



# NGL Insurance Group

## Reserve Account Amendment and Authorization

This Authorization and Amendment supplements Your producer agreement (referred to as the Agreement) with the undersigned, selected Company(ies) (hereafter "Company"). Because the undersigned Managing Producer has agreed to accept financial responsibility for the chargebacks, returns of premium and other indebtedness of Yours in the event You fail to pay such amounts to the Company, the Managing Producer is requiring that a portion of Your commissions be placed in a Reserve Account to offset any indebtedness of Yours to the Company.

Therefore, as a condition to Your representation of the Company, You authorize the Company to reduce commissions under all agent codes covered by the Agreement by placing \_\_\_% of Your Commissions in Your Reserve Account with the Company. When Your Reserve Account reaches the maximum amount of \$\_\_\_\_\_, the Company will cease reducing commissions until Your Reserve Account falls below the maximum amount. You acknowledge that the Company is treating amounts placed in Your Reserve Account as unearned pre-tax commissions that will not earn interest. You authorize the release of all information concerning Your Reserve Account to any of Your Managing Producers that by contract are financially responsible to the Company for any of Your chargebacks, returns of premium or other unrecovered advances.

Your Reserve Account may be used to offset commission chargebacks, returns of premium or other unrecovered advances made to You or any of Your producers for any company of the NGL Insurance Group. The Company may continue to hold Your Reserve Account during any chargeback period (normally one year) after termination of Your Agreement. After expiration of the chargeback period, any funds remaining in Your Reserve Account will become earned and will be paid to You.

The Parties also agree that the Agreement shall be amended by replacing the existing Paragraph 9, ("Commissions") of the Agreement with the following:

**"9. Commissions.** You agree that the commissions You earn are the commissions in the Commission Schedule(s) less any amounts required to be placed in Your Reserve Account with Us and administered according to the rules and conditions of our Reserve Account Program. We retain the right to change the rules and conditions of our Reserve Account Program at any time with or without notice to You. Amounts placed in Your Reserve Account are unearned commissions and become earned commissions only when actually paid to You. The commissions specified in the Commission Schedule(s) shall constitute the total commissions which can be earned by You and Your producers. You agree that We have the right to reject any application and that commissions are not due on such applications. In addition, You agree that commissions on policies not listed on the Commission Schedule(s) shall be determined in each case by Us. We reserve the right to change the Commission Schedule(s) at any time by general announcement to Our producers for policies written thereafter."

No other provision of the Agreement shall change.

This Authorization and Amendment shall be effective when signed by the Company.

SIGNED BY:

Signature of Producer: \_\_\_\_\_ Date: \_\_\_\_\_

Company:  National Guardian Life  Other \_\_\_\_\_

Signature of Authorized Officer: \_\_\_\_\_ Date: \_\_\_\_\_

APPROVED BY:

Signature of Managing Producer: \_\_\_\_\_ Date: \_\_\_\_\_