



## Annualization Plan Supplemental Agreement

This Supplemental Agreement supplements Your producer agreement (referred to as the Agreement) with the undersigned, selected Company(ies). It is intended to provide You with an advance payment of a portion of first year commissions due on business written by You or Your producers.

### Plan Provisions:

1. Commissions paid under this Supplemental Agreement are an advance of commission from Us to You. Such commissions are considered unearned and an Indebtness under the terms of Your Agreement with Us until sufficient premiums are paid on a policy to justify the commissions advanced.
2. While this Supplemental Agreement is in effect, We will pay You advanced commissions equal to 75% of the first year commission due on the annualized premium, subject to a maximum advance payment of \$10,000 per policy. Once the advanced commissions have been earned, the balance of the commissions due on the policy will be paid as earned, provided the policy remains active. Excess and renewal commissions and service fees will not be advanced.
3. Policies issued on a monthly direct premium mode, policies issued with a money order for the first premium, policies which have been reinstated, or policies on You, Your spouse, Your parents, children, brothers, sisters, business associates or employees are not eligible for annualization under this Supplemental Agreement.
4. We reserve the right to change the advance commission percentage or to declare any policy not eligible for annualization upon notice to You.

### Termination Provision:

1. Continued eligibility for this plan is at Our sole discretion. This Supplemental Agreement may be terminated by You, Your Managing Producer or Us at any time. This Supplemental Agreement shall automatically terminate upon the termination of Your Agreement with Us.
2. Upon termination of Your Agreement, any advanced commissions which have not yet been earned will be treated as an Indebtedness under the terms of Your Agreement with Us. This provision survives the termination of this Supplemental Agreement.

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

As Managing Producer for the above Producer, I agree to assume any indebtedness that may result from this Supplemental Agreement and that such indebtedness will be considered an Indebtedness under the terms of my producer agreement with the Company(ies).

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

Accepted By:

National Guardian Life       Other \_\_\_\_\_

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

Effective On: \_\_\_\_\_