

# **Liberty Bankers Life Insurance Company**

1800 Valley View Lane, Suite 300  
Dallas, Texas 75234  
(469) 522-4200 / FAX (469) 522-4430

## **GENERAL AGENT AGREEMENT**

**THIS AGREEMENT is entered into by and between LIBERTY BANKERS LIFE INSURANCE COMPANY ("Company"), \_\_\_\_\_, ("Master General Agent"), and \_\_\_\_\_ the undersigned General Agent ("General Agent").**

**WHEREAS Company is an Oklahoma life insurance company authorized to write life insurance in all states except Connecticut, District of Columbia, Hawaii, Maine, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Wyoming, American Samoa, Guam, Puerto Rico and The US Virgin Islands; and**

**WHEREAS General Agent is licensed as a life agent in the state(s) where he will do business; and**

**WHEREAS Company and General Agent desire to enter into an agreement whereby General Agent shall be authorized to solicit applications for life insurance contracts and annuity contracts issued by Company (collectively "Policies") and to recruit and supervise sub-agents for the purpose of soliciting said Policies;**

**In consideration of the mutual covenants in this Agreement, it is agreed that:**

### **AUTHORITY**

- 1. General Agent shall have the authority to solicit applications for Policies in accordance with the terms of this Agreement. General Agent is entitled to solicit only those Policies for which a commission schedule is in effect and has been delivered to General Agent by Company ("Commission Schedule"). Company may withdraw, supplement or amend any Commission Schedule at any time and may deliver via Master General Agent to General Agent additional Commission Schedules relating to new Policies. Company may, at its discretion, withdraw any Policy from sale at any time.**
- 2. General Agent shall also have the authority to recommend, recruit and supervise sub-agents ("Agents") for the purpose of soliciting Policies, the applications of such Agents to be submitted to Company for approval. Upon the approval of Company at its sole discretion, Company shall enter into Agent Agreements permitting such individuals to solicit said Policies. General Agent shall be responsible for direct supervision of Agents in accordance with directions provided by Company.**
- 3. General Agent shall use his best efforts and exercise his best judgment as to the persons or businesses to be solicited and the time, place and manner of solicitation as well as in the recommending and recruiting of Agents. In the performance of his duties hereunder, General Agent shall be an independent contractor acting on his/her own behalf and for his/her own**

account. General Agent shall have no authority, expressed or implied, to act in any manner or by any means for or on behalf of Company in any capacity other than that of an independent contractor, and no authority to act in any manner except as herein expressly set forth or as it may from time to time be requested in writing by Company. General Agent is not authorized or empowered to waive, release or vary the terms of any Policy or in any manner grant indulgence to any policyholder nor is General Agent authorized to appoint Agents on behalf of Company for the purpose of soliciting Policies or otherwise. No authority may be implied from the authority expressly granted herein.

4. General Agent shall conform with all rules, manuals, Commission Schedules, and guides of Company as may from time to time be provided via Master General Agent to General Agent by Company.
5. General Agent shall have no authority to amend or modify any of the terms, or conditions of the Policies, or any rates set forth on the applicable Commission Schedule. General Agent shall have no authority to commit Company to any payment or course of action or obligate Company in any manner.
6. General Agent and any of his Agents may sell policies other than the Policies of Company. However, in the event General Agent or his Agents sell such policies, Company shall have no responsibility for the nature, quality or the service of such policies. NOTWITHSTANDING anything to the contrary contained herein, General Agent hereby agrees to indemnify and hold harmless Company, its shareholders, directors, officers, employees, Master General Agent and agents from and against any claim, demand, liability, action or cause of action of whatsoever kind or nature arising out of or in any manner connected with the sale by General Agent or by any of his Agents of any policies other than those of Company.
7. General Agent shall not deliver any Policy unless, to the best of his/her knowledge and belief, the applicant is in insurable condition for the applicable Policy at the time of delivery, and unless the first premium has been fully paid. Company may refuse to process any application or issue or amend any Policy.
8. General Agent has the authority to accept premiums on Policies in accordance with the rules set forth herein or otherwise provided by Company. Any such premiums collected by General Agent shall be made payable to Company and shall be immediately delivered to Company via Master General Agent in the full amount received. **General Agent is not authorized to accept on behalf of Company any premium checks which are made payable to General Agent.**
9. General Agent shall, at Company's request and in accordance with Company's instructions, account for all Policies, receipts, premiums, and any other monies received, and/or property and supplies, including rate books, applications, and all other books and papers connected with Company's business. Company may, at any time, audit and make copies of such records and accounts.

## COMMISSIONS

1. General Agent shall be compensated under this Agreement by Commissions ("Commissions") payable at the Master General Agent's address according to the applicable Commission Schedule relating to Policies which are produced by General Agent or his Agents, as applicable. Company shall only pay Commissions on premiums which are due and received by Company, and such Commissions shall be compensation in full for all services performed and all expenses incurred by General Agent for the solicitation of Policies as well as for the recommending and recruiting of Agents and the ensuing supervision of Agents (collectively "Related Services").
2. Company may, at any time and from time to time, change the Commission Schedule for any or all Policies; provided however, that the Commission for any Policy shall not be less than that set forth in the Commission Schedule in effect for such Policy at the issue date. Furthermore, Company may, at its discretion, withdraw any Policy from sale at any time.
3. Commissions shall not be paid on premiums waived or commuted by reason of death or disability of the insured or exercise of Policy options by the policyholder, unless Company otherwise agrees in writing to pay Commissions.
4. Commissions in an amount less than twenty-five dollars (\$25.00) may be held by Company and all such amounts held shall be paid to General Agent at the end of each pay period. After termination without cause, no further compensation will be paid if the total amount of commissions is less than \$100.00 in any calendar year subsequent to the year in which this Agreement terminated.
5. Company may demand proof of the delivery of the Policy to the policyholder and/or proof of the expiration of the "Free Look" period before paying Commissions on the related Policy.
6. Payments of all Commissions earned by the sale of Policies and for Related Services shall be made solely to Master General Agent or, at the option of Company, to his designee.
7. General Agent shall indemnify, defend, and hold Company and its assigns harmless from and against any losses, damages, claims, suits, penalties, fines, forfeitures, legal fees, related costs, and other costs and expenses arising from or relating to any suit, claim or demand brought against Company by any party other than General Agent for the payment of Commissions.
8. Commission adjustments: (a) Replacements: With respect to any Policy issued to replace an existing Policy, Company shall adjust General Agent's Commission payable on the reissued Policy unless Company, at its discretion, otherwise agrees to pay some portion or all of such Commissions. (b) Lapses: With respect to Policies which are cancelled for any reason within the first year following the Policy effective date, Company may charge back to General Agent the unearned first-year Commission, if any, paid on such Policy. (c) Cancellation: In the case of misrepresentation or misunderstanding at the time of solicitation or application for any Policy or upon delivery thereof, or upon exercise of a right granted pursuant to the terms of the "Free Look" provision of any Policy, Company may return the premium paid thereon and cancel the Policy. Company may charge back to General Agent the entire

compensation paid on such Policy. (d) Return of Commissions: General Agent shall return to Company within five (5) days of written demand the applicable portion (or all) of any Commissions with respect to any Policy which is (i) not issued, (ii) not taken out, or (iii) subject to the application of either clause (a), (b) or (c) immediately above.

9. Prior to paying any Commission(s) via Master General Agent to a corporate General Agent, Company may require evidence satisfactory to it that such General Agent or any sub-agent is authorized by applicable state law to solicit Policies on behalf of, and to have any Commissions (if any) paid to, such corporation and that such corporation (i) is duly organized, validly existing and in good standing under the laws of the state of its incorporation, (ii) is qualified to transact business in and is in good standing under the laws of each state in which Policies are solicited or is otherwise exempt by applicable law from such qualification, (iii) has a current and valid license to solicit Policies in every state in which a Policy is solicited, and (iv) has otherwise complied with all laws and regulations applicable to the licensing of corporations in such states, including, without limitations, the payment of all applicable fees and charges.

### **TAXES, BONDS, LICENSES, AND EXPENSES**

1. General Agent hereby represents that he has a current and valid license in every state in which a Policy is solicited by General Agent and Company is licensed. Further, General Agent hereby represents that all his Agents appointed by Company shall be so licensed.
2. General Agent will pay all initial licensing fees that may be required in any jurisdiction in which General Agent solicits Policies. General Agent will pay licensing renewal fees. General Agent will pay all fees including, but not limited to, bonding fees, examination fees and license renewal fees.
3. Company will bear expense of application forms, medical examination forms, and the various papers necessary to writing and servicing Policies.

### **ADVERTISING**

At Company's discretion, Company will furnish via Master General Agent to General Agent all forms, advertising materials, circulars and other printed matter requested by General Agent. General Agent is prohibited from using any other advertising material for solicitation of Policies without first receiving Company's written approval. Within five (5) days following termination of this Agreement, all unused supplies shall be returned to Master General Agent.

### **LIENS AND OFFSETS**

1. Company may offset against any claim of General Agent for Commissions, any loans and advances made by Company via Master General Agent to General Agent or any loan or advance which General Agent has guaranteed and which is in default.
2. Company may offset any indebtedness to Company of General Agent or of a General Agent's Agent against any Commissions due hereunder to General Agent.

3. Company shall have no obligation to pay any Commission to General Agent, or his assigns or designees, under this Agreement or under any other agreement with Company now or hereafter existing as long as either General Agent or any of his Agents is indebted to Company.

### **ASSIGNMENTS**

This Agreement, including the payment of Commissions payable thereunder, may not be assigned by any party hereto, without the written consent of all the other parties.

### **LITIGATION**

General Agent agrees to indemnify and hold Company harmless from and against any costs, losses, damages, claims, fines, expenses, legal fees, or related costs that Company may incur arising from or relating to any suit, claim, demand, action, or proceeding relating to the subject of insurance and resulting from any act, omission or misrepresentation on the part of General Agent or any of General Agent's Agents. General Agent shall not bring a cause of action against any applicant for a Policy, any of Company's policyholders or any of Company's agents in connection with the solicitation of an application for a Policy, the receipt of an application for a Policy, or the issuance of a Policy without the prior consent of Company.

### **TERMINATION**

1. Without Cause: This Agreement may be terminated at any time by General Agent, Master General Agent or Company without cause upon thirty (30) days' written, oral, telephone, or telegraphic notice. If such notice is not in writing, it shall be promptly confirmed in writing. In the event General Agent or Company terminates this Agreement without cause, Company will pay Commissions to General Agent on premiums received as of the date of termination and will thereafter continue to pay Commissions pursuant to the applicable Commission Schedule(s) on premium received for Policies in force upon date of termination of this Agreement.
2. For Cause: This Agreement may be terminated by Company at any time for cause if, at Company's discretion, General Agent (a) wrongfully withholds any funds or Policies from Master General Agent or Company; (b) willfully and knowingly fails to comply with the laws, or regulations of any insurance regulatory authority; (c) fraudulently misrepresents any Policy, product or service offered by or through Company; (d) willfully and knowingly fails to comply in any manner with the terms of this Agreement; (e) defrauds Company; (f) fails to acquire any license required by law in connection with the solicitation and/or sale of an insurance product; (g) causes his/her license as an agent to be revoked by any state or other insurance regulatory agency; (h) willfully and knowingly furnishes to Company false information of a material nature; (i) induces any agent or employee of Company to terminate his/her agreement with Company; (j) attempts to induce policyholders of Company to relinquish their Policies (except in those cases where such relinquishment is in the best interest of the policyholder); (k) endeavors to induce any agent or employee of Company to do any of the preceding acts. Company shall terminate this Agreement for cause by sending to General Agent at Master General Agent's address or at his last known address a written notice of such termination which shall be effective immediately upon mailing. Upon

termination for cause by Company, General Agent shall have no further rights under this Agreement to any Commissions otherwise payable under the terms of this Agreement.

3. If this Agreement is terminated without cause and cause is later determined to exist, then rights of General Agent under this Agreement shall end from the date of the action giving rise to termination for cause.
4. Death of General Agent: This Agreement shall be automatically terminated upon the death of General Agent. Upon the termination of this Agreement due to the death of General Agent, all Commissions payable hereunder shall be paid by Company via Master General Agent to General Agent's estate.
5. Bankruptcy of General Agent: This Agreement shall be automatically terminated upon the bankruptcy of General Agent. Upon the termination of this Agreement due to the bankruptcy of General Agent, all Commissions payable hereunder shall be paid by Company to the Master General Agent who will pay said commissions to the Trustee acting on behalf of creditors.

### **RIGHTS OF THIRD PARTIES**

This Agreement is for the exclusive benefit of the parties hereto, and except as otherwise expressly provided herein, no other person or entity, including agents or creditors of any party hereto, shall have any right or claim against any party hereto or be entitled to enforce any provision of this Agreement against any party.

### **WAIVER**

The failure of Company to insist upon strict compliance with any of the terms of this Agreement shall not constitute a waiver of any such conditions or obligations.

### **PRIOR AGREEMENTS**

This Agreement constitutes the entire agreement between Company, the Master General Agent, and General Agent and supersedes any and all contracts, stipulations and agreements, written or oral, existing between Company and General Agent prior to its effective date.

### **AMENDMENTS**

No modification, amendment, change or waiver of this Agreement, or any part thereof, shall be valid unless in writing and signed by Master General Agent, General Agent and a duly authorized officer of the Company.

### **MISCELLANEOUS**

1. General Agent does not have the exclusive right to any product or sales territory.
2. This Agreement shall be binding upon and inure to the benefit of Company and upon Master General Agent and General Agent.

3. Wherever used, the singular number shall include the plural and the plural the singular where the context requires, and the use of any gender shall be applicable to all genders.

**GOVERNING LAW AND JURISDICTION**

This Agreement shall be subject to, interpreted and governed by, the laws of the State of Oklahoma, and each party hereto agrees that the venue for any litigation shall be in Oklahoma City, Oklahoma.

**WITNESS** the following signatures:

**APPLICANT**

\_\_\_\_\_  
(name of corporation if licensing)

BY: \_\_\_\_\_  
(signature of principal "corporate" or individual)

\_\_\_\_\_  
(print name)

**MASTER GENERAL AGENT**

\_\_\_\_\_  
name of Master General Agent

BY: \_\_\_\_\_  
(signature of principal "corporate" or individual)

\_\_\_\_\_  
(print name)

**LIBERTY BANKERS  
LIFE INSURANCE COMPANY**

BY: \_\_\_\_\_  
(signature of authorized employee)

\_\_\_\_\_  
(effective date)

\_\_\_\_\_  
(agent number)