



PRODUCER / MARKETING ORGANIZATION AGREEMENT

Liberty Life Insurance Company PO Box 1389 Greenville, SC 29602-1389 Phone: 1.800.234.5514 Fax 1.864.609.3118

Name: Address: Check one: [ ] Producer/Agent [ ] Marketing Organization

This agreement is between LIBERTY LIFE INSURANCE COMPANY, a South Carolina corporation (the "Company") and the above named producer or marketing organization ("You"). The parties agree as follows:

Authority. (a) The Company authorizes You to perform the following acts, provided they are performed in accordance with the Company's rules and procedures and applicable law:

- (1) solicit and submit applications for the insurance products set forth in the Commission Schedules to this agreement (the "Products")... (2) collect initial premium payments for Products solicited by You through checks... (3) promptly deliver contracts for Products ("Contracts")... (4) service Contract owners; and (5) recruit and recommend licensed agents for appointment with the Company.

(b) You may exercise this authority only in jurisdictions in which the Company is licensed to transact business, the Products are available, and You are licensed and appointed with the Company. The Company may appoint other agents in this same territory. In all respects, Your relationship with the Company in Your performance of acts under this agreement is that of an independent contractor and not an employee. You have no power or authority to represent the Company other than as expressly granted by the Company in this agreement. You have no authority to and shall not attempt to:

- (1) alter, modify, waive or change any of the terms, rates, or conditions of the Company's policies, contracts, or forms or extend the time for paying any premiums to the Company or bind the Company by making any promises about any policy benefits; (2) receive any money due or to become due to the Company, except in exchange for a printed receipt as authorized by the Company; (3) pay, offer, or permit any rebate of premium as an inducement to any person to purchase any Company product.

Duties. You shall fully comply with all applicable local, state, and federal laws, rules, and regulations governing its activities under this agreement. When acting on behalf of the Company, You shall adhere to the terms, policies, and procedures set forth in the Company's publication, "Terms and Conditions for Doing Business with RBC Insurance in the U.S.", which is hereby incorporated in this agreement and may be amended by the Company at any time. The Company shall notify You of any such amendment. You shall not advertise, create, use, or publish the Company's name, logos, trademarks, rates, products, or services without the Company's prior written consent. Your use of the Company's service marks, trademarks, and trade names does not confer a license or ownership rights to You.

Compensation. (a) The Company shall pay You compensation in accordance with the Commission Schedules. The Company may revise the Commission Schedules at any time upon written notice to You. Any change to the Commission Schedules does not apply to Contracts effective before the effective date of the change. The commissions payable under this agreement are compensation in full for all services performed and all expenses incurred by You. The Company may charge back commissions received by You in accordance with the Commission Schedules. You shall repay to the Company unpaid chargebacks attributable to You and Your agents. In addition to any other available remedies, the Company may apply any compensation payable to You against any debt owed by You to the Company. The Company may charge interest up to the legal rate on any debt owed by You to the Company. All payments toward a debt owed to the Company will be applied first to interest and then to principal. You shall pay all costs and expenses incurred by the Company in recovering any amount owed by You, including attorney's fees and court costs, if any. The amount of these costs and expenses are to be added to the principal balance of Your debt to the Company. The terms of this subsection are to survive termination of this agreement.

(b) No assignment of commissions or other compensation under this agreement is valid unless it is made in accordance with applicable state insurance laws and regulations and unless the Company authorizes and acknowledges it in writing. The Company assumes no responsibility for the validity or sufficiency of any assignment made by You.

**Indemnification.** (a) “Indemnifiable Losses” means the aggregate of Losses and Litigation Expenses. “Litigation Expense” means any court filing fee, court cost, arbitration fee or cost, witness fee, and each other fee and cost of investigating and defending or asserting a claim for indemnification under this section, including, without limitation, in each case, attorneys’ fees, other professionals’ fees, and disbursements. “Loss” means any liability, loss, claim, settlement payment, cost and expense, interest, award, judgment, damages (including punitive damages), diminution in value, fines, fees and penalties or other charge, other than a Litigation Expense. “Third Party Claim” means a claim, action, suit, or proceeding brought by a third party against the Company.

(b) You shall indemnify the Company against all Indemnifiable Losses arising out of or relating to the actual or alleged:

- (1) inaccuracy of any of Your representations in this agreement;
- (2) breach by You of any warranty or covenant in this agreement;
- (3) violation of any applicable insurance law or regulation by You and/or Your agents; and
- (4) any negligent, reckless or intentional act or omission of You and/or Your agents and independent contractors.

(c) The Company shall promptly notify You in writing of any claim, event or fact that may give rise to a claim by the Company against You based on this agreement, stating the nature and basis of the claim, event or fact and the amount, to the extent known, provided that the failure to notify You will not relieve You from any liability under this section, except to the extent that You are damaged as a result of the failure to give that notice. The Company has the sole right to control the defense of the Third Party Claim. After sending You notice of a Third Party Claim, the Company may contest the Third Party Claim as it determines or make a reasonable payment, settlement, or compromise of the Third Party Claim. You shall pay for the reasonable Litigation Expenses incurred by the Company in defense of a Third Party Claim. Reasonableness for purposes of Litigation Expenses and payments, settlements, or compromises is to be determined by all of the circumstances surrounding the claim, including without limitation the nature of the claim, the amount of the claim, and the jurisdictions involved. This indemnification is in addition to any liability You may otherwise have. The terms of this section are to survive termination of this agreement.

**Damages; Remedies.** Except for a breach of the confidentiality covenants of this agreement, neither party is liable to the other for any special, indirect, or consequential damages arising out of or related to this agreement. Any remedy provided in this agreement is cumulative and not exclusive of any and all other rights and remedies available at law or in equity. The terms of this section are to survive termination of this agreement.

**The Company’s Property.** All materials supplied to You by or on behalf of the Company, in whatever form, including without limitation, manuals, forms, supplies, sales brochures, software, policyholder records, or lists of policy owners or insured persons belong to the Company. You shall not share that property, or any copies or derivatives of that property, or divulge the information contained within it to any third party without the prior written consent of the Company. Upon termination of this agreement, You shall promptly deliver that property to the Company. While You are in possession of that property, You shall not use that property for any purpose except its performance under this agreement.

**Books and Records.** You shall keep the records related to business produced under this agreement as may be required by the Company and as required under applicable laws and regulations. You shall make all accounts, correspondence, or other records pertaining to Your performance and Your agents’ performance under this agreement available for inspection by the Company or its representative during business hours.

**Errors and Omissions Coverage.** You shall maintain, at Your own expense, errors and omissions insurance with deductibles and minimum limits as published from time to time by the Company, covering Your activities under this agreement. You shall deliver to the Company a certificate of insurance evidencing the above insurance coverage upon the Company’s request.

**Term; Termination.** (a) This agreement is to continue until terminated as provided in this section. The Company, You, or the marketing organization (if any) that recommended Your appointment with the Company may terminate this agreement upon 30 days written notice to the other party or parties.

(b) This agreement terminates upon Your dissolution or liquidation, Your death (if You are a natural person), or (if You are a partnership) the death of any partner of the partnership. Either party may terminate this agreement upon written notice to the other party if the other party:

- (1) becomes bankrupt or insolvent;
- (2) is disqualified or suspended to do business under any applicable state or federal law where that party's ability to perform its duties under this agreement is materially impaired;
- (3) commits an act of fraud, dishonesty, misrepresentation or conversion of funds relating to this agreement;
- (4) commits a material breach of this agreement; or
- (5) commits a material violation of any federal, state, or local law or regulation applicable to insurance business.

(c) If this agreement is terminated under the paragraph (a) of this section, the Company shall continue to compensate You for Contracts issued as a result of applications submitted prior to the date of termination. If this agreement terminates under the paragraph (b) of this section, commissions will immediately cease and the Company will not be liable to You for further compensation under this agreement.

**No Waiver.** No provision of this agreement may be waived, except in writing executed by the party against whom the waiver is sought to be enforced. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this agreement, and no course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition. A waiver made in writing on one occasion is effective only in that instance and only for the purpose that it is given and is not to be construed as a waiver on any future occasion or against any other person.

**Severability.** If any provision of this agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this agreement remain in full force, if the essential terms and conditions of this agreement for each party remain valid, binding, and enforceable.

**Governing Law.** The laws of the State of South Carolina (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this agreement and the relationship of the parties.

**Assignment.** You shall not assign Your rights or delegate Your performance under this agreement without the express written consent of the Company. Any purported assignment of rights or delegation of performance in violation of this section is void. If You validly assign Your rights in accordance with this section, a contemporaneous delegation is deemed to have occurred and that assignee is deemed to have assumed Your performance obligations in favor of the Company, except if in either instance there is evidence to the contrary.

**Notices.** The parties shall provide all notices, requests, demands, or other communications under this agreement (each being a "Notice") in writing to the last known address of the party on file with the other party, if different from the address appearing in this agreement. If a Notice is delivered by mail, it is deemed to have been received upon the earlier of receipt or five days after being deposited in the mail.

**Entire Agreement.** This agreement, the attached schedules, and any attached addenda constitute the final agreement between the parties. It is the exclusive expression of the parties' agreement on the matters contained in this agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this agreement are expressly merged into and superseded by this agreement. The provisions of this agreement may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. The parties may amend this agreement only by a written agreement of the parties, except that the Commission Schedules may be revised as stated in this agreement.

**This agreement is effective on the date signed by the Company.**

**AGENT / AGENCY**

**MARKETING ORGANIZATION (if required)**

**X** \_\_\_\_\_

**X** \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**LIBERTY LIFE INSURANCE COMPANY**

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

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