

COMMISSION ANNUALIZATION QUICK GUIDE

ReliaStar Life Insurance Company, Minneapolis, MN
 ReliaStar Life Insurance Company of New York, Woodbury, NY
 Security Life of Denver Insurance Company, Denver, CO
 (the "Company")
 Members of the ING family of companies



Annualization is the advanced compensation paid which is based on expected future commissions and overrides.

CONTRACTING REQUIREMENTS

General Account: fully executed Application for Annualization and Annualization Agreement signed by Agent, General Agent or MD (Guarantor of unearned balance) and SVP.

Variable Business: fully executed Annualization Amendment to the Broker/Dealer Selling Agreement required for each life company prior to acceptance of Exhibit A's for each Eligible Representative. Exhibit A for each life company must be completed and signed by the Registered Representative and Broker/Dealer.

NOTE: Effective date of agreements must be at least one day prior to the application signed date of the policy in order for compensation on that policy to be eligible for advancement.

POLICY REQUIREMENTS

The billing frequency must be Monthly, Quarterly, or Semi-annual. The billing method must be EFT, Military Allotment, Bank Draft, or List Bill.

CALCULATIONS AND RATES

If the policy is a UL or VUL product, the annualized advance commission is calculated on the lesser of the Target premium or anticipated premium. If the policy is a Term product, the annualized advance commission is calculated on the commissionable annualized premium.

Commissionable Annualized Prem X Producer Split X Annualized Advance Percent X Compensation Rate

Policy anticipated premium is less than the target premium.

Product: ING Investor Elite	Producer Split: 100%	Anticipated Annual Premium: \$800.00
Target: \$1000.00	Annualized Advance Percent: 75%	Commission Rate: 85%

$$\$800 \times 100\% \times 75\% \times 85\% = \$510.00$$

Policy anticipated premium is equal to the target premium.

Product: ING Investor Elite	Producer Split: 100%	Anticipated Annual Premium: \$1000.00
Target: \$1000.00	Annualized Advance Percent: 75%	Commission Rate: 85%

$$\$1000.00 \times 100\% \times 75\% \times 85\% = \$637.50$$

- The amount of advance to Applicant on any one Contract is subject to Company maximum of \$25,000.
- The total advance on all Contracts is subject to Company maximum of \$75,000.
- The annualization rates of eligible commissions are 25%, 50%, 75% or 100%.

CHARGEBACKS (RECOVERY OF ADVANCE)

Within the first year:

When there is either a change of billing mode to Direct Bill, a Lapse, a Surrender or a reversal of premium, we will recover the unearned advanced commissions at that time.

At the end of the first year:

The annualized commission must be offset within 12 months of the date it was annualized.¹ If it is not offset within that timeframe, a recoupment for the full amount remaining will be processed in the 13th month.

¹ If the policy has a rolling target premium, the annualized commission must be offset at the end of the rolling period.

INTERPRETING STATEMENTS

Annualization will reflect on the statement with "Annualized Commissions" as the description. When premium is applied through out the year, one line will show with a positive amount and the next line will reflect a negative amount with "Annualized Offset" as the description. The system identifies when the agent reaches the maximum annualization advance balance according to the agreement. All commissions paid after the full annualized amount has been recouped are paid "as earned".

This is a summary of the annualization process, but it is not exhaustive and does not create a contract. Please refer to your fully executed annualization agreement.