



AGENT NUMBER _____

THIS CONTRACTING KIT CONTAINS

- Agent Appointment Application
- Producer Agreement
- Commission Schedule
- Advance Commission Agreement
- Ethics Policy and Code of Conduct
- EFT Commission Authorization
- W9 Taxpayer Form
- Summary of your rights under the Fair Credit Reporting Act
- DNC Registration (Do Not Call)
- AML Registration (Anti-Money Laundering)
- AML Training (Anti-Money Laundering)

SUBMIT THE FOLLOWING

_____ Copies of Resident and Non-Resident state LICENSES for the states you intend to transact business in;

_____ Fee for Non-Resident Appointments you require;

_____ CERTIFICATE OF COVERAGE if you have Errors and Omissions Insurance-KANSAS AND KENTUCKY REQUIRED;

_____ A SIGNED EXPLANATION of any "yes" answer you give to questions 1-11 on the Agent Appointment Application;

_____ A completed Agent Appointment Application, Compensation Schedule, W9, a signed Sales Producer Agreement, Ethics Policy and Code of Conduct, and Advance Commission Agreement;

_____ A signed EFT Commission Authorization with an attached voided check if EFT is elected. EFT's are generated each Friday – please verify with your banking institution regarding their policy for EFT crediting.

- Routine Credit Reports are ordered on all new Producers requesting appointment. If your personal or corporate credit report indicates a bankruptcy, civil judgments, tax liens or accounts turned over for collection, appointments will not be considered without a full written explanation along with any supporting documentation.
- Your contract cannot be processed without everything that has been requested above! We will return a copy of your contract after it has been signed at The Chesapeake Life Insurance Company home office.
- Advance and Commission cycles are processed each Thursday. The Advance cycle will process all applications issued during that week and the Commission cycle will process all premiums posted during that week.
- Copies of your Advance and Commission statements are available on the Chesapeake web site-www.thechesapeakelife.com. If you require a hard copy of your statement, please indicate here: _____

If you have any questions, please call The Chesapeake Life Insurance Company Agent Licensing Division at (800) 725-7887.



THE CHESAPEAKE LIFE
INSURANCE COMPANY
AGENT APPOINTMENT APPLICATION

Agent# _____

Please Type or Print Clearly

Date _____

Information

Name _____ Nickname _____

Last First Middle

Social Security Number _____ Birth Date _____ Spouse's Name _____

Home Address _____

Home Phone Number (____) _____ Own Home _____ or Rent _____ How Long at Home Address _____

Business Address _____

Business Phone Number (____) _____ FAX Phone Number (____) _____

Email Address _____ Cell Phone Number (____) _____

UPS Shipping Address (No PO Boxes) _____

Street City State Zip

Insurance License Information

Are you presently licensed as an: ☐ Individual ☐ Partnership ☐ Corporation
Agency Name _____ Tax ID# _____

Indicate which states and how you wish to be appointed: (Attach copy of current license and fee for each state)

State	License #	Life	Health	Resident	Non-Resident
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commission Assignment

Do you desire your commissions to be assigned to your General Agent? If so, indicate the General Agent's name and number:

General Agent Name _____ General Agent Number _____

Insurance Experience

Please provide information about companies for whom you have sold or are presently selling Life or Health Insurance.

Company Name	Home Office Location	Annualized Production	Persistency	During Period Date to Date	Product Sold

Commission Schedule

Schedule _____

Level _____

General Information

YES NO

- [] [] Have you ever had your Insurance License refused, suspended or revoked, been placed on probation, reprimanded or fined by any State Insurance Department? If yes, please explain _____
- [] [] Have you ever had a complaint filed against you or ever been investigated by a State Insurance Department or Securities Agency? If yes, please explain _____
- [] [] Have you ever been convicted, pled guilty or no contest, or are you currently under investigation of a felony in any state? If yes, please explain and attach court records _____
- [] [] Have you ever had a bond cancelled or refused? If yes, please explain _____
- [] [] Has an Insurance Company ever cancelled or terminated your contract for reasons other than for lack of production? If yes, please explain _____
- [] [] Are you subject to any child support order? If yes, are you in full compliance? Yes ☐ No ☐ If not in compliance, please explain _____
- [] [] Do you have an outstanding debit balance with any Insurance Company, General Agent or Manager? If yes, list Companies and amounts _____
- [] [] Do you currently have, or in the past five years had, any civil judgments, garnishments or tax liens filed against you? If yes, please explain _____
- [] [] Have you ever filed for, or been declared bankrupt or insolvent, either personally or in business? If so, when? _____ please explain _____
- [] [] Have you previously been, or are you now, an agent with this Company? If yes, please give dates and if active or terminated _____
- [] [] Do you carry an Errors & Omissions Policy? (Kansas and Kentucky mandatory) If yes, list Carrier's name, Policy # and amount of coverage _____

Agent Certification and Authorization

I certify all information contained herein is true and complete to the best of my knowledge and belief. I understand any omission or misrepresentation of fact, in this application is cause for denial of appointment and or immediate termination with forfeiture of all future commissions. I agree to promptly notify the Company if any information herein changes. Furthermore, I acknowledge I am familiar with the insurance laws and regulations of the jurisdictions to which I am applying and am expressly forbidden to solicit insurance for the Company until duly notified.

I authorize all persons and entities including but not limited to: businesses, corporations, former supervisors, credit agencies, government agencies, law enforcement agencies, educational institutions, state insurance departments, the NASD, and all Military services, to release all written and verbal information about me to a background investigation company and Chesapeake Life Insurance Company. I release each from all liability and responsibility for doing so. I also authorize the procurement of a consumer credit report and understand it may contain information about my background, mode of living, character and personal reputation. I acknowledge I have the right to make a written request within a reasonable period of time for a complete and accurate disclosure of the nature and scope of the information requested in accordance with the Fair Credit Reporting Act (Public Law 91-508).

Print Applicant's Name_____
Applicant's Signature_____
Date

I further authorize the Company to investigate me, now and at any time while I am contracted with the Company, to share any information obtained with: affiliated companies, agent up-line and Company management. I agree this Authorization, in original or copy form, shall be valid for this and any future reports.

Print Applicant's Name_____
Applicant's Signature_____
Date**Recruiting General Agent Certification**

I recommend this applicant for appointment assigned to my jurisdiction, subject to the terms of my contract with the Company. I certify to the best of my knowledge the applicant has a good personal and business reputation, is trustworthy and competent to act in the capacity of an insurance agent.

Recruiting General Agent's Name_____
Recruiting General Agent's Signature_____
Reports to #



PRODUCER CONTRACT AGREEMENT

I. Agreement

This Contract Agreement (an "Agreement") is between the natural person or business entity that signs below, called "you" or "your" and The Chesapeake Life Insurance Company, called "we", "us", or the "Company" that signs a Commission Schedule (a "Schedule") to this Agreement. The Company and _____ desire to enter into this Agreement and work together for their mutual benefit, through the sale and service of Company Products to suitable customers who have the need and desire to purchase such Products. "Product" refers to a non-securities insurance and annuity products of the Company.

At its option, which shall not be unreasonably withheld, the Company agrees to contract with and/or appoint Sub-Producers recruited by you, and Sub-Producers recruited by your Sub-Producers, (collectively referred to as "Sub-Producer's") who meet the standards then generally required by us in the appointment of life and annuity sales producers. If a Sub-Producer who is already under an Agreement with the Company is assigned to you, your responsibilities with respect to that Sub-Producer are the same as if you recruited the Sub-Producer to the Company unless otherwise agreed in writing by you and the Company.

Sub-Producers may be contracted only on standard Producer Agreements or Licensed Only Sub-Producer Acknowledgements and accompanying Schedules approved by and made available through the Company.

The Company may immediately suspend your ability to recruit Sub-Producers under this Agreement, if the Company has reasonable cause to suspect that you have engaged in conduct involving violation of the terms of your Agreement. You will be notified, in writing, of the reason and the terms of any suspension.

II. Agreement Date

This Agreement will take effect when the Company signs a Schedule at the Company's home office and appoints you as its insurance producer according to applicable law. A Schedule will take effect when signed by the Company at its home office. This Agreement, Advance Compensation Agreement, Ethics Policy, Appointment Application and a Schedule form the entire Agreement between the Company and you concerning matters covered by this Agreement. This Agreement terminates and replaces any prior Agreement between the Company and yourself concerning matters covered by this Contract. This Agreement can be amended only by a document signed by the Company and yourself. From time to time the Company may amend a Schedule by a document signed only by the Company, or replace a Schedule with another Schedule signed only by the Company. Any amendment to this Agreement or a Schedule will take effect when signed by the Company at its home office. The Company will give you prior written notice before amending or replacing a Schedule.

The Agreement Date applies to all applications for Policies submitted on or after the Contract Date, which is specified on the signature page of this Agreement.

III. Relationship

This Agreement shall not be construed to create the relationship of employer and employee between the Company and you or any of your Sub-Producers. You are an independent contractor and not an employee of the Company. You may solicit only applications for the Company that are listed in a Schedule. You shall be free to exercise independent judgment as to the time and place of performing all acts authorized under this Agreement except as provided in Section IV.

IV. Duties, Obligations, Authorization and Limitations

The following conditions shall apply to you or to any of your employees or to any Sub-Producers:

1. You and all Sub-Producers shall have no powers of authority other than those expressly granted in this Agreement, and no other or greater power or authority shall be implied by the grant or denial of powers or authority specifically mentioned.
2. For as long as you are contracted with the Company, licensed, appointed and in good standing with the regulatory authorities, the Company hereby authorizes you to:
 - (a) Personally produce applications for Policies covered by this Contract Agreement and Schedule; and
 - (b) Collect the first premiums on such applications in the form of a check or money order made payable to the Company.
 - (c) Solicit, through Sub-Producers selected by you, contracted by us, applications for Policies covered by the Sub-Producer's Sales Producer Agreement and Schedule or Licensed Only Sub-Producer Acknowledgment.
3. You may recommend that the Company enter into Agreements with other natural persons and business entities, but the Company is not obligated to do so. You are responsible for training and supervising any insurance Sub-Producer who reports directly to you regarding the Sub-Producer's compliance with such

an Agreement. You agree also to ensure that you and your Sub-Producers are familiar with and understand the terms and conditions of the Products and the supporting marketing literature made available by us in connection with any of the Products, which you sell under this Agreement. You are responsible for all expenses that you incur.

4. You agree to conduct your activities in a professional manner and in accordance with all laws and regulations in force in the states in which you market any Company Products and you further agree to abide by all present and future decisions and instructions issued by the Company. You agree to ensure that your Sub-Producers are familiar with the Code of Conduct detailed in the Ethics Policy attached to and made part of this Agreement.

5. The Company reserves the right at any time to change any guideline, rule, policy, instruction or directive relating, but not limited to, market conduct, underwriting rules or guidelines, mortality rates and interest crediting rates. You agree to promptly inform all Sub-Producers or employees of our rules, regulations and policies and of any amendment, addition, change or modification of the same by the Company.

6. You must comply with all applicable federal, state and local laws, statutes, regulations and guidelines, including without limitation any state statute, regulation, order or interpretation in effect requiring that you protect the privacy of all "Nonpublic Personal Information" that you have about an applicant, owner, insured, annuitant, beneficiary or other person who seeks to obtain, obtains or has obtained a Product or service from the Company that is to be used primarily for personal, family or household purposes, and any law regarding the suitability of products sold by insurance producers. If you receive any such nonpublic information from the Company, you will use the information only in connection with your performance under this Agreement and as permitted by law. You agree to establish physical, electronic, and administrative procedures to protect the security and confidentiality of "Nonpublic Personal Information."

"Nonpublic Personal Information" has the meaning set forth in section 509 of the Gramm-Leach Bliley Act (P.L. 106-102) and any federal and state laws and regulations that implement that Act and includes but is not limited to name, address, and financial or health information of a policyholder, insured, applicant or prospect.

This section survives the termination of the Sales Producer Agreement.

7. You must comply with all Company rules and procedures, which are intended to implement, or which are otherwise related to such federal, state and local laws, statutes, regulations or guidelines. You acknowledge the Company's obligation to investigate alleged breaches of such laws, statutes, regulations, guidelines, rules or procedures, as it may deem appropriate, and to act on the findings of such investigations. You further agree to cooperate fully in any investigation.

8. You may not: bind the Company by any promise or agreement; accept a promissory note for, or incur any expense or obligation on behalf of the Company; waive any of the Company's rights or requirements regarding, or any provision of, a Product; make, alter, modify or discharge any Product, any provision in any Product, application, conditional receipt or any other writing for the Company; extend the time for payment of premiums; waive or extend any Policy condition or waive any forfeiture; accept payment of any past due premium, except as requested by Company; approve or recommend approval of evidence of insurability; make any representation or state any opinion regarding the validity or payment of any claim; guarantee current interest or premium rates; guarantee the continuance of any practice or procedure of the Company; use any of the Company's names, logos or trademarks without the Company's prior written consent; advertise any Product or the Company unless the Company provides the advertisement to you or has previously given you its written approval of the advertisement; begin any legal proceeding on behalf of the Company without the Company's prior written consent.

9. You agree: to exercise reasonable care and diligence to ensure that the Products covered by us under this Agreement are maintained current and in force; that it is your responsibility to provide reasonable post sales service to Policyholders and the beneficiaries of Policyholders and to exert your best efforts to promote the interest of the Company; to not open any bank or other account(s) in the Company name; not to endorse, cash or deposit any check, draft, or money order made payable to the Company; not to use any funds collected for or on account of the Company, by yourself, your employee's or your Sub-Producers for any personal or other purpose whatsoever.

10. You shall make full disclosure to us of all facts known or learned about any applicant for coverage that relates to insurability.

11. We will pay all customary underwriting costs, including all reasonable costs, expenses and fee's for obtaining such medical and other information we consider necessary to determine the insurability of applicants for our Products. You are responsible for all expenses, other than the customary underwriting costs referred to above, incurred by you or your Sub-Producers in the performance of this Agreement. If you cause us in any way to incur unnecessary underwriting costs, then we reserve the right to offset from your compensation any or all such underwriting expenses.

12. After giving you reasonable notice, the Company may visit your office, examine your files and records and accompany you while you represent the Company, all at reasonable times. You agree to keep accurate and complete records and accounts of all transactions, and shall provide the Company complete access and right to inspect and copy all records, vouchers, bank accounts, transactions, correspondence and other information we may reasonably require as they relate to business placed with us. You agree that your obligation under this Section IV, item 12 shall survive the termination of this Agreement.

13. The Company may require you to maintain errors and omissions (E&O) insurance on yourself with an insurance company, and in form and amount, satisfactory to the Company, at your expense.

14. The Company may at any time stop doing business in any state or area within a state, stop offering any Product for sale, or change any term of a Product or any condition under which the Company may offer a Product.

15. You agree not to deliver a Policy unless you can reasonably determine that the proposed insured is in as good health as at the time of application, and unless the first premium has been fully paid. You agree to return any Policy, which cannot be delivered within thirty (30) days for any reason to the Company's home office at the end of the thirty (30) day delivery period.

16. You hereby agree to indemnify and hold the Company harmless from all losses, expenses, including, but not limited to, reasonable attorney fees, costs and damages resulting from any act of commission or omission of negligence or misfeasance by you, any Sub-Producers, or any employee of yours. You agree that your obligations under this Section IV, item 16 will survive the termination of this Agreement.

17. While this Agreement is in force and after its termination you may not convey or disclose to any person or entity any of the Company's property, for any Products; applicants for, owners and beneficiaries of, persons insured by, and annuitants of Products; and the recruiting, training and compensation of you

and your Sub-Producers.

18. While this Agreement is in force and for two (2) years after its termination, you may not: induce or attempt to induce an employee or Sub-Producer of the Company to end his or her association with the Company; or induce or attempt to induce an owner of a Product of the Company to halt the payment of premiums on the Product, allow the Product to lapse, or surrender the Product in whole or in part.

19. If you breach or threaten to breach this Section IV, the Company will be entitled to an injunction restraining you from the breach or threatened breach, as well as to other appropriate relief, including without limitation money damages and reimbursement of attorney fees and other expenses incurred by the Company in seeking the injunction or other relief. If you breach this section you forfeit your right to receive commissions from the Company. This Section IV, item 19 will survive the termination of this Agreement.

V. Licenses

You must be properly licensed and appointed in every state in which you solicit, negotiate or effectuate products listed on the attached Schedule. You and your Sub-Producers must be properly licensed and appointed in all states that require a license and appointment in order to receive override commissions. Unless you are licensed and appointed as required by the state regulation, we are unable to pay you commissions on the business you produce or the business produced by Sub-Producers reporting to you. The Company will not accept applications from an unlicensed Producer. You are responsible for all licensing fees and non-resident appointment fees. The Company may pay your non-resident appointment renewal fees for you and debit your commission account for those renewal fees. You must notify the Company if you do not want to be reappointed 30 days in advance of the renewal.

VI. Territory

1. You may solicit and market in any territory in which the Company is authorized to do business unless you are advised by us in writing to cease marketing a particular Product or Products or to cease doing business in a particular territory.
2. Your appointment is not exclusive in such territory, unless specifically outlined in an addendum to this Agreement.
3. The Company reserves the right at any time to withdraw from any territory, and to discontinue or withdraw or amend any Products used in a territory without prejudice to its right to operate in any other territory.

VII. Compensation

1. The Company will pay commissions to you while this Agreement is in force and after it terminates, according to a Schedule, on commissionable premiums, which the Company earns from Products that are shown on the Schedule and are sold by you or Sub-Producers who report directly or indirectly to you. However, the Company will reduce commissions payable to you by the total of commissions paid by the Company to Sub-Producers who report directly or indirectly to you, and by the total of commissions forfeited by a Sub-Producer who reports directly or indirectly to you if the Company terminates its Agreement with the Sub-Producer pursuant to Section IX, item 2, subset (a) through (e) of the Agreement. Premiums may include fees or charges that are non commissionable. You may assign your right to receive commissions under this Agreement, but only with the Company's prior written consent, which the Company may give in its sole discretion and only by submitting the appropriate Assignment of Commissions form. Any and all assignments so authorized shall be subject to any and all indebtedness of yours to the Company.

2. The Company will determine the commissions, if any, that the Company may pay to you in respect of a Product that the Company issues on an insured within twelve (12) months after a halt in the payment of premiums on a Product previously issued by the Company on the same insured, or within twelve (12) months after the previously issued Product of the Company lapses or is surrendered in whole or in part. The Company will determine whether or not to debit your commission account for part or all of the commissions that the Company credited to your account in respect of a Product that Company issued on an insured within twelve (12) months prior to a halt in the payment of premiums on, or within twelve (12) months prior to the lapse or surrender in whole or in part of, another Product that the Company had previously issued on the same insured.

3. If the Company refunds premiums or determines that it should not have paid commissions to you, the Company will debit your account by an amount equal to the commissions previously credited to your account in respect of the refunded premiums or the commissions determined by the Company not to have been payable. The Company may also debit your account from time to time for miscellaneous expenses that you incur, such as fees charged by states for renewal of your appointments with the Company.

4. The Company will send you a statement of your account, an inception to date accumulation of posting of credits and debits. This statement is binding for all purposes unless you give written notice to the Company within sixty (60) days of the date of the statement that the statement is in error. Any review after this period will be conducted at a reasonable charge to you or your Sub-Agent's expense. By signing this Agreement, you authorize the release of compensation information by the Company to those above you in your hierarchy.

5. Compensation payable under this Agreement will continue to be paid after the date of termination for business submitted by you and any Sub-Producer prior to the effective date of such termination of the Agreement according to the vesting terms of the attached Schedule, unless compensation is forfeited under Section IX, item 2, subset (a) through (e) of this Agreement. No compensation will be paid to you on any business submitted by Sub-Producers after the termination date of this Agreement.

6. You will receive a 1099 form for income tax purposes each year reflecting the amount of net earned commissions posted to your account for the calendar year, period beginning January 1st through December 31st of the prior year.

7. The Company may immediately suspend your ability to sell Products under this Agreement if the Company has reasonable cause to suspect that you have engaged in conduct involving violation of the terms of this Agreement or violation of any law or regulation. You will be notified in writing, of the reason and the terms of any suspension.

VIII. Lien for Indebtedness, Advancing and Assignment

1. To further the business relationship during the term of the Agreement, the Company, at the Company's sole discretion may make advances and terminate advances.

2. We may offset, against any sums due or becoming due to you under this Agreement between you, the Company, and any of its affiliates any monies owed to the Company or its affiliates by you or your Sub-Agents or your employees arising from this or any prior Agreement between you and the Company or its

affiliates. As partial consideration for debits posted to your account or the account of your Sub-Producer, you hereby grant the Company a first lien and prior security interest in the collateral as set forth in the "Advance Compensation Agreement" attached and made part of this Agreement. This Agreement constitutes a security agreement to the extent of the security interest herein given by you to the Company.

3. You shall be responsible for all reasonable expenses and attorney's fees incurred by the Company in any proceedings required to collect any monies owed to the Company by you or any of your Sub-Producers as well as interest on such monies at the legal rate.

4. The terms of this Agreement apply to the indebtedness of any of your Sub-Producers. It is the right of the company to assign any debt accrued by your Sub-Producer to your commission account and to use your commissions to offset this debt. This practice will be referred to as "the rolling of debt" and the end product referred to as "roll up debt".

5. After termination of this Agreement, any monies owed to the Company under the terms of this Agreement shall immediately be payable to the Company.

IX: Termination

1. Termination without Cause

- (a) Either party may terminate this Agreement by giving written notice to the other party. Notice shall be deemed received on the date it is mailed to your last known business address. If you voluntarily terminate your Agreement, you may not re-contract with the Company for six (6) months.
- (b) If you are appointed as a corporation or partnership, the death of any principle shall not terminate this Agreement, but it shall continue in force and effect in favor of the surviving owners or partners, provided they are validly licensed and appointed to represent the Company.
- (c) If you are a corporation, upon the dissolution, bankruptcy or insolvency of the corporation, this Agreement shall immediately terminate, in which case all compensation due or becoming due to the corporation shall be payable to its successor or duly appointed representative.

2. Termination for Cause

- (a) Upon failure to perform any of its material obligations or covenants, the Company may terminate and cancel this Agreement effective immediately upon providing written notice of such termination to you or your Sub-Producers. Such notice shall specify the cause of termination.
- (b) Upon reason of fraud, willful or negligent violation of any federal or state statute or other directive affecting Company standards or the solicitation of Products issued by the Company, or any misappropriation or withholding of funds, or any action taken or sanctioned by you without our prior knowledge and approval.
- (c) If your license to act as an insurance agent is revoked for cause after an opportunity for a hearing by the insurance department of any state or territory.
- (d) If you, while this Agreement is in force or within two years following its termination, induce or attempt to induce representatives to discontinue their Contract Agreement or appointments with the Company, unless such representative was brought to us through your efforts; or if you, at any time, before or after termination of this Agreement, replace or attempt to replace the business of the Company with that of any other insurance carrier.
- (e) If you otherwise acted to prejudice materially the interests of the Company in breach of this Agreement.

3. Upon termination of this Agreement, you shall immediately pay to us all sums due and immediately deliver to the Company all rate books, letters, records, sales materials and supplies connected with the business relating to the Company, those materials being deemed to be our property at all times.

4. In the event of your death, commissions will be paid as they become due to your designated beneficiaries, surviving spouse, or estate only to the extent that they have vested in you before your death.

5. Upon termination for cause, all rights to vested commission and other compensation will be forfeited. You agree that this provision will survive the termination of this Agreement, and that the Company is entitled to divest you of your commission or other compensation should you engage in activities described in Section IX, item 2, subset (a) through (e), after this Agreement is terminated.

X: Vesting and Payment of Commissions After Termination Without Cause

Upon termination of this Agreement for any reason other than those stated in Section IX, item 2, subset (a) through (e), the right to commissions if any, described in Section VII shall be vested immediately for the Products issued pursuant to this Agreement and subject to any vesting limitations set forth in the Schedule. Vesting shall mean your right to receive first year and renewal commissions, for Policies placed by yourself or your Sub-Producers, as per the attached Schedule in effect at the time the Policy was issued.

In the event the Company, after a reasonable effort, is unable to determine your whereabouts or the whereabouts of any person entitled to your commission pursuant to this Agreement, such commission shall, if unclaimed for a period of twelve (12) consecutive months, be forfeited to Life Professionals. If your commission earnings for twelve (12) consecutive months fall below \$250.00, such commissions will be forfeited to Life Professionals.

XI: Non-Waiver

Any failure by the Company to enforce any part of this Agreement will not be deemed a waiver by the Company of its right to enforce this Agreement according to its terms and applicable law. This Agreement is governed by Oklahoma law.

Forbearance or neglect of the Company to insist upon the performance of any of the terms of this Agreement or to declare a forfeiture or termination against you shall not constitute a waiver of such rights and privileges.

XII: Entire Agreement and Prior Agreements

This Agreement, along with the Advance Commission Agreement, Ethics Policy, Appointment Application and Schedule, is the sole and entire Agreement between the parties. Any understandings, negotiations, representations, statements, promises and agreements, oral or otherwise, not included in this Agreement shall have no force and effect in the construction of the rights and obligations of the parties except as provided in this Section XII. This

Agreement supersedes any prior agreement between any UICI Company and you. Schedules for this Agreement and any subsequent changes to such Schedules shall apply only to new applications submitted by and through you after such become effective. Any commission or other compensation payable under a prior Agreement shall continue to accrue in accordance with the rates specified in the Schedules in force at time of Policy issue. Payment of such accrued commission and other compensation is subject to any liens, indebtedness or assignments, and is subject to forfeiture under Section IX, item 2, subset (a) through (e) of this Agreement.

XIII: Governing Law and Jurisdiction

This Agreement and any amendments hereto shall be governed by and construed in accordance with the laws of the State of Oklahoma. Each party agrees to the exclusive jurisdiction of the courts of Oklahoma County, Oklahoma, with respect to any claim or cause of action, whether in law or in equity, including specific performance, arising under or relating to this Agreement, and waives personal service of any and all process upon it, and consents that all service of process may be made by certified or registered mail, postage prepaid and return receipt requested. Each party waives any objection based on *forum non conveniens* and waives any objection to venue of any action instituted pursuant to this Agreement. Each party agrees that a final judgment in any such action shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing in this Section XIII shall affect the right of any party to serve legal process in any other manner permitted by law. To the extent that any party has or may acquire any immunity from jurisdiction from any court or from any legal process with respect to itself or its property, such party waives (to the fullest extent permitted by applicable law) such immunity in respect of its obligation under this Agreement.

XIV: Invalid Provisions

All of the provisions of this Agreement are distinct and severable. If any provision of this Agreement shall be deemed to be void, invalid or otherwise unenforceable under law or equity, the same shall not affect the validity, legality or enforceability of any other provision or portion of this Agreement.

XV: Title Headings

All title heading contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various terms, conditions or provisions of the Agreement herein.

XVI: Notices

Any notice given under any provision of this Agreement shall be complete upon deposit, postage prepaid, in the U.S. mail addressed to you at your last known business address according to Company records, or to us addressed to:

The Chesapeake Life Insurance Company
3600 NW 138th Street
Oklahoma City, Oklahoma 73134

The Sales Producer agrees to defend, indemnify and hold the Company and its respective affiliated companies, officers and directors, employees and agents, harmless with respect to any and all losses, damages, claims and expenses incurred in connection with the non-performance or breach of any provision of the Agreement by the Sales Producer, Sub-Producer's reporting directly or in-directly to him, or his employees.

The Company agrees to defend, indemnify and hold the Sales Producer and its respective affiliated companies, officers and directors, employees and Sub-Producer's, harmless with respect to any and all losses, damages, claims and expenses incurred in connection with the non-performance or breach of any provision of the Agreement by the Company.

BY SIGNING BELOW, YOU CERTIFY TO THE COMPANY THAT: THE INFORMATION YOU HAVE GIVEN IN THE APPLICATION FOR AGREEMENT IS TRUE AND COMPLETE; THE SOCIAL SECURITY NUMBER OR TAXPAYER IDENTIFICATION NUMBER ON THE APPLICATION FOR AGREEMENT IS CORRECT, AND YOU ARE NOT CURRENTLY SUBJECT TO BACKUP WITHHOLDING; YOU HAVE READ AND UNDERSTAND THE COMPANY'S CODE OF CONDUCT AND AGREE TO ABIDE BY ITS TERMS; AND YOU HAVE READ AND UNDERSTAND THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.

Signature of Applicant, if Applicant is a natural person.
Signature of Applicant's authorized representative, if Applicant is a corporation,
Partnership, limited liability company or other business entity.

Date signed

Print Applicant's name as signed, if Applicant is a natural person.
If Applicant is a business entity, print the full legal name of the business entity,
NOT the name of the person who signed on behalf of the business entity.

Date signed

Signature of Authorized Recruiting General Agent, Officer or Partner

Date signed

Signature of Authorized Chesapeake Individual, Officer or Partner

Date signed

THE CHESAPEAKE LIFE INSURANCE COMPANY

ADVANCE COMMISSION AGREEMENT

This Advance Commission Agreement is made and entered into by and between The Chesapeake Life Insurance Company, hereafter "Company", and _____, hereafter "Producer".

WHEREAS, on this _____ day of _____, 20____, the Producer entered into a Contract Agreement with the Company which, among other things, authorizes the Producer to solicit applications of insurance for the Company and provides for payment of commission by the Company to the Producer upon his/her sale of insurance Products as premiums are collected (on as-earned basis); and

WHEREAS, the Producer wishes to modify this commission arrangement in order to permit him/her to receive commission in advance of premiums being collected by the Company (on as-earned basis); and

NOW, THEREFORE, the Company agrees to permit commission to be paid to the Producer in advance of said commission being earned subject to the following terms and conditions and at the Company's sole discretion:

TERMS AND CONDITIONS

1. Commission may be paid on an unearned basis for the sale of any qualifying insurance Policy, at a rate of _____% of the Scheduled first year commission rate, up to a maximum of _____ per case. A Policy issued by Company shall be construed as a qualifying insurance Policy if it is designated as such by the Company.
2. Upon the Producer's execution of this Advance Commission Agreement that commission be paid under this section of this Advance Commission Agreement, the Company shall make an unearned commission payment to the Producer, which has been defined by the Company. The guidelines are solely within the control of the Company and may be changed by the Company without prior notice. Unearned commission advanced on any Policy under this Advance Commission Agreement shall constitute an indebtedness of the Producer.
3. All unearned commission payments made under this Advance Commission Agreement shall be made by the Company and forwarded to the Producer in accordance with the Company's normal payment practices and cycles.
4. The total amount of unearned commission payments shall be considered the Producer's Indebtedness. A maximum overall debit balance of \$_____, shall be placed on the overall Indebtedness, preventing future unearned commissions payments until the Indebtedness is reduced.
5. I hereby promise and agree to pay the Company interest on the unpaid balance of my Indebtedness at a rate established from time to time by the Company which will not exceed 1 and ½ percent per month, or the maximum legal rate of interest under applicable Federal and State (Oklahoma) law, whichever is less. The initial rate of interest established by the Company will be at a rate of .0329 percent per day and the Company shall have the right to establish a new interest rate on the outstanding balance of my Indebtedness upon ten (10) days written notice to me by regular mail at my last known address. Notwithstanding anything to the contrary, I shall not be required to pay more interest than the maximum legal rate under applicable Federal and Oklahoma law.
6. This Advance Commission Agreement may be terminated or suspended at any time by the Company. Termination or suspension of this Advance Commission Agreement shall be effective on the date written notice of termination or suspension is mailed by the Company to the Producer at the last known business address of the Producer shown in the Company's files. Any business in process as of the date of termination or suspension shall be processed on an as-earned basis unless the Company advises to the contrary in its notice of termination or suspension. In the event of termination of this Advance Commission Agreement, all unearned commission in excess of commission earned shall be due and payable to the Company immediately. To assure that the Indebtedness will be repaid, I hereby grant to the Company a first priority security interest in and right of off set against the following; any commissions and bonuses payable to me by the Company or any of its affiliates and any credits and value from property held in my name with the Company, including my vested value in any Ownership Participation Trust.
7. Upon termination of this Agreement, I agree to pay my indebtedness to the Company upon demand. However, I understand that demand will not be made until that indebtedness exceeds any amounts of projected earned commissions for the next six (6) months, as determined solely by the Company. After the indebtedness has been fully satisfied, together with any other charges or credits in accordance with this Advance Commission Agreement, the remainder of my vested commissions, if any, will be paid directly to me as they are earned.
8. The Company may, at its sole discretion, modify the terms of this Advance Commission Agreement at any time. Such modification shall take effect upon the Company's mailing of notice of modification to the last known business address of the

Producer in the Company's files. Any business signed prior to the modification shall be processed in a manner previous to such modification.

9. All the terms, conditions and definitions of the Contract Agreement and any supplements to it, shall remain in force and effect unless specifically modified in this Advance Commission Agreement.
10. This Note and Agreement shall survive the termination of all contractual relationship between the undersigned and the Company. It is further agreed that in the event it becomes necessary to enforce payment of this Advance Commission Agreement through legal action, I agree to pay the reasonable attorney's fees and court costs incurred by the Company. All amounts due hereunder shall be payable at the Company's office in Oklahoma City, Oklahoma; and since this Note is to be performed in Oklahoma, suit may be brought hereunder in Oklahoma County, Oklahoma.
11. This Advance Commission Agreement shall have no force or effect until accepted by the Company.

I, _____ (Producer), affirm and fully understand the terms and conditions of this Advance Commission Agreement.

Dated this _____ day of _____, 20__.

Producer

GUARANTY

In consideration of the Company accepting this Agreement between _____ (Producer) and the Company, and in the event of any default by the above, I/we agree that I/we shall be jointly and severally liable for the repayment of any amounts due under this Advance Commission Agreement.

I/we further agree that in the event that it becomes necessary for the Company to engage counsel to enforce the terms of this Advance Commission Agreement, I/we will also be jointly and severally liable together, with the above Producer, for payment of any amounts which may be due under this Advance Commission Agreement by the Producer as well as the payment of attorney's fees plus all other costs of collection.

Recruiting Agent Name (Print)

Recruiting Agent Signature

Date

This Agreement will be effective and in force the date received by the Company.

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	<input type="checkbox"/> Exempt from backup withholding
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			+					
or								
Employer identification number								
			+					

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

**Sign
Here**

Signature of
U.S. person ▶

Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a **nonresident alien or a foreign entity** not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments (29% after December 31, 2003; 28% after December 31, 2005). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate **Instructions for the Requester of Form W-9**.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note: You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is **not required** on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that **may be exempt** from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;

9. A futures commission merchant registered with the Commodity Futures Trading Commission;

10. A real estate investment trust;

11. An entity registered at all times during the tax year under the Investment Company Act of 1940;

12. A common trust fund operated by a bank under section 584(a);

13. A financial institution;

14. A middleman known in the investment community as a nominee or custodian; or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

If the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are **not exempt** from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner **LLC** that is disregarded as an entity separate from its owner (see **Limited liability company (LLC)** on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note: See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5**, Application for a Social Security Card, from your local Social Security Administration office or get this form on-line at www.ssa.gov/online/ss5.html. You may also get this form by calling 1-800-772-1213. Use **Form W-7**, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or **Form SS-4**, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at www.irs.gov.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see **Exempt from backup withholding** on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ **You must show your individual name**, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



**THE CHESAPEAKE LIFE INSURANCE COMPANY
ETHICS POLICY**

Every representative of The Chesapeake Life Insurance Company (the Company) is responsible for both the integrity and the consequences of his or her own actions. The highest standards of honesty, integrity and fairness must be followed when engaging in any activity concerning Chesapeake, particularly relationships with policy owners, competitors, the public, employees and other representatives. Chesapeake expects that no representative will undertake any activity while on the Company premises or while engaging in the Company business that is or gives the appearance of being improper, illegal or immoral, or that could in any way harm or embarrass the Company or its customers.

THE ETHICS CHECK

The "ethics check" is a mechanism to help an individual sort out dilemmas by showing how to examine a problem at several different levels. The ethics check consists of three questions, each of which clarifies a different aspect of any decision, and therein helps to remove doubt on how to handle ethical situations. The ethics check questions are:

1. **Is it proper?**
Will I be violating any insurance law or regulation or civil or criminal laws? Am I complying with the Company's policy?
2. **Is it balanced?**
Is it fair to all parties concerned in both the short and long terms? Does it promote win-win relationships?
3. **How will it make me feel about myself?**
Will it make me proud? Would I feel good if my decision(s) or action(s) were publicized or if my family knew about it?

CODE OF CONDUCT

To conduct business in accordance with the Company's statement of ethics policy, the following principles shall be observed by all representatives of the Company. It is expected that each representative will:

- √ Communicate in an open and honest manner at all times.
- √ Understand and observe all insurance laws and state regulations.
- √ Understand and adhere scrupulously to all provisions of the Contract Agreement.
- √ Make accurate and complete sales presentations and initiate only new sales or policy transactions that are suitable and based on the client's needs.
- √ Listen well to your client and to the Company.
- √ Submit applications on persons conforming to the physical, medical and financial requirements of the Company and accurately provide the Company with all information that may affect the underwriting or administration of the policy.
- √ Respect the confidence of prospective purchasers and policy owners and carefully safeguard any information regarding their personal and business affairs.
- √ Remit all monies to the Company promptly and completely, in a manner that can leave no doubt about rebating, commingling of funds or the appropriateness of such actions.
- √ Obtain accurate signatures on all forms and documents.
- √ Promptly deliver and thoroughly explain all policies and obtain appropriate delivery receipts as required.
- √ Render continuous service, of the highest quality, to all his/her clients and their beneficiaries.
- √ Be fair in relations with colleagues and competitors, always endeavoring to act in the client's best interest.
- √ Always be guided by integrity.

I understand the policy on ethics and the Code of Conduct and agree to adhere to the terms of said policy.

PERSISTENCY AND PLACEMENT COMMITMENT

I also understand that a healthy persistency and placement ratio is indicative of a Producer who stands true to the above. Therefore, I commit to a thirteen (13) month persistency of no less than 80% and a minimum placement ratio of 70%. Should I fail to conform to the policy and/or the persistency/placement standards, I understand I may have my appointment terminated and my Contract Agreement canceled at any time.

Signature

Date

EFT COMMISSION AUTHORIZATION ☐ Initial Request ☐ Change Request

AGENT INFORMATION ☐ Corporate ☐ Individual ☐ Joint

Name on Contract: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

Social Security or Tax Identification Number: _____

Agent Number(s): _____

BANK INFORMATION ☐ Checking Account ☐ Savings Account ☐ Credit Union

Name of Banking Institution: _____

Branch: _____

Address: _____

City: _____ State: _____ Zip: _____

ABA Routing Number: _____

Account Number: _____

Please attach a void check or deposit slip.

I authorize The Chesapeake Life Insurance Company to initiate credit entries to my bank account. I understand that this authorization will allow Chesapeake to debit the above if funds are credited erroneously to this account. This authority is to remain in effect until revoked by me in writing and until the Company actually receives such notice of termination. The Company will make the necessary changes within ten (10) business days of receipt of such notice of termination. All commission accounts within the Company will be included in this request unless specified otherwise.

Printed Signature, as it appears on bank records

Date

Signature, as it appears on bank records

Please allow for seven (7) business day to allow for processing

A Summary of Your Rights Under the Fair Credit Reporting Act

The United States Federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information in the files of every "consumer reporting agency" (CRA). Most CRAs are credit bureaus that gather and sell information about you – such as if you pay your bills on time or have filed bankruptcy – to creditors, employers, landlords, and other businesses. You can find the complete text of the FCRA, 15 U. S. C. §§ 1681-1681u, at the Federal Trade Commission's web site (<http://www.ftc.gov/>) The FCRA gives you specific rights, as outlined below. You may have additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

You must be told if information in your file has been used against you. Anyone who uses information from a CRA to take action against you – such as denying an application for credit, insurance, or employment – must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.

You can find out what is in your file.

At your request, a CRA must give you the information in your file, and a list of everyone who has requested it recently. There is no charge for the report if a person has taken action against you because of information supplied by the CRA, if you request the report within 60 days of receiving notice of the action. You also are entitled to one free report every twelve months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, a CRA may charge you up to eight dollars and fifty cents (\$8.50).

You can dispute inaccurate information with the CRA.

If you tell a CRA that your file contains inaccurate information, the CRA must investigate the items (usually within 30 days) by presenting to its information source all relevant evidence you submit, unless your dispute is frivolous. The source must review your evidence and report its findings to the CRA. (The source also must advise national CRAs – to which it has provided the data – of any error.) The CRA must give you a written report of the investigation, and a copy of your report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, you may add a brief statement to your file. The CRA must normally include a summary of your statement in future reports. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received your report be notified of the change.

Inaccurate information must be corrected or deleted.

A CRA must remove or correct inaccurate or unverified information from its files, usually within 30 days after you dispute it.

However, the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified.

If your dispute results in any change to your report, the CRA cannot reinsert into your file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address and phone number of the information source.

You can dispute inaccurate items with the source of the information.

If you tell anyone – such as a creditor who reports to a CRA – that you dispute an item, they may not then report the information to a CRA without including a notice of your dispute. In addition, once you've notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.

Outdated information may not be reported.

In most cases, a CRA may not report negative information that is more than seven years old; ten years for bankruptcies.

Access to your file is limited.

A CRA may provide information about you only to people with a need recognized by the FCRA, usually to consider an application with a creditor, insurer, employer, landlord, or other business.

Your consent is required for reports that are provided to employers, or reports that contain medical information.

A CRA may not give out information about you to your employer, or prospective employer, without your written consent. A CRA may not report medical information about you to creditors, insurers, or employers without your permission.

You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers.

Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll free phone number for you to call if you want your name and address removed from future lists. If you call, you must be kept off the lists for two years. If you request, complete, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.

You may seek damages from violators.

If a CRA, a user or (in some cases) a provider of CRA data, violates the FCRA, you may sue them in state or federal court. The FCRA gives several different federal agencies authority to enforce the FCRA.

FOR QUESTIONS OR CONCERNS REGARDING:	PLEASE CONTACT:
CRA's, creditors and others not listed below Federal Trade Commission	Consumer Response Center - FCRA Washington, DC 20580 *202-326-3761
National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219 *800-613-6743
Federal Reserve System member banks (except national banks and Federal Reserve Board branches/agencies of foreign banks)	Division of Consumer & Community Affairs Washington, DC 20551 *202-452-3693
Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)	Office of Thrift Supervision Consumer Programs Washington, DC 20552 *800-842-6929
Federal credit unions (words "Federal Credit Union" appear in institution's name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 *703-518-6360
State-chartered banks that are not members of the Federal Reserve System	Federal Deposit Insurance Corporation Division of Compliance & Consumer Affairs Washington, DC 20429 *800-934-EDIC
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission Office of Financial Management	Department of Transportation Washington, DC 20590 *202-366-1306
Activities subject to the Packers and Stockyards Act, 1921	Department of Agriculture Office of Deputy Administrator - GIPSA Washington, DC 20250 *202-720-7051



**The Chesapeake
Life Insurance Company**
Home Office: Oklahoma City, OK

3600 NW 138th Street, Suite 100
Oklahoma City, OK 73134
www.thechesapeakeklife.com

Phone: 800.725.7887
Fax: 405.302.1486

**THIS DOCUMENT MUST BE SIGNED AND RETURNED
OR MAY BE COMPLETED ON OUR WEBSITE (www.thechesapeakeklife.com)**

Do Not Call Agent Policies and Procedures

If you are you an independent agent selling for or licensed with multiple companies and you are making calls on behalf of your own business, you must:

1. Obtain access to the National Do-Not-Call ("DNC") Registry in your own right, and must maintain your own Company-Specific Do-Not-Call list. This requires subscribing to the registry and obtaining your own subscriber account number.
2. If you make telephone calls on behalf of another exclusive product provider, you must access the national do-not-call registry using that provider's account number, and you must consult that product provider's Company-Specific Do-Not-Call list.
3. **YOU ARE PROHIBITED FROM IDENTIFYING "THE CHESAPEAKE LIFE INSURANCE COMPANY" AS THE ENTITY ON WHOSE BEHALF THE TELEMARKETING CALL IS BEING MADE.** You must call or market on behalf of yourself or your agency.

If you are you an independent agent exclusively licensed with and selling only for The Chesapeake Life Insurance Company and if you purchase leads, solicit or set appointments on behalf of The Chesapeake Life Insurance Company ("CLICO") you may:

1. Access the National, applicable State and Company Specific Do-Not-Call Registry through our Do Not Call vendor, Gryphon Network.
2. You must further comply with all company policies and procedures, which may be more restrictive than the law. Contact our Compliance Department if at any time you become a non-exclusive independent agent selling other companies' insurance products as you are no longer eligible to access Gryphon Network on behalf of The Chesapeake Life Insurance Company.
3. Agencies are not eligible to access Gryphon Network due to contractual constraints.

TELEMARKETING SOLICITATION HOURS:

Permitted calls may only be placed during the hours and on the days of the week prescribed in the respective state's telemarketing rules (based on a consumer's time zone). A consumer should only be verbally contacted once during any eight (8) hour period by the same person or on behalf of the same entity.

TELEMARKETING IDENTIFICATION:

Caller Identification Information must include:

1. the Calling Party Number (CPN); or,
2. Automatic Number Identification (ANI); and,
3. Blocking of "Caller Identification information" is **not** permitted.
4. You must transmit to the caller identification device (as available by your telephone service provider):
 - a. either your name; or,
 - b. CLICO's name.
5. The caller or automated message must include the following information within the first (30) thirty seconds of the call:

3600 NW 138th Street, Suite 100
Oklahoma City, OK 73134
www.thechesapeake.life.com

Phone: 800.725.7887
Fax: 405.302.1486

- a. the purpose of the call,
- b. identification of the caller's name
- c. the entity on whose behalf the telemarketing telephone call is being made; and,
- d. telephone number or address at which the calling entity may be contacted during normal business hours.

TELEMARKETING DOCUMENTATION:

Documentation must be maintained that includes but not limited to the date and time that verbal contact was successfully made.

TELEMARKETING TELEPHONE NUMBER SCREENING:

The caller that performs or is responsible for placing telemarketing telephone calls by manually dialing or using automated phone dialers must verify that the telephone number being called is not listed on any applicable Do-Not-Call lists or cellular telephone number list prior to placing that telemarketing telephone call, regardless of the source of the telemarketing telephone number or it's type (consumer and business).

You are prohibited from calling any telephone number that is on a version of an applicable Do-Not-Call list that you obtained within 31 days of the date of the telephone call. [Unless used within (30) thirty days of screening, screened telemarketing telephone numbers that have not been suppressed on Federal, State, and Company-Specific Do-Not-Call lists must be re-screened.]

REQUEST TO DISCONTINUE TELEMARKETING CALLS and/or REQUEST FOR COMPANY POLICY:

Anyone who receives a request to discontinue calls must forward that request to the Do-Not-Call Compliance Officer listed below. All requests should include name, and telephone number. Telephone numbers will remain on our Company-Specific Do-Not-Call list for five years unless they specify otherwise. If the telephone number changes, they must give us their new number if they want the Do-Not-Call status to remain in effect.

Written or verbal requests should be sent to:

The Chesapeake Life Insurance Company
Do Not Call Compliance Program
3600 NW 138th Street, Suite 100
Oklahoma City, OK 73134
800-725-7887 ext. 4732

I acknowledge that I have read and will comply with the policies and procedures listed in this document. (This may also be completed on our website.)

DNC Status (circle one): **Exclusive** **Nonexclusive**

Name: _____ **Agent Number:** _____

Signed: _____ **Date:** _____



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**This document must be signed and returned to us, or may be
completed on our website, www.chesapeakelife.com.**

Anti-Money Laundering Program

To comply with new federal anti-money laundering regulations (31 CFR Part 103.137) for insurance companies, Chesapeake Life Insurance Company has implemented a detailed Anti-Money Laundering program. As an insurance producer, you have an important role in the success of this program, due to your direct, personal contact with the customer. In this role, you are in a critical position to obtain information regarding the customer, the customer's source of funds for the products you sell, and the customer's reasons for purchasing an insurance product.

If you detect any of the following "Red Flags" that indicate potentially suspicious activity, you will need to contact Chesapeake immediately. "Red Flags" include:

- A Customer who resists providing identifying information or provides information that seems fictitious
- The Attempted purchase of a product that appears inconsistent with a customer's needs or that appears to exceed a customer's income level based on underwriting guidelines
- A large sum that is broken into several smaller amounts with various forms of payment
- Payment of \$5000 or more in cash (currency), money orders or cashier checks
- Payments derived from foreign (non-U.S.) bank accounts
- Any other activity that appears to be suspicious

All potentially suspicious activity must be reported immediately to Jim Tesio, Compliance Officer, at 800-725-7887 ext. 4732, jim.tesio@lifeteamokc.com. Chesapeake's AML Compliance Designee will review the information provided and take the appropriate steps.

AN AGENT OR BROKER MUST NOT, UNDER ANY CIRCUMSTANCES, DISCLOSE THE FACT THAT POTENTIALLY SUSPICIOUS ACTIVITY HAS BEEN REPORTED OR DISCLOSE THE CONTENT OF THE REPORT TO THE CUSTOMER OR ANY OTHER 3RD PARTY.

Your Responsibility as an Agent/Broker for Chesapeake:

As an agent or broker licensed to sell Chesapeake products, the Chesapeake's AML program requires you to do the following:

- 1) Ensure that all information requested on the product application and any associated documents are accurate and complete, including:
 - Customer name
 - Address
 - Home and Business phone
 - Social Security Number
 - Signatures

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2) Receive periodic anti-money laundering training.

Since you are an independent producer, you may be receiving AML training through another company, or from another source. It is your responsibility as the agent/broker to ensure your AML training is completed in a timely manner. You must certify to Chesapeake the receipt of any AML training provided by an entity other than Chesapeake by identifying the training provider and the date training was completed.

For more information on these requirements, please refer to our website www.thechesapeake.life.com or contact our AML Compliance Designee, Jim Tesio.

Chesapeake and our insurance producers share the responsibility of compliance with the AML program and all applicable anti-money laundering laws. Failure to do so will constitute grounds for discipline up to and including termination. In addition, any violation of anti-money laundering laws may expose those responsible to substantial financial and legal penalties under federal law.

Jim Tesio, Compliance Officer
HealthMarkets – Life Insurance Operations
3600 NW 138th Street, Suite 100
Oklahoma City, Oklahoma 73134
800-725-7887 ext. 4732
jim.tesio@lifeteamokc.com

I have read and will comply with all of Chesapeake's AML policies and procedures.

Agent Name _____ Agent Number _____

Signature _____ Date _____

I certify that I have already received AML training from another company or third-party.

Company Name _____

Date of Training _____



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Anti-Money Laundering Training for Agents and Brokers

AML Program Overview:

- In November 2005, the Patriot Act was amended to require insurance companies to establish and to implement an anti-money laundering ("AML") program and to report suspicious activity.
 - AML is intended to provide protection against the use of financial instruments, including but not limited to, cash and insurance products with cash values to finance terrorist and other criminal activity by laundering money and/or other illicit activity.
- AML applies to all insurance companies that issue or underwrite "Covered Products" which include permanent life products, annuity contracts and other products with cash value or investment features and that present potential risk for money-laundering or other illicit activity.

AML Definitions:

Money Laundering is generally defined as financial transactions that conceal the identity, source and/or destination of money which generate an asset or a value as the result of an illegal act, which may involve actions such as tax evasion, false accounting, financing of terrorist and/or other criminal activities.

- There are three elements to Money Laundering:
 - *Placement*: Inserting illicit funds into traditional financial institutions;
 - *Layering*: Filtering the funds through legitimate financial institutions;
 - *Integration*: Removing illicit funds from a legitimate transaction to give the funds the appearance of legitimacy.

Terrorist financing may or may not involve the proceeds from criminal conduct, but is rather an attempt to conceal the intended use of the funds, which may have criminal purposes.

Role of the Agent/Broker in AML:

Agents and Brokers play a critical role in the success of the AML Program based on personal, direct contact with the customer, both in the initial sale and at various times over the life of the product. Agents and Brokers are an excellent source of knowledge regarding the customer, their financial assets, and the customer's objectives for the products being purchased. ***Based on this customer perspective, you are in a unique position to identify potentially suspicious activity!***

Four Areas of Responsibility:

1. **Obtaining Appropriate and Accurate Customer Information** - Agents/brokers are responsible for obtaining appropriate and accurate information about the client at the point of sale.
 - a. *Ensure that all customer applications, and documentation, are completely filled out, especially any information on customer identify (Full name, address, phone numbers, work information, SSN, etc.)*
 - b. *Ensure accurate record keeping and provide copies if requested*

2. Ensuring Correct Methods of Payment

- a. *Ensure that payment guidelines are being followed, and report any attempt to provide unacceptable forms of payment*
- b. *Do not make any premium payment on behalf of the customer!*

3. Communicate Potentially Suspicious Activity - Agents and Brokers are the first line of defense in detecting suspicious activity.

- a. *Report any potentially suspicious behavior to The Chesapeake Life Insurance Company (Chesapeake), AML, Compliance Designee.*
- b. *Cooperate with any request for additional information that may occur in the course of customer activities and/or account reviews.*
- c. *DO NOT DISCLOSE ANY REPORT OF SUSPICIOUS ACTIVITY TO CUSTOMERS OR OTHER 3rd PARTY!*

4. Completing AML Program Training - Agents and Brokers shall keep current on Chesapeake's AML program and procedures.

- a. *Complete AML training offered by Chesapeake, by other appointing companies or 3rd Parties, and provide record of completed training.*
- b. *Ensure your AML training is completed in a timely manner!*

Procedures for Reporting Suspicious Activity:

If you detect any of the following "Red Flags" that indicate potentially suspicious activity, contact Chesapeake immediately!

- A Customer who resists providing identifying information or provides information that seems fictitious
- The attempted purchase of a product that appears inconsistent with a customer's needs or that appears to exceed a customer's income level based on underwriting guidelines.
- A large sum that is broken into several smaller amounts with various forms of payment.
- Payment of \$5000 or more in cash (currency), money orders or cashier checks.
- Payments derived from foreign (non-U.S.) bank accounts.
- Any other activity that appears to be suspicious.

Any potentially suspicious activity should be immediately reported to the AML Compliance Designee listed at the bottom of the page.

Penalties for Non-Compliance:

Severe penalties – up to \$500,000 and/or 20 years based on violation

- Potential civil liability for negligence, gross negligence or intentional misconduct
- Increasing expectations and oversight by state and federal regulators.
- State regulators are being trained in AML and this will be a topic in future Market Conduct exams

For More Information, contact:

Jim Tesio, AML Compliance Designee
800-725-7887 ext. 4732
jim.tesio@lifeteamokc.com