



## **BROKER/DEALER AGENCY AGREEMENT WITH POWER TO APPOINT**

### **1. Parties**

The parties to this Agency Agreement with Power to Appoint (“Agreement”) are Annuity Investors Life Insurance Company® (the “Company”, “we”, or “us”), an Ohio corporation, and the agency identified at the end of this Agreement (referred to herein as “you”, “your” or “Agency,” as the context requires).

### **2. Appointment**

The Company appoints you as its agent to solicit and procure applications/order tickets/request forms for the insurance coverage listed in the Schedule(s) of Commissions referred to on the signature page hereof, which is (are) incorporated herein and made a part of this Agreement. This appointment is effective as of the date set out at the end of this Agreement and will continue in effect until terminated.

### **3. Territory**

Your appointment is limited to the territory in which, as of the date hereof, you are presently and validly licensed as a life and annuity insurance agency and appropriately appointed by the Company. This Agreement will also apply to any business you do in any other locations in which you may in the future become licensed if we appoint you as an agent in such locations. You do not have an exclusive right in or to any such territory or location. You specifically acknowledge that the Company may, in its sole and absolute discretion, appoint additional agents, brokers and/or subproducers at any such location or within any such territory as it deems appropriate. You acknowledge that the Company may, in its sole and absolute discretion, enter into different compensation and commission structures with any such agent, broker or subproducer. You acknowledge that such additional appointments or structures may have, as their natural consequence, an effect on your business and revenues and you specifically waive any claims against the Company that may arise therefrom or in connection therewith. The Company acknowledges that it does not have an exclusive right to your agency services.

### **4. The Company’s Duties**

- a. The Company will pay any fees directly related to your appointment as its agent for the territory in which, as of the date hereof, you are presently and validly licensed as described above, and for any renewals of such appointment. The Company will not pay the fees or charges for your insurance licenses or for any examination or continuing education required for them. Also, the Company may, but is not required to, designate you as its agent at your request in other territories; provided, however, you will be responsible for all fees and other costs that apply to such designations.
- b. The Company will pay commissions to you on business you produce according to the terms and conditions set forth in this Agreement and in the Schedule(s) of Commissions referred to on the signature page.
- c. The Company will issue all policies, contracts, endorsements, renewal notices, cancellation notices, certificates, filings and other required documentation for insurance coverages issued by the Company.

### **5. Your Duties**

- a. You shall solicit and procure applications/order tickets/request forms for the insurance coverage listed in the Schedule(s) of Commissions referred to on the signature page hereof that you are licensed to sell; provided, however, the Company may, in its sole discretion, refuse to accept, or require the amendment of, any application/order ticket/request form.
- b. You shall operate your business in strict conformance with all applicable laws, rules and regulations, and in conformity with this Agreement as well as the Company’s rules, policies and procedures. You may not solicit or deliver policy or contract forms in any territory or location which requires regulatory approval of such forms, or in which the Company is not licensed to do business, until such regulatory approval or licensing has been obtained by the Company.
- c. You agree to exert your best effort to keep all insurance products produced by you or through agents for whom you are an Appointing Agent under this Agreement (such appointed agents being hereinafter referred to as “subordinate agent(s)”) in full force and effect.
- d. You shall conduct business ethically, honestly, fairly and professionally at all times.
- e. You agree to be bonded in such manner as the Company may from time to time, and subject to reasonable amendment, require.
- f. You agree to be responsible for all taxes, insurance (including, but not limited to, workers’ compensation) and benefits as an independent contractor. Nothing contained in this Agreement shall create, or shall be construed to create, the relationship of a partnership, franchise, joint venture or an employer and employee between the Company and you.
- g. You shall be solely responsible for and to any other person(s) you contract with or employ to fulfill your duties under this Agreement.
- h. You shall be solely responsible for and pay all expenses incurred by you, including license fees and charges that the Company has not specifically agreed to pay.
- i. You shall promptly notify the Company of any written customer complaint that relates to the sale or marketing of the Company’s products, or any activity in connection with or notice of any regulatory investigation, disciplinary action, judicial proceeding and the like involving you or your subordinate agents. You shall, and shall cause subordinate agents to, fully cooperate with the

Company during its investigation of any consumer complaint or in connection with any other investigation being conducted by the Company.

- j. You shall maintain accurate records required by all laws, rules and regulations applicable to the business transacted by you pursuant to this Agreement, including customer and regulatory complaint files and such other information as the Company may reasonably require. All such records and other information shall be subject to inspection by the Company at any time during normal business hours upon the Company's reasonable written request. You agree to provide access to any such records to any federal or state regulator, or self-regulatory organization, having jurisdiction to review the records. No entry in any record made or kept by you shall be binding on the Company. Upon termination of this Agreement and if requested by the Company, you shall immediately forward to the Company, at your cost and expense, a copy of all such records and documents of all business produced under this Agreement, including, but not limited to, accounting records, bank account records, underwriting files, policy and contract records and claim files, as well as all such other documents as the Company may reasonably require.
- k. You shall not use any material, supplies or advertising in any medium or format which mentions the Company by name or logo or relates to any of its products except for that provided by the Company or with the Company's prior written approval.
- l. When engaging in any conduct or activities outside the power or authority expressly granted in this Agreement, you shall not create or permit, by action or omission, any appearance or likelihood of confusion that your conduct or activities are authorized, ratified, or are by or on behalf of the Company.
- m. You shall follow all instructions set out on premium receipts prepared by the Company, and promptly send to it all premiums collected from applicants and any other money that the Company may authorize you to collect.
- n. You shall obtain and maintain the active status of all licenses and registrations necessary on your part to sell the Company's products and, if such active status should lapse or be placed in suspension for any reason, you shall immediately notify the Company, and shall discontinue all efforts to market or sell the Company's products including, but not limited to, the finalization of any sale(s) already in process.
- o. You will keep confidential all information about the Company and Company products, including without limitation business practices, marketing strategies, computer programs, rate manuals and printed and electronic data. You will only use such information for the purposes contemplated herein and shall not disclose any such information, other than sales materials intended for distribution to customers.
- p. You will not use any "nonpublic personal information" as defined in the Gramm-Leach-Bliley Act or information subject to any other privacy law or regulation for any purpose, or disclose such information to any other person, except as otherwise permitted by therein.
- q. You shall not recommend any Company product unless there are reasonable grounds, after full inquiry, to believe it is suitable for the applicant. You agree to maintain a supervisory program that is in accordance with and implements (i) the Company's nationwide suitability practices, procedures and educational requirements which have been established to comply with Section 989 J(a)(3)(B) of the Dodd Frank Act and (ii) all suitability requirements in states within your territory. You shall provide to Company, or make available to Company through an industry recognized clearinghouse or another facility, an annual certification that you are conducting your supervisory program on suitability in compliance with the Company's practices, procedures and educational requirements as well as any relevant state suitability requirements. You agree that you will cooperate with Company's efforts to conduct reasonable inquiry into your supervisory program as may be required under applicable laws or regulations.

#### **6. Indemnification**

- a. The Company shall hold harmless, defend and indemnify you against any and all liability, claim, loss, or cause of action (including regulatory or administrative proceedings), including costs and reasonable attorneys fees, resulting from or arising out of Company's: (1) negligence, conduct, errors or omissions; (2) breach of this Agreement including but not limited to, our failure to perform our duties set forth in Section 4, provided that we are legally liable to you for such losses; or (3) violation of any law, rule or regulation of any government, government agency or self-regulatory organization. You will immediately notify us when you learn of or receive any claim that is covered under this Section. We have the right to participate in the investigation and defense of any such claim, and may at our option, assume full defense of any action filed. If we assume the defense, we will not be liable to you for any cost of litigation, including but not limited to, court costs and attorneys' fees, that you incur subsequent to our decision to assume defense of any such action.
- b. You shall hold harmless, defend and indemnify the Company, its directors, officers, and employees against any and all liability, claim, loss, or cause of action (including regulatory or administrative proceedings), including costs and reasonable attorneys fees, resulting from or arising out of your or your subordinate agent's: (1) negligence, any unauthorized representation, conduct, errors or omissions; (2) breach of this Agreement; (3) violation of any law, rule or regulation of any government, governmental agency or self-regulatory organization; or (4) any third party claims based on the content and services offered or provided by means of your Internet web site.

#### **7. Delivery of Policies and Contracts**

- a. You shall promptly deliver all items given to you for delivery to another person or the Company; provided, however, delivery of a life insurance policy approved and issued by the Company may be made only if: (1) the proposed insured at the time of delivery is, to the best of your knowledge and belief, in as good a condition of health and insurability as is stated in the application/order ticket/request form for such policy; and (2) the first premium has been fully paid.
- b. Any life insurance policy not delivered pursuant to subsection (a) above shall be immediately returned to the Company.
- c. For each life insurance policy or annuity contract issued in a form as applied for and returned for cancellation on account of nonacceptance by the applicant or which is rewritten at your request, the Company, upon request, may require reimbursement from

you for the costs associated with issuing a new policy or contract. In the event any such policy or contract is returned for cancellation, you shall return all compensation paid with respect to such policy or contract.

#### **8. Premium Settlements**

Only the initial premium on applications/order tickets/request forms procured by or through you may be collected by you. All premium settlements shall be by check or by electronic funds transfer received subject to collection and payable to the Company. No agent or agency checks will be accepted. All such monies received by you are received as a fiduciary trust, and you shall immediately forward any such premium settlement, entire or partial, to the Company. You do not have the authority to open or maintain any bank account in or using the Company's name or to negotiate or deposit any funds collected on the Company's behalf.

#### **9. Limitations**

You are not authorized, and are expressly forbidden, to bind the Company by any promise or agreement, to incur any debt, expense or liability in its name or account, to enter into any legal proceedings in connection with any matter pertaining to the Company's business, or to waive or alter any provisions of any policy or contract issued by the Company.

#### **10. Repayment/Indebtedness**

If you owe money to the Company or any of its affiliates at any time for any reason, you understand and agree that:

- a. any amount (including commissions) that you must repay to the Company or any of its affiliates are a debt that is due and payable upon demand;
- b. interest may accrue and be payable on your debt beginning on the date of the event that creates your obligation of payment;
- c. interest shall be at the rate of 12% per annum (or such lesser rate which is the maximum rate permitted by law) and the Company may also charge you costs and reasonable fees (including attorneys fees) if your debt is referred to a third party for collection;
- d. any amounts that you owe the Company, or any of its affiliates, are and shall be secured by a first lien against any compensation that may be or become due or payable to you, which first lien is hereby granted to the Company by you and the lien hereby created shall not be extinguished by the termination of this Agreement;
- e. any amounts payable or due to become payable to you hereunder shall be subject to a lien and right of setoff for any debt from you to the Company, or any of its affiliates, whether then existing, contingent or not yet matured, all in such amounts as the Company may reasonably determine;
- f. because your potential future commission earnings act as security (under the previous paragraph) for any amounts that you owe to the Company, or any of its affiliates, you agree that with respect to any policies to which this Agreement relates, you will not induce or try to induce the reduction or stoppage of premium flow, or the transfer of premiums (in whole or in part) to any other insurance company or to any other investment instrument, for so long as any amounts are owed to the Company, or any of its affiliates, by you (including after termination of this Agreement); and
- g. the Company may charge you for, and you hereby agree to indemnify and hold harmless the Company for, any amounts owed to the Company, or any of its affiliates, by any subordinate agent, to the extent that such debt was incurred during the time that you were an Appointing Agent for such subordinate agent and these charges will be added to your indebtedness and you will be responsible for these charges as money that you owe to the Company.

#### **11. Assignment**

Neither this Agreement, nor any of your rights under it, may be assigned, pledged or hypothecated, without the prior written consent of the Company. The Company does not assume any responsibility for, or guarantee the validity or sufficiency of, any assignment. No assignment shall be operative while any indebtedness to the Company or any of its affiliates remains unsatisfied and any such assignment shall be subject to any existing or future indebtedness of yours to the Company hereunder.

#### **12. Company's Authority**

Without liability to you, the Company may in its sole discretion, at any time and from time to time, (i) retire from any territory; (ii) discontinue and/or withdraw any form of policy or contract in any territory without prejudice to its right to continue use of said form in any other territory of the Company; (iii) discontinue and/or withdraw any form of policy or contract in all territories; and (iv) resume the issuance or use of any form in any territory or territories at any time.

#### **13. Commissions**

- a. The Company shall pay you the commissions computed on the commissionable premiums paid to, received and accepted by the Company on applications/order tickets/request forms procured by, or transferred to, you in accordance with this Agreement at the rate and under the conditions as set forth in the Schedule of Commissions referred to on the signature page, as amended from time-to-time by the Company. Any commission designated in any schedule shall not be deemed a "service fee" for any period of time.
- b. First year, renewal and trail commissions shall be fully vested to you (subject to forfeiture as described in Section 15) as such commissions are earned or, with respect to trail commissions, become payable as set forth in the Schedule of Commissions. Service fees, if any, shall not vest. No commissions will be earned on premiums paid in advance until after the due dates of the respective premiums so paid in advance and then only if the policy or contract is in force and effect on such due dates.
- c. The Company reserves the right to revise the commission rates or conditions on any one or all of the schedules at any time it deems such revision advisable, but such revision shall apply only to applications/order tickets/request forms for insurance thereafter received.
- d. If any insurance procured hereunder is subsequently and appropriately converted to, or replaced by, some other form of policy or contract, the commissions payable, if any, under such new insurance shall be paid to you only if such conversion or replacement is affected by or through you.
- e. Subject to forfeiture as described in Section 15, commissions shall be paid to you when we receive premiums on which commissions are payable, subject to any reasonable delays that may occur in the normal course of business. If the premium on any

policy secured hereunder is not paid within one hundred eighty (180) days from the premium due date and such policy is subsequently reinstated, you shall be entitled to further commissions thereon only if said policy is reinstated by or through you.

- f. Should the Company, in its sole discretion, deem it appropriate at any time to refund any premium on which you were paid any compensation, then such compensation shall be charged back to you and deducted from future commission payments.
- g. Commissions on benefit riders, term riders, replacement policies or contracts, and conversions shall be payable in accordance with Company practices at the time the coverage is issued, converted or replaced, as the case may be.
- h. In the event that servicing responsibility for a contract is transferred to another broker/dealer, no compensation payable with respect to such contract after the date of transfer shall be paid to you.
- i. Notwithstanding any of the foregoing, no commission shall be due and owing pursuant to the terms of this Agreement for or during any period of time during which you are in breach of the terms hereof or which arises from or relates to policies or contracts procured through any violation of law or this Agreement.

#### 14. Termination

- a. This Agreement shall automatically terminate if: (1) your license to sell insurance is terminated, revoked or suspended; or (2) there is an involuntary assignment of this Agreement for the benefit of creditors; or (3) an event occurs which legally or contractually terminates your corporation, including, but not limited to, merger or consolidation with another corporation.
- b. This Agreement may also be terminated by either party with or without cause immediately upon notice given to the other party. The right of termination under this subsection (b) is not restricted by the provisions for termination in (a) above. You agree that you have no recourse for any damages or injury which you may suffer by reason of the termination of this Agreement.
- c. Upon any termination of this Agreement, you shall immediately pay in cash any sums due hereunder and shall immediately deliver to the Company all of the previously furnished materials, supplies, advertising and any other matter which mentions the Company by name or is connected with its business.
- d. Upon termination, commissions will be paid (subject to forfeiture as described in Section 15) in accordance with this Agreement if (1) your total commissions for the previous calendar year are equal to or greater than \$200, (2) you inform the Company of any change you make in your current mailing address as recorded at the Company's administrative office and (3) premium contributions in force as of the end of a calendar year for any annuity contracts written under this Agreement are equal to or greater than 75% of the premium contributions in force as of the beginning of that calendar year.
- e. Your record or knowledge of names of policyholders, contract owners, and expiration dates shall not be disclosed by you to any agent, broker, or other person, unless required by law, nor used by you for purposes of solicitation.
- f. Upon termination, you agree that you will no longer have the authority to use our name, materials, or claim any association or relationship with us.
- g. The Company reserves the right to terminate this Agreement if you fail to meet any production goals the Company sets for you.

#### 15. Forfeiture

- a. If at any time you or your subordinate agents engage in the conduct described below, you will forfeit your right to all commissions from and after that time, and all commissions will become the Company's property:
  - (1) withhold or misappropriate any money or other property belonging to a customer or the Company;
  - (2) subject the Company to liability due to your misfeasance, negligence, error, omission or malfeasance;
  - (3) commit an act of fraud or embezzlement;
  - (4) fail to comply with the laws, rules or regulations of any federal, state, or other governmental agency, self-regulatory agency or other body having jurisdiction over this Agreement;
  - (5) fail to conform to the Company's rules, policies and procedures;
  - (6) engage in conduct that is grounds for suspension, revocation or termination of your insurance license;
  - (7) without the Company's prior written consent, induce or try to induce any agent appointed by the Company or employee of the Company to end his/her relationship with the Company;
  - (8) conduct yourself in such a manner that would tend to injure the Company's good name or good standing;
  - (9) fail to pay any indebtedness to the Company on demand; or
  - (10) systematically replace the Company's policies or contracts with those of other companies.
- b. The Company reserves the right to take disciplinary actions, up to and including termination, for violations of this Agreement.
- c. **Termination of this Agreement, for cause or otherwise, and any forfeiture described herein, are specifically agreed to and intended by the parties to be a remedy for such termination or misconduct. The parties recognize that an agent's wrongdoing as described herein may negatively affect any insurance company's reputation, including its agents' reputation, for honesty and integrity. Reputation is an important consideration in the sale of insurance to the general public and in the renewal of existing in force policies. The parties further recognize that the damages caused by an agent's intentional, wrongful or criminal acts are difficult to prove, measure, and calculate since a customer's decision to do business, or continue to do business with a company, is subject to many varied influences. Under the circumstances, the parties agree that the remedies specified in this Agreement, including forfeiture, are a fair and proportional remedy for termination or misconduct.**

#### 16. Notices

Any notice or demand required or permitted to be given under this Agreement shall be in writing and shall be deemed effective (unless this Agreement provides for a different period of time) upon the personal delivery thereof if delivered or, if mailed, forty-eight (48) hours after having been deposited in the United States mail, postage prepaid, and addressed in care of the Company to its then principal place of business, and in care of you to the current mailing address as recorded at the Company's administrative office.

## **17. Power to Appoint Subordinate Agents**

- a. You may appoint subordinate agents with the Company's consent and subject to any conditions and limitations that it may require. You are solely responsible for investigating the qualifications, character, competency, trustworthiness, moral fitness, credit history, work experience and background of any proposed subordinate agent prior to requesting appointment with us. No subordinate agent shall act on our behalf until he or she has been approved by us and properly appointed. We shall not be responsible for any fees related to such appointment or for any licensing, examination or continuing education fees of such subordinate agent. We reserve the right in our sole discretion to refuse to appoint any subordinate agent and to terminate any appointed agent at any time and for any reason in our sole discretion. You shall immediately provide the Company with written notice if any subordinate agent appointed by the Company ceases to be your subordinate agent or if a subordinate agent ceases to be properly licensed in any state.
- b. You agree to train, supervise, and be solely responsible for all subordinate agents, and unless otherwise agreed, for any payments due such subordinate agent.
- c. Your subordinate agents appointed by us are authorized solely for the solicitation and sales of the Company's products. You are solely responsible to ensure strict compliance by yourself and your subordinate agents with our rules, policies and procedures, and the applicable laws, rules and regulations of any federal, state or other government agency, self-regulatory agency or other body that has jurisdiction over your activities.
- d. At your request, the Company may terminate the appointment of a subordinate agent subject to any conditions or limitations that the Company may require. The Company may reappoint a subordinate agent on any basis that it sees fit at any time and without your consent and without notice to you, (i) if the appointment of a subordinate agent is terminated, whether by you, or by him or her, or by operation of law, or (ii) if this Agreement is terminated, whether by you, the Company or operation of law; provided, however, if such reappointed subordinate agent is terminated by you, you shall no longer be responsible for such subordinate agent.

## **18. Law**

This Agreement is signed by the Company at its administrative offices in Cincinnati, Ohio, and shall be subject to, governed by and construed in accordance with the laws of the State of Ohio without giving effect to the principles of conflicts of law thereof. Any dispute, controversy or claim between the parties hereto arising out of or relating to the provisions of this Agreement, except as specifically enumerated and exempted herein, shall be submitted to the American Arbitration Association (the "AAA") for resolution. Any such arbitration shall take place in Cincinnati, Ohio, and shall be in accordance with the Commercial Rules of Arbitration of the AAA. Costs, excluding attorney fees, for all disputes submitted to arbitration shall be divided equally among the disputing parties and shall be paid accordingly. Punitive damages may not be awarded by the Arbitrator. Notwithstanding the above provision on arbitration, nothing herein shall void, waive or alter the parties' legal and equitable remedies to (1) enjoin or otherwise address defamation of one party by the other, (2) enforce Section 10 of this Agreement or (3) indemnification. With respect to any legal or equitable action brought with respect to defamation or to enforce Section 10 of this Agreement, you acknowledge that this Agreement has a substantial legal nexus to Ohio and you agree that such disputes arising hereunder or related hereto shall be exclusively resolved (irrespective of any claim of federal jurisdiction, which is hereby expressly waived) in the courts of general jurisdiction of Hamilton County, Ohio and you irrevocably and unconditionally waive any objection to the laying of venue in such courts. You further agree to submit yourself to the jurisdiction of such courts and agree, with respect to such disputes, to the effectiveness of the service of any process, summons, notice or document by United States registered mail, return receipt requested, addressed to your last known address. You also agree that you shall not institute any suit, action or proceeding against the Company, whether by way of a claim for damages, declaratory or injunctive relief, except in said courts. The parties agree that a class action arbitration is not authorized or contemplated by this section.

## **19. Confidentiality**

If you have been authorized by the Company to solicit and procure applications/order tickets/request forms for insurance coverages which may include the receipt or access to Protected Health Information, then you hereby agree to:

- a. not use or further disclose Protected Health Information other than as permitted or required by this Agreement or as required by law;
- b. use appropriate safeguards to prevent use or disclosure of any Protected Health Information other than as provided for in this Agreement;
- c. report to the Company any use or disclosure of Protected Health Information not provided for by this Agreement of which you become aware;
- d. ensure that any of your subagents, employees or subcontractors to whom you provide Protected Health Information received from, or created or received by you, on behalf of the Company, agrees to the same restrictions and conditions that apply to you under this Agreement with respect to such information;
- e. provide access to and make available for inspection or amendment the Protected Health Information, at the request of the Company, and in the time and manner designated by the Company;
- f. provide an accounting of all disclosures of Protected Health Information upon request from the Company; and
- g. upon termination of this Agreement for any reason, if feasible, return or destroy all Protected Health Information received by you, or created or received by you on behalf of the Company. In the event that returning the Protected Health Information is not feasible, you must notify the Company of such. For purposes of this Agreement, "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 164.501, limited to the information created or received by you for or on behalf of the Company.

**20. General Provisions**

- a. This Agreement and any disclosures, releases and authorizations signed by you with regard to your appointment as the Company’s agent, constitutes the entire agreement between you and the Company and supersedes all prior agreements, whether written or oral, understandings and commitments between us. This Agreement may be amended at any time by the Company upon thirty (30) days written notice to you. Such amendment shall be effective thirty (30) days after written notice, unless you object in writing no later than fifteen (15) days after written notice is mailed by the Company in accordance with this Agreement. Any amendment to this Agreement, whether by the Company or by both parties hereto, shall be in writing.
- b. The following provisions shall survive termination of this Agreement: 5i., 5j., 5l., 5m., 5o., 6, 7, 9, 10, 13f, 14c., 14d., 15, 18, and 19.
- c. Headings used in this Agreement are for convenience and reference only and shall not control the interpretation of any term or condition.
- d. Any provisions of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and such other provisions shall remain in full force and effect.
- e. The forbearance, waiver or neglect of the Company to insist upon strict compliance by you with any of the provisions of this Agreement or to declare a termination against you, shall not be construed as a waiver of any of the Company’s rights or privileges hereunder.
- f. To the extent that any provision of this Agreement is in conflict with any statute, regulation, ordinance or other binding legislative or regulatory prohibition, such statute, regulation, ordinance or prohibition shall control and such provision shall be construed as void from its inception, it being the intent of both parties hereto to fully and completely conform to the laws of each jurisdiction in which the Company’s business is being conducted.
- g. You agree that by providing your fax number, email address, mail address, and telephone number that you are providing consent to receive advertisements and other communications by fax, e-mail, mail and telephone from or on behalf of the Company and its affiliates. You understand that you can revoke your consent by submitting a written request, using the appropriate form if applicable, to the Company.
- h. You hereby authorize the Company and its affiliates to release information about you maintained by the Company or its affiliates to state or federal regulatory or law enforcement authorities on request.
- i. You agree that you and your subordinate agents are independent contractors under the terms of this Agreement.
- j. You agree that this Agreement is a contract of indemnity and not a contract of suretyship.
- k. You represent and warrant to the Company that the officer signing below has full power and authority to enter into this Agreement, and that this Agreement has been duly and validly executed and constitutes a legal, valid and binding agreement.
- l. This Agreement is signed by us at our administrative office in Cincinnati, Ohio, as of the effective date.

Agency: \_\_\_\_\_

By: \_\_\_\_\_  
Signature

Its \_\_\_\_\_  
Title

**ANNUITY INVESTORS LIFE INSURANCE COMPANY**

By: \_\_\_\_\_  
Signature

Its \_\_\_\_\_  
Title

Effective Date \_\_\_\_\_

Broker/Dealer’s Commission Schedule: PPGAI(GDC Level)



Great American Life Insurance Company®  
Annuity Investors Life Insurance Company®

PO Box 5420, Cincinnati OH 45201 / 800-854-3649 / 800-482-8126 Fax  
Overnight Address: 10<sup>th</sup> Floor, 301 E Fourth St, Cincinnati OH 45202

**Broker Dealer:** \_\_\_\_\_

**ANTI- MONEY LAUNDERING TRAINING CERTIFICATION**

In accordance with USA PATRIOT Act Section 352, the life insurance companies of Great American Insurance Group-Annuity Group (collectively, "Great American") are required to establish and maintain an anti-money laundering ("AML") training program for annuity products.

Broker Dealer hereby certifies to Great American that all of its registered representatives who are licensed and appointed to sell life insurance and annuities have received initial and, if applicable, subsequent periodic training on the prevention and detection of money laundering and the financing of terrorist activity. Broker Dealer further certifies that this training includes but is not limited to:

- Overview of the laws and agencies regulating money laundering
- The definition and stages of money laundering and terrorist financing
- Identification of red flags and high risk transactions
- Risks associated with investment products and insurance products with investment type features
- Complying with requirements applicable to high risk countries and the U.S. Department of the Treasury's Office of Foreign Assets Control
- Importance of verifying customer identity and gathering appropriate and complete information from customers
- Recognizing risks associated with different methods of payment, including cash and cash equivalents
- Importance of identifying and reporting suspicious activity and the requirement of confidentiality of suspicious activity reports
- Potential penalties including criminal, civil and monetary
- Escalation procedures, timely reporting responsibilities and record maintenance

Broker Dealer understands that it may be asked to execute an Anti-Money Laundering Training Certification ("Certification") again in the future as training on the prevention and detection of money laundering and the financing of terrorist activity is a continuing obligation.

This Certification applies to any and all registered representatives of Broker Dealer who are or become appointed with Great American.

The undersigned represents that he/she has responsibility for overseeing the training program, has a reasonable basis on which to make this Certification, and is authorized to provide this Certification on behalf of Broker Dealer.

By: \_\_\_\_\_ Title: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_ Date: \_\_\_\_\_





Annuity Investors Life

PO Box 5423 · Cincinnati, Ohio 45201-5423

Phone 800-438-3398 x 13763

## ANNUALIZATION ADVANCE AGREEMENT

(For use with Broker/Dealer Agency Agreement  
with Power to Appoint)

This Annualization Advance Agreement (“Advance Agreement”), effective as of \_\_\_\_\_, between the Agency identified below (also referred to herein as “you” or “your”) and ANNUITY INVESTORS LIFE INSURANCE COMPANY (the “Company”), becomes part of that certain Broker/Dealer Agency Agreement with Power to Appoint between you and the Company (“Agency Agreement”), wherein it is mutually agreed as follows:

1. While this Advance Agreement remains in effect, the Company will advance to you annualized first year commissions on contract forms that are deemed in the Company’s sole discretion to be advanceable (hereinafter referred to as “Contract Forms”) at rates and subject to terms, conditions and debt limits that the Company establishes from time to time. The Company may in its sole discretion advance on the same basis annualized commissions on increases in premiums paid during the first year that the increase is in effect on the Contract Forms if (a) the annualized premium increase for a particular contract is at least \$1,000.00 and (b) the Company provides prior written approval of your request for such advance on a case-by-case basis.
2. Annualized commissions will be based on the rates set out in the Schedule of Commissions and the total periodic (monthly) premiums set out in the application/order ticket/request form for the Contract Forms or the annualized premium increase.
3. An advance will be made based on the below option that you selected:  
 Upon receipt at the Company’s Administrative Office of an application in good order and any other forms the Company may require in its sole discretion, but only if the date of the application/order ticket/request form is 60 days prior to the date of the first salary reduction or other form of payment. Otherwise, advances will be made upon the Company’s actual receipt of the first salary reduction or other form of premium payment.  
 The Company’s actual receipt of the first salary reduction or other form of premium payment.
4. Advances previously made will be charged back (deducted) from subsequent advances that would otherwise be made: (a) if the first premium is not paid within 30 days of the date of the first salary reduction stated on the application/order ticket/request form, in which case a new advance may be made in the Company’s sole discretion as of the date of its receipt of the first premium payment; (b) to the extent of any error in the amount of advances made; (c) to the extent that the annualized commissions have not been earned because of cancellation of a contract (which includes but is not limited to full surrender or discontinuance of premium payments) or death of a contract owner; and (d) in full upon the rescission of a contract for any reason whatsoever.
5. The outstanding balance of advances made to you shall be a debt that you owe to the Company subject to the terms and conditions of the Agency Agreement.
6. \_\_\_\_\_% of a contact’s first year commissions and commissions on increases (if allowed) will be payable in advance. One hundred percent (100%) of the earned commission on each of the contract’s premiums will be applied to offset this debt, until it is paid in full. Thereafter, commissions will be payable as earned. So long as this Advance Agreement has not been terminated, renewal and single sum transfer commissions will be paid to you as earned under and subject to the terms and conditions of the Agency Agreement.
7. If this Advance Agreement is terminated by you or the Company, with or without cause, or if the Agency Agreement is terminated for any reason, the debt you then owe the Company under this Advance Agreement shall become due and payable immediately, and you shall pay interest at the rate set forth in the Agency Agreement if any or at the highest rate permitted by law on any balance remaining unpaid thereafter. In such event, in addition to any other remedies set forth in the Agency Agreement, the Company may enforce its lien under Paragraph 5 of this Advance Agreement by offset of the debt you owe the Company against monies the Company owes you or that become owing to you immediately and without notice or resort to judicial process. You also agree to pay the Company all costs and reasonable fees, and costs of collection that it incurs to effect payment of your debt, which will become part of that debt.
8. This Advance Agreement may be terminated at any time with or without cause by either party giving notice to the other by mail at the last know address, by telephone, or by electronic mail. The termination will be effective immediately unless otherwise stated. Either you or the Company may suspend further advances and annualizations of commissions, without termination of this Advance Agreement, on the same basis and in the same way.
9. This is the entire agreement between you and the Company as to the advance of annualized commissions and it amends the Agency Agreement only as and to the extent so stated. Any change in this Advance Agreement may be made only in

writing signed by the parties. This Advance Agreement may not be assigned by you without the Company's prior written consent. This Advance Agreement shall be subject to and construed under the laws of the state of Ohio.

IN WITNESS WHEREOF, the parties have executed this Advance Agreement as of the date first above written.

\_\_\_\_\_  
(Agency Name)

By: \_\_\_\_\_

Its: \_\_\_\_\_

ANNUITY INVESTORS LIFE INSURANCE COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_



**DIRECT DEPOSIT OF COMMISSIONS AUTHORIZATION AGREEMENT  
(Required Form)**

- I (we) hereby authorize the Company to *initiate* credit/deposit entries to my (our) account indicated below, and the depository institution named below to credit the same to such account.
- I (we) hereby request a *change* to my (our) existing direct deposit as indicated below.

Note: To avoid delays in processing your appointment, **a voided check must accompany this request.** Please allow 5 business days for EFT processing to become effective.

Frequency:    Daily             Weekly             Bi-weekly             Monthly

<b>INDIVIDUAL AGENT INFORMATION - Please print or type</b>		
Primary Name on Account	Social Security or Tax ID Number	Agent #
Address	City, State	Zip Code
Secondary Name on Account (Optional)	Phone Number	
<b>DEPOSITORY INFORMATION - Please print or type</b>		
Depository Name	Depository Address	Depository Phone Number
Account Number	Type of Account <input type="checkbox"/> Checking <input type="checkbox"/> Savings	Transit/ABA Number

This authorization is to remain in full force and effect until the Company has received written notification from me (or either of us) to discontinue direct deposit. Please allow 15 business days for processing of EFT discontinuation. This authorization may not be used to assign commissions and will not constitute a commission assignment. If you want to assign your commissions, please use form X2653811NW.

Attach a voided check and e-mail, fax or mail to:

Great American Financial Resources  
P.O. Box 5420  
Cincinnati, Ohio 45201-5420  
Attn: Contracting  
**E-mail: AnnuityLicensing@gaig.com**  
**Fax: (513) 412-5144**

Signature of Primary Account Holder	Date
E-mail Address ( <b>Required</b> )	
Signature of Secondary Account Holder (optional)	Date