



SETTLERS LIFE INSURANCE COMPANY
Bristol, VA. 24201

ADVANCE COMMISSION AGREEMENT

This Advance Agreement is attached to and made a part of the Agent/Representative Agreement between _____ and Settlers Life Insurance Company, Bristol, VA.

The Company agrees to advance first year commissions on life business under the following conditions:

1. Issued business persistency (based upon the 13 month LIMRA formula for new first year business and calculated as of the close of each calendar month) of the Agent shall be no less than 70%.
2. Advances will be made on issued business with automatic premium modes only, e.g. bank draft (a/k/a "EFT" or "PAC"), payroll deduction and government allotment.
3. Advances will be calculated as follows:
 - a. The Agent will be advanced 60% of 1st year annualized commissions on all issued business qualifying for an advance under this agreement.
 - b. The Agent's account will then be credited with 40% of all earned 1st year commissions with the balance withheld to repay advances and cancellation on business advanced.
 - c. The agreement will be paid the initial earned commission on all business not qualifying for an advance under this Agreement. The remaining 1st year commissions, and all renewal year commissions, will be credited to the Agent's account.
 - d. All such earned commissions credited to the Agent's account will be paid monthly subject to repayment of all policy cancellations and other charges the Agent owes to the Company.
4. Advances of overrides on commissions of business written by agents assigned to the Agent and who are on this advance program will be calculated and paid to the Agent as described in paragraph 3 above.
5. Should a policy lapse or should the death of an insured occur before the full advance becomes earned commission, the unearned portion will be charged against earned commissions.
6. There will be no advance commissions on business on the agent's own life or on any member of his/her immediate family.
7. The Company reserves the right to establish a maximum amount which an agent can be indebted to the Company.

