schedule rates, rules and practices. Any special or unique commission arrangement, structure or commission splits or other situations not contemplated by the standard Commission Schedule shall be controlled and paid in accordance with LICOA's then-current rates, rules and practices.
- (i) In computing commissions, the determination of LICOA shall be final and conclusive with respect to each policy/certificate.
- (j) The minimum commission payment for which a check will be issued is \$25.00.
- (k) Agent acknowledges and agrees that LICOA reserves the right at any time and from time to time to change the rate of first-year commissions and renewal commissions on any and all of the policies/certificates then being issued by LICOA. Any such change shall apply only with respect to applications received on or after the effective date of the change.
- (l) LICOA reserves the right to withdraw from sales any policy/certificate or special marketing concept.

11. DEFINITION OF COMMISSIONS

"First-Year Commission" for a policy/certificate means a percentage earned by the Agent of the premium paid during the first twelve (12) months that the policy/certificate is in force on a premium-paying basis. "Renewal Commission for a policy/certificate means a percentage earned by Agent of the premium paid during each twelve (12) month period that the policy/certificate is in force on a premium-paying basis beginning the thirteenth (13th) month. Renewal commission shall be based on an amount not greater than the premium amount applicable at the time the policy/certificate is initially issued.

12. ADVANCES OF FIRST-YEAR COMMISSIONS

LICOA may elect to make advancements on the First-Year Commissions earned by Agent. Such advances shall be made in accordance with this Agreement and the then current LICOA advancement and collection practices and procedures. Agent agrees that any sums advanced to Agent shall constitute an indebtedness of Agent to LICOA, shall be reported on the monthly statement and shall be payable immediately upon demand by LICOA without notice. LICOA may deduct from any commissions earned by and credited to Agent an amount equal to any such indebtedness resulting from advances plus interest at the legal rate and any collection costs incurred by LICOA.

13. MONTHLY ACCOUNTING STATEMENTS

LICOA shall mail or transmit electronically to Agent each calendar month during the time that Agent is entitled to receive commissions a monthly accounting statement showing personal commissions earned and charges and credits made during the period covered by the statement. All information set forth in the statement including, without limitation:

- (a) any apportionment of commissions;
- (b) any special, unique or one-time commission provisions;
- (c) any deductions from commissions earned for indebtedness owed to LICOA, shall be deemed correct and accepted by Agent if Agent does not notify LICOA of Agents' objections in writing within 90 days after the date the statement was mailed or transmitted. After the 90 days pass without objection, Agent shall be deemed to have waived all rights to any claims against LICOA to the contrary with respect to the matters in such report, and such claims shall be forever barred.

14. TERMINATION OF COMMISSIONS

If this Agreement is terminated for one or more of the reasons set forth in paragraph 9 (Termination For Cause), or if LICOA, before or after the termination of this Agreement, reasonably believes that Agent has committed or is committing any of the acts described in paragraph 9 (Termination For Cause) of this Agreement, LICOA shall have the right to immediately terminate the first-year commissions and renewal commissions which would otherwise be payable to Agent or Agents' survivors, and all rights Agent may claim to be paid any commissions from LICOA shall terminate immediately.

15. COMMISSION VESTING FOR INDIVIDUAL POLICIES

Commission vesting applies only to Individual Policies remaining in force. If either party terminates this Agreement without cause, first-year commissions and renewal commissions on Individual Policies are fully vested subject to the following:

- (a) LICOA will continue to pay Agent commissions on commissionable premiums for Individual Policies the first policy year and for the life-time of the policy or until total first-year commissions and renewal commissions earned on all Individual Policies in force are less than \$25.00 per month for three consecutive months.
- (b) If, at the time of Agents' death, Agent is not contracted as a partnership or corporation under this Agreement, then all vested compensation payable for Individual Policies under the terms of this Agreement shall be paid to Agents' estate. If this Agreement is with a partnership or corporation, vested compensation payable for Individual Policies under the terms of this Agreement shall be paid to the partnership through its "winding up period" and thereafter as directed by closing documents or to the corporation until the corporation goes out of existence.
- (c) Agent shall have vested rights on over write commissions payable for subagents under Agents' supervision to the same extent as the subagents under Agents' supervision have vested rights in their own Agreements.

16. COMMISSION VESTING FOR GROUP CERTIFICATES

Commission vesting applies only to Group Certificates remaining in force. If either party terminates this agreement without cause, first year commissions and renewal commissions on Group Certificates are fully vested subject to the following:

- (a) Only the Agent of Record retains vested commissions on any Group Certificate.
- (b) LICOA retains the sole right to appoint the Agent of Record on all groups.
- (c) LICOA's standard rules and practices concerning appointment of the Agent of Record will apply and LICOA retains the right to change its standard rules and practices concerning appointment of the Agent of Record from time to time.
- (d) If a new Agent of Record of a group is appointed the prior Agent of Record will retain vested commissions only for that portion of the group premium that was in force at the time he was replaced as Agent of Record.
- (e) Commissions on Group Certificates are no longer vested when commissions earned on all Group Certificates in force are less than \$25.00 per month for three consecutive months.
- (f) The Agent of Record has sole authority to determine vesting and commission splits to any subagent who writes business in any group of the Agent of Record. No commission splits will be paid retroactively.

17. CONVERSIONS AND RIDERS

A conversion occurs upon a change of an existing LICOA policy/certificate to another LICOA policy/certificate such that there is a cancellation of the older policy/certificate. A rider is a contractual addition to an existing policy/certificate, which results in a change in a benefit level of that policy/certificate.

- (a) Payment of commissions on conversions, added riders or deleted riders will be in accordance with the provisions of the commission schedule and the then-current LICOA rates, rules and practices, which LICOA may change in its sole discretion, in effect at the time a conversion or deletion or sale of a rider occurs.
- (b) Generally, commissions shall not be allowed on premiums waived or commuted by reason of death or disability of the insured or exercise of policy/certificate options by the policy/certificate holder/owner.
- (c) Commissions on any policy/certificate issued other than Standard will be paid in accordance with LICOA's then-current rates, rules and practices.

18. COMMISSION REFUND

If LICOA, for any reason, should refund the premiums on any application for insurance or policy/certificate, Agent agrees to promptly refund to LICOA any monies received or credited to Agents' commission account for such premiums.

19. INDEBTEDNESS AND ASSIGNMENTS

LICOA shall have the right to apply all or part of any monies due or to become due to Agents indebtedness to LICOA. Agent hereby grants to LICOA a right of set off for any debts of Agent to LICOA as a security interest against such commissions due. LICOA reserves a lien upon, all of Agent's rights to receive first-year commissions and renewal commissions to secure the payment of any indebtedness that Agent may owe LICOA. Agent may not assign to a third party any right to receive commissions that Agent has under this Agreement without LICOA's prior written consent. Any assignment by Agent to a third party shall be subject to LICOA's prior right of offset and its prior security interest. Any assignment shall be subject to any existing or future indebtedness to LICOA.

20. CONFIDENTIAL INFORMATION

All personal, medical and financial information concerning a customer or potential customer is considered confidential. Unless the customer has consented to the disclosure in writing, this information cannot be disclosed to anyone. Confidentiality extends even to requests from individuals seeking to provide professional services to the customer (i.e. accountants, physicians, lawyers). "Confidential Information" means all information regarding LICOA, its activities, business, policy/certificate holders and agents' that is the subject of reasonable efforts by LICOA to maintain its confidentiality and that is not generally disclosed by practice or authority to persons not associated with LICOA. Confidential Information shall include, but is not limited to, (a) account information (b) names and addresses of LICOA policy/certificate holders/owners or agent's (c) account or premium invoices (d) account servicing information and documents (e) claimant data, including payment history or ledgers (f) training and educational manuals and materials (g) administrative manuals and materials (h) policy/certificate expiration data (i) prospective policy/certificate or agent lead information provided by LICOA (j) financial plans or data concerning LICOA (k) management planning information (i.e. business plans, operational methods, market studies, marketing plans and product development plans). Confidential Information shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of LICOA. This definition shall not limit any definition of "Confidential Information" or any equivalent term under state or federal law. All Confidential Information is owned by LICOA and is competitively advantageous to LICOA. Agent has no property right, vested interest or ownership interest in Confidential Information.

21. PROTECTION OF CONFIDENTIAL INFORMATION

Agent hereby agrees that all Confidential Information is and shall remain the property of LICOA exclusively, both before and after termination of this Agreement, and Agent shall have no property rights therein. Agent further agrees to make no copies, in whatever form, of any Confidential Information or any part thereof, and that no Confidential Information, in any form, shall be provided by Agent to any other person, except in connection with the performance of Agents' duties hereunder.

22. PROTECTED INFORMATION

Documents related to an insurance transaction need to be kept in a secure environment and maintained for the minimum period required under the applicable state or federal rules. Steps should be taken to ensure that confidentiality is not compromised when information is transmitted via facsimile or electronic communication (i.e. the Internet). Agent agrees that all information personally identifiable to a current or former LICOA consumer, customer, applicant, policy/certificate holders/owner, insured, claimant or individual who is subject of the information, the individual's employer or otherwise, shall be treated by Agent as "Protected Information". Protected Information shall include, but not limited to, the individual's name, address, age, date of birth, gender, family/martial status, Social Security number, e-mail address, health benefits information, salary information, financial information and medical records (including any information concerning the past, present or future physical or mental health of the individual). Without limiting the foregoing, Protected Information includes information protected from use and/or disclosure by local, state and federal privacy laws, rules and regulations, including Title V of the Gramm-Leach-Bliley Act, 12 U.S.C. § 1811 et seq., any rules promulgated by the U.S. Department of Health and Human Services enforcing the privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 210 et seq., and any state and local laws and regulations implementing or interpreting any such federal laws, rules or regulations. In the event that information may be considered both Confidential Information and Protected Information under this Agreement, Agent should to the extent possible comply with the provisions relating to both Confidential Information and Protected Information. To the extent there is a conflict between those provisions, the provisions relating to Protected Information supercede the Confidential Information provisions.

23. CONFIDENTIALITY OF PROTECTED INFORMATION

Agent agrees to treat with strict confidentiality any Protected Information Agent receives from whatever source. Agent shall handle Protected Information in Agent's possession or control in accordance with all applicable local, state and federal privacy laws, rules and regulations and in accordance with LICOA's Protected Information Management Guidelines set forth in paragraph 22. These guidelines may be amended from time to time by LICOA in its sole discretion. Upon the request of LICOA and, in any event, upon the termination of this Agreement, Agent shall immediately deliver to LICOA all Confidential Information and Protected Information in whatever form, including but not limited to, all memoranda, notes, records, drawings, manuals, computer-stored information, disks and other documents and media pertaining to LICOA's business or Agent's duties hereunder including all copies, extracts, summaries and analyses thereof.

24. ADMINISTRATIVE SIMPLIFICATION PROVISIONS OF HIPAA

THIS BUSINESS ASSOCIATE AGREEMENT (the "Agreement") is entered into by and between Life Insurance Company of Alabama ("Covered Entity") and you ("Business Associate").

RECITALS

WHEREAS, Covered Entity and Business Associate are parties to an agreement (the "Underlying Agreement") pursuant to which Business Associate provides certain services to Covered Entity and, in connection with those services, Covered Entity discloses to Business Associate certain individually identifiable protected health information ("PHI") that is subject to protection under the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, as amended from time to time ("HIPAA"); and

WHEREAS, the parties desire to comply with the HIPAA standards for the privacy and security of PHI of individuals covered under the Covered Entity;

NOW THEREFORE, for and in consideration of the recitals above and the mutual covenants and conditions herein contained, Covered Entity and Business Associate enter into this Agreement to provide a full statement of their respective responsibilities.

ARTICLE I - DEFINITIONS

1.1 Definitions. Unless otherwise provided herein or on Exhibit 1.1. attached hereto, capitalized terms shall have the same meaning as set forth in the HIPAA regulations, 45 CFR Parts 160, 162, and 164.

ARTICLE II - OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

2.1 Performance of Agreement. Business Associate, its agents and employees (collectively referred to as "Business Associate"), agrees to not use or further disclose PHI other than as permitted or required by the Agreement or as Required By Law; provided that Business Associate may use PHI if necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

2.2 Safeguards for Protection of PHI. Business Associate agrees to use reasonable administrative, physical and technical safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement that appropriately protect the confidentiality, integrity, and availability of PHI, including Electronic Protected Health Information (electronic PHI or ePHI), that it creates, receives, maintains or transmits on behalf of the Covered Entity. Administrative, physical and technical safeguards shall have the meanings set out in 45 CFR Section 164.304. Business Associate agrees to mitigate, to the extent practicable, any harmful effects that are known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.3 Reporting of Unauthorized Use. Business Associate agrees to report to Covered Entity any use or disclosure of the PHI not provided for in this Agreement after Business Associate has actual knowledge of such use or disclosure. Business Associate also agrees to report to Covered Entity any Security Incident of which Business Associate becomes aware. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate by a use or disclosure by Business Associate in violation of this Agreement.

2.4 Use of Subcontractors. Business Associate agrees to include in any written agreement with any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity, a requirement that such agent agrees to the restrictions and conditions with respect to such information that are at least as restrictive as those that apply through this Agreement to Business Associate.

2.5 Access to PHI. Upon reasonable notice, Business Associate agrees to make PHI and books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, at Covered Entity's expense, in a reasonable time and manner, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule and the Security Rule. Upon reasonable notice, Business Associate also agrees to make PHI in a Designated Record Set available to Covered Entity or, as directed by Covered Entity, to an Individual in order to satisfy the requirements of 45 CFR Section 164.524. However, to the extent any such disclosure at the request of Covered Entity results in a violation or alleged violation of HIPAA or this Agreement, Covered Entity shall indemnify and hold harmless Business Associate from all liabilities, costs, and damages arising out of or in any way connected with such use or disclosure, including reasonable attorney's fees.

2.6 Amendments to PHI. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR Section 164.526 at the request of the Covered Entity or an Individual, in the time and manner directed.

2.7 Allowing Covered Entity to Monitor Compliance. Business Associate shall comply with reasonable efforts of Covered Entity to monitor Business Associate's compliance with this Agreement and the Privacy and Security Rules, including, but not limited to, disclosing to Covered Entity information regarding complaints, lawsuits or investigations of Business Associate involving the Privacy Rule and Security Rule; information regarding requests by individuals for access, amendment or other use of their PHI; information regarding use of agents or subcontractors and related contractual arrangements; and information regarding results of any internal or external audits of the Business Associate's privacy or security practices.

2.8 Marketing. Business Associate shall not receive direct or indirect payment for marketing communications which include PHI relating to the Plan or its Individuals without authorization from the affected Individuals unless such communication is permitted under the Privacy Regulations and HITECH, including 42 U.S.C.A. section 17936.

2.9 Sale of PHI. Business Associate shall not receive direct or indirect payment in exchange for any PHI relating to the Plan or its Individuals, including Electronic Health Records, unless Business Associate receives authorization by all affected Individuals, except as permitted under HITECH including 42 U.S.C.A. section 17935(d).

SECTION III - PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

3.1 General. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Underlying Agreement, provided that such use or disclosure would not violate the Privacy Rule or Security Rule if done by Covered Entity.

3.2 Specific. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate, provided that such disclosures are required by law, or are permitted by law provided that Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and that the person will notify the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached. Additionally, except as limited in this Agreement, Business Associate may use PHI to provide Data Aggregation Services to Covered Entity (to the extent detailed in the Underlying Agreement) as permitted by 45 CFR Section 164.504(e)(2)(i)(B).

3.3 Access to PHI. Business Associate shall refer to Covered Entity all requests by Individuals for information about or accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

3.4 Documentation of Disclosures. Business Associate agrees to document disclosures of PHI, other than for treatment, payment or healthcare operations or disclosures that are incidental to another permissible disclosure, and information related to such disclosures to the extent required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

3.5 Accounting of Disclosures. Business Associate agrees to provide to Covered Entity, in a reasonable time and manner, information collected in accordance with Section 3.4 of this Agreement, to the extent required to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528. Covered Entity shall provide to Business Associate within thirty (30) days of this Agreement, a written explanation of Covered Entity's requirements under this section in sufficient detail to enable Business Associate to comply with such requirements. Covered Entity agrees to respond promptly to requests from Business Associate for clarification of such requirements, and Business Associate may rely on such responses. The parties agree to work together in good faith to resolve any disagreement over the requirements of 45 CFR Section 164.528.

3.6 Violations of Law. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 42 CFR Section 164.502(j)(1).

SECTION IV - OBLIGATIONS OF COVERED ENTITY

4.1 Notice of Privacy Practices. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR Section 164.520, as well as any changes to such notice that may affect Business Associate's use or disclosure of PHI. Business Associate shall comply with the terms of the privacy notice.

4.2 Changes in Use of PHI. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures. Business Associate shall have a reasonable period of time to act on such notice.

4.3 Restrictions to Use of PHI. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR Section 164.522. Business Associate shall comply with the terms of such restriction.

4.4 Covered Entity Requests. Covered Entity represents and warrants it shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or Security Rule if done by Covered Entity. In the event Covered Entity requests Business Associate to use or disclose PHI in any manner, and such use or disclosure results in a violation or alleged violation of HIPAA or this Agreement, Covered Entity will indemnify and hold harmless Business Associate from all liabilities, costs and damages arising out of or in any way connected with such use or disclosure, including reasonable attorney's fees.

4.5 Covered Entity Disclosures. Covered Entity represents and warrants to Business Associate that Covered Entity will not disclose any PHI to Business Associate unless Covered Entity has obtained any consents and authorizations that may be Required by Law or otherwise necessary for such disclosure.

SECTION V - TERM/TERMINATION

5.1 Term and Termination. The term of this Agreement shall be effective as of the day and year first above written, and shall continue for as long as PHI is being exchanged by Covered Entity and Business Associate. Either party may terminate this Agreement upon sixty (60) days written notice to the other.

5.2 Termination for Cause. Either party may terminate this Agreement and the Underlying Agreement for a material breach by the other party if such breach is not cured within thirty (30) days of receipt of written notice thereof. If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.

5.3 Termination After Repeated Violations. Either party may terminate the Underlying Agreement without penalty if either party repeatedly violates this Agreement or any provision hereof, irrespective of whether, or how promptly, either party may remedy such violation after being notified of the same.

5.4 Effect of Termination. Upon termination of this Agreement, Business Associate shall destroy or return to the Covered Entity all PHI provided by the Covered Entity to the Business Associate or created or received by the Business Associate on behalf of the Covered Entity. If it is infeasible for Business Associate to return or destroy PHI upon termination of this Agreement, Business Associate will maintain the protection required under this Agreement of the PHI for the period of time required under applicable law, or in accordance with Business Associate's internal record retention schedule as in effect from time to time, whichever is longer, at which time Business Associate shall destroy the PHI in accordance with acceptable business procedures. This provision shall apply to PHI in the possession of subcontractors or agents of the Business Associate, and Business Associate shall be fully responsible for such compliance.

5.5 Survival. The rights and obligations of Business Associate under Section 5.4 of this Agreement shall survive the termination of this Agreement.

SECTION VI - INDEMNIFICATION/INSURANCE

6.1 Indemnification by Business Associate. Business Associate shall indemnify, defend, and hold Covered Entity and its subsidiaries, their employees, directors, trustees, officers, representatives and agents (collectively the Indemnitees) harmless from and against all claims, causes of action, liabilities, judgments, fines, assessments, penalties, damages, awards or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, incurred by the Indemnitees and relating to or arising out of any breach or alleged breach of the terms of this Agreement by Business Associate.

6.2 Indemnification by Covered Entity. Covered Entity shall indemnify, defend and hold Business Associate and its subsidiaries, their employees, directors, officers, representatives and agents (collectively the Indemnitees) harmless from and against all claims, causes of action, liabilities, judgments, fines, assessments, penalties, damages, awards or other expenses, of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, incurred by the Indemnitees and relating to or arising out of any breach or alleged breach of the terms of this Agreement by Covered Entity.

SECTION VII - MISCELLANEOUS

7.1 Construction. This Agreement shall be construed as broadly as necessary to implement and comply with HIPAA and the HIPAA regulations. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA and HIPAA regulations. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule and the Security Rule.

7.2 Notice. All notices and other communications required or permitted pursuant to this Agreement shall be in writing, addressed to the party at the address set forth at the end of this Agreement, or to such other address as either party may designate in writing from time to time. All notices and other communications shall be mailed by registered or certified mail, return receipt requested, postage pre-paid, or transmitted by hand delivery or telegram. All notices shall be effective as of the date of delivery of personal notice or on the date of receipt, whichever is applicable.

7.3 Modification of Agreement. The parties recognize that this Agreement may need to be modified from time to time to ensure consistency with amendments to and changes in applicable federal and state laws and regulations, including, but not limited to, HIPAA. The parties agree to execute any additional amendments to this Agreement reasonably necessary for each party to comply with HIPAA, including any requirements related to the administrative, technical, and physical safeguards under the HIPAA security standards. This Agreement shall not be waived or altered, in whole or in part, except in writing signed by the parties.

7.4 Transferability. This Agreement may not be assigned by either party without the express written consent of the other.

7.5 Governing Law and Venue. This Agreement shall be governed by, and interpreted in accordance with, the internal laws of the State of Alabama and/or any State the Business Associate is licensed to do business in, without giving effect to its conflict of laws provisions, to the extent that state law is not preempted by federal law.

7.6 Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective permitted successors and assigns.

7.7 Execution. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute but one Agreement.

7.8 Gender and Number. The use of the masculine, feminine or neuter genders, and the use of the singular and plural, shall not be given an effect of any exclusion or limitation herein. The use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership or other entity.

7.9 Priority of Agreement. If any portion of this Agreement is inconsistent with the terms of the Underlying Agreement, the terms of this Agreement shall prevail. Except as set forth above, the remaining provisions of the Underlying Agreement are in ratified in their entirety.

7.10 Entire Agreement. This Agreement constitutes the entire Agreement between the parties concerning the subject herein, and supersedes all prior oral or written agreements between the parties on same.

7.10 Beneficiaries. The parties agree that there shall be no incidental or intended third-party beneficiaries under this Agreement. Nor shall any other person or entity have rights arising from the same.

DEFINITIONS

Administrative Simplification Provisions of HIPAA. The term "Administrative Simplification Provisions" (45 CFR Parts 160, 162 and 164) of HIPAA are those regulations concerning standards for privacy, security, electronic transactions and code sets, and unique identifiers issued by the U. S. Department of Health and Human Services under the authority of the Health Insurance Accountability and Portability Act of 1996 ("HIPAA"). Terms used in this Agreement have the same meaning as those terms in 45 CFR Parts 160, 162 and 164.

Business Associate. The term "Business Associate" shall mean you, its employees and agents.

Covered Entity. The term "Covered Entity" shall mean Life Insurance Company of Alabama.

HIPAA. The term "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, as amended from time to time.

Individual. The term "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.502(g).

Privacy Rule. The term "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information as described at 45 CFR Parts 160 and Part 164.

Protected Health Information or PHI. The term "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. The term "Electronic Protected Health Information" shall have the same meaning as such term in 45 CFR § 160.103, that is, protected health information that is transmitted or maintained in electronic form.

Required By Law. The term "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.512.

Secretary. The term "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

Security Incident. The term "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR § 164.304.

Security Rule. The term "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information as described at 45 CFR Parts 160 and 162.

Underlying Agreement. The term "Underlying Agreement" shall mean that certain agreement by which Business Associate provides certain services to Covered Entity and, in connection with those services, Covered Entity discloses to Business Associate certain individually identifiable protected health information that is subject to protection under HIPAA.

25. REMITTANCES

Agent is responsible for any monies received or collected on behalf of LICOA, whether by Agent, Agent employees or Agents under Agent supervision. All monies shall be held by Agent in a fiduciary capacity until remitted in full to LICOA and shall not be misappropriated, commingled or withheld from LICOA.

26. MATERIALS AND RECORDS

Agent shall use only promotional and informational material, including but not limited to applications, marketing materials, training materials and other LICOA forms, which have been furnished to Agent by LICOA or which have been approved in writing from an authorized official of the LICOA Agency/Marketing Department (collectively the "Materials"). Agent shall use the LICOA Materials in compliance with LICOA's Advertising Guidelines then in effect. Materials provided to Agent by LICOA shall not be reproduced, altered, or modified in any manner without LICOA's prior written approval. Materials created by Agent and approved by LICOA shall not be altered, or modified in any manner without LICOA's prior written approval. LICOA reserves the right to request from Agent, at any time, samples of any Material Agent is using to verify compliance with this Paragraph, and Agent agrees to provide such samples to LICOA, within two (2) weeks of LICOA's request. Agent accounts, ledgers, correspondence and other records pertaining to this Agreement shall be open for inspection by an authorized LICOA representative.

27. TERMINATION

In the event of termination without cause, Agent or Agents' legal representative will continue to receive any vested first-year commissions and renewal commissions payable as they are earned as set forth in the Vested Commissions paragraphs 15 and 16. Agent will promptly account for and remit any monies then held on behalf of LICOA and immediately deliver to LICOA, all books, records, correspondence, supplies and other LICOA property. Agent will no longer act on the behalf of LICOA and will immediately pay, in cash, to LICOA any monies paid by LICOA to Agent for unearned advanced commissions or any other outstanding indebtedness.

28. NON-WAVIER

Forbearance or neglect of LICOA to insist upon the performance of any provision(s) of this Agreement at any time or under any circumstances shall not constitute a waiver of that provision(s) of this Agreement.

29. ENTIRE AGREEMENT

This Agreement, including the Commission Schedule which is incorporated in this Agreement by this reference and any supplements, shall become effective on the effective date specified and shall supersede any prior Agreements or understandings between Agent and LICOA. First-year commissions and renewal commissions provided for in such Agreement(s), if any, that may now be due or shall become due to Agent on business heretofore written are subject to the terms and conditions of this Agreement, provided that nothing herein shall be construed to affect or waive any claim of any kind of LICOA against an Agent under any Agreement

Signed this _____ day of _____, _____ .
Month Year

By _____
Agent*

By _____
Agent*

*If the Agent is a partnership, each partner must sign individually and as a partner; if a corporation, only the president or properly designated corporate officer must sign.

Home Office Use Only

By _____
Authorized Company Official



Life Insurance Company of Alabama • PO Box 349 • Gadsden, AL 35902 • 800.226.2371 • www.licoa.com

The Opportunity

There are many career advancing opportunities for LICOA agents. Your niche may be in the worksite or individual sales. You may wish to build your own marketing team, or concentrate on personal sales. Regardless of your approach, our "Program for Advancement" can provide you a guaranteed career path.

We are dedicated to providing exceptional service to you...our agent. We are truly looking for long-term relationships. We want you to reach your goals, while you help us reach ours.

Our Agents Receive

- High First Year and Renewal Commissions.
- Immediate Vesting
- Daily Advances + 50% of Monthly Earnings
- Semi-Monthly Earnings
- Exceptional Product Portfolio
- Reimbursement of LUTC and CLU Tuition
- Supplement Local Underwriters Association Dues
- Computer Purchase Program
- Advertising Program
- Incentives and Awards
- Home Office Training
- Electronic Enrollment



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