

**AIG ANNUITY INSURANCE COMPANY
GENERAL AGENT
CONTRACT KIT**

This kit contains: **Agent Appointment Questionnaire**
 W-9
 Authorization for Background Investigation
 Candidate Notification
 Summary of Your Rights
 General Agent Agreement
 Suitability Profile
 Schedule of Commissions (attached separately)

INSTRUCTIONS FOR COMPLETION:

I AGENT APPLICATION QUESTIONNAIRE

- * **Complete and sign questionnaire.**
- * **Identify Sponsoring Party below your signature.**
- * **Superior must sign and complete appointment recommendation.**

II W-9 FORM

- * **Complete and sign a W-9 form.**
- * **SSN or TIN must agree with one placed on questionnaire.**

III FCRA (Federal Credit Reporting Act) REQUIREMENTS

- * **Complete and sign Authorization.**
- * **Read and Retain Candidate Notification.**
- * **Read and Retain Summary of Your Rights.**

IV GENERAL AGENT AGREEMENT

- * **Sign where indicated on Page 11.**
- * **Print your name legibly (Retain contract in your file).**

V SCHEDULE OF COMMISSIONS

- * **Retain in your contract file.**

VI RETURN THE FOLLOWING: (Fax these items to 1-818-881-6973)**

- * **Current license copy for each state appointment requested ****
- * **Signed Questionnaire by Agent and Recruiting Agent ****
- * **Signed Page 11 of General Agent Agreement ****
- * **Signed Background Authorization ****
- * **Signed W-9 ****

- * **Any required state appointment forms (i.e. GA, MA, & WV)**

AIG ANNUITY INSURANCE COMPANY AGENT APPOINTMENT QUESTIONNAIRE

APPLICANT NAME: _____ DATE OF BIRTH: _____ NICKNAME: _____

 LAST FIRST M MAIDEN MO DAY YR SEX: M F
 Please Circle

RESIDENCE: _____ STREET _____ SOCIAL SECURITY: _____

_____ PLACE OF BIRTH: _____
 CITY STATE ZIP

_____ HOME TELEPHONE: _____ () _____
 COUNTY

_____ BUSINESS TELEPHONE _____ () _____
 BRANCH/BUSINESS NAME

_____ HAVE YOU EVER BEEN APPOINTED WITH AIG OR
 STREET AMERICAN GENERAL ANNUITY:
 YES _____ NO _____

_____ LICENSE NUMBERS: (RES)
 CITY STATE ZIP

TYPE OF APPOINTMENT REQUESTED:
 () FIXED ANNUITY **FOR**
 () INDIVIDUAL () AGENCY LIFE: _____

STATES FOR WHICH APPOINTMENT IS REQUESTED: _____

AGENCY PRINCIPAL(S): _____
 (IF APPLICABLE) NAME TITLE SS#

 NAME TITLE SS#

FIVE YEAR EMPLOYMENT HISTORY (IF CHANGED WITHIN PAST FIVE YEARS):

YEAR(S)	COMPANY NAME	ADDRESS	CONTACT

_____ **COMPLETE THIS SECTION IF APPLICABLE** _____

BROKER DEALER NAME: _____

ADDRESS: _____
 STREET CITY STATE ZIP

OSJ TELEPHONE: _____ OSJ FAX: _____

FIVE YEAR RESIDENCE HISTORY (IF MOVED WITHIN LAST 5 YEARS):

 STREET CITY STATE ZIP YEAR(S)

 STREET CITY STATE ZIP YEAR(S)

CONFIDENTIAL HISTORY/BACKGROUND INFORMATION: (WRITE "YES" OR "NO" IN BLANKS--EXPLAIN BELOW)

- | | |
|--|---|
| 1. HAVE YOU EVER BEEN KNOWN OR CONDUCTED BUSINESS IN ANY NAME OTHER THAN AS SHOWN ON THIS APPLICATION? _____ | 5. HAVE YOU EVER BEEN DENIED, SUSPENDED, OR HAD REVOKED AN INSURANCE LICENSE IN ANY JURISDICTION? _____ |
| 2. HAVE YOU EVER DECLARED PERSONAL BANKRUPTCY? _____ | 6. HAS ANY SURETY COMPANY OR E&O CARRIER DENIED COVERAGE OR PAID OUT FUNDS ON YOUR COVERAGE? _____ |
| 3. HAVE YOU EVER BEEN CONVICTED OR PLED NOLO CONTENDERE TO A FELONY OR ANY OFFENSE OTHER THAN A MINOR TRAFFIC VIOLATION? _____ | 7. ARE YOU AT PRESENT INVOLVED IN ANY LITIGATION CONNECTED WITH THE INSURANCE BUSINESS OR ARE THERE ANY UNSATISFIED JUDGEMENTS OUTSTANDING AGAINST YOU ARISING OUT OF THE INSURANCE BUSINESS? _____ |
| 4. HAVE YOU EVER HAD A COMPLAINT FILED AGAINST YOU OR BEEN FINED BY AN INSURANCE REGULATORY DEPARTMENT? _____ | 8. DO YOU HAVE ANY OUTSTANDING JUDGEMENTS OR LIENS? _____ |

DETAILS OF "YES" ANSWERS: _____

LIST TWO (2) REFERENCE CONTACTS:

NAME	YRS KNOWN	RELATIONSHIP	TELEPHONE
NAME	YRS KNOWN	RELATIONSHIP	TELEPHONE

ATTESTATION:

- | | |
|--|---|
| 1. I AGREE NOT TO SOLICIT BUSINESS UNTIL I HAVE BEEN NOTIFIED THAT I AM PROPERLY APPOINTED BY AIG ANNUITY INSURANCE COMPANY. | 3. THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994 PROHIBITS ANYONE WHO HAS BEEN CONVICTED OF A FELONY, INVOLVING DISHONESTY OR A BREACH OF TRUST, FROM PARTICIPATING IN THE BUSINESS OF INSURANCE OR THE INSURANCE BUSINESS. VIOLATORS ARE SUBJECT TO FINE AND UP TO 5 YEARS IMPRISONMENT. |
| 2. I HEREBY CERTIFY THAT ALL MY ANSWERS TO THE QUESTIONS ON THIS QUESTIONNAIRE ARE TRUE, COMPLETE, AND ACCURATE. | |

AGENT'S SIGNATURE _____ DATE _____

PRINT NAME OF SPONSORING PARTY: _____

APPOINTMENT RECOMMENDATION:

BASED UPON PERSONAL INTERVIEWS AND A REVIEW OF EACH PART OF THIS APPLICATION, I RECOMMEND _____
 _____ FOR A CONTRACT AS DESCRIBED HEREIN TO INCLUDE **SCHEDULE** _____.

APPOINTING AGENTS: THE UNDERSIGNED ACKNOWLEDGE THAT THEY ARE APPOINTING AGENTS OF, AND AGREE TO BE JOINTLY AND SEVERALLY RESPONSIBLE FOR, THE PERFORMANCE OF THE AGENT OR THE AGENCY APPOINTED HEREIN.

 SIGNATURE PRINT NAME DATE

 SIGNATURE PRINT NAME DATE

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 2.** 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 2.

Social security number								
or								
Employer identification number								

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

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 2.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS must get 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.

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

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

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

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.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). 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 2 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 on page 2 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.

AUTHORIZATION TO CONDUCT BACKGROUND INVESTIGATIONS

I hereby authorize and request any present or former employer, school, police department, financial institution, or other persons having personal knowledge about me, to furnish bearer with any and all information in their possession regarding me in connection with an application for employment, agent contract, license, or appointment. I am willing that a photocopy of this authorization be accepted with the same authority as the original, and I specifically waive any written authorized request. I understand this authorization is to be part of the written employment/contract application which I sign.

I have been given a stand alone, consumer notification that a report will be requested and used for the purpose of evaluating me for employment, promotion, reassignment, or retention as an employee or for eligibility for a license/appointment required by law to consider an applicant's financial responsibility.

Print Name _____

Signature _____

Date of Birth (for identification purposes only) _____

Social Security Number (for identification purposes only) _____

If name changed (through marriage or otherwise) print former name here _____

AIG ANNUITY INSURANCE COMPANY GENERAL AGENT AGREEMENT

This Agreement is made this ____ day of _____, 20____, by and between AIG Annuity Insurance Company (formerly known as American General Annuity Insurance Company), an insurance company domiciled in the State of Texas, ("Company"), and _____, ("General Agent"), of _____, State of _____. The parties agree as follows:

1. AUTHORIZATION

Company hereby appoints and authorizes General Agent to act as an agent of Company to solicit, in jurisdictions where General Agent is appointed and duly licensed, applications only in states or territories in which Company is admitted to do business and only for the authorized insurance products (the "Policies"), listed in the Commission Schedule(s) attached, which is/are a part of this Agreement. General Agent is further authorized to collect and remit first premiums to Company and to deliver Policies issued by Company.

1.1 Territory. Recruiting and soliciting territory shall be nonexclusive. By advance written notice to General Agent, Company may exclude any state, or portion thereof, from the territory in which General Agent may solicit application for the Policies and/or recommend subordinate agents for appointment.

1.2 Licensing. General Agent must be licensed by the appropriate regulatory agencies in the states in which General Agent transacts business and be appointed by Company in such states. If General Agent is a corporation, then the principal(s) of such corporation must also be licensed individually, if required pursuant to appropriate state laws.

1.3 Subordinate Agents.

- a. General Agent may recommend for appointment subordinate agents for the purpose of soliciting Policies subject to any conditions and limitations of Company. To recommend a subordinate agent for appointment, General Agent must use the agreement forms provided by Company and General Agent must provide Company with such fully completed forms signed by the proposed subordinate agent and General Agent. General Agent will be an appointing agent under any such agreement, and as such will be responsible for the faithful performance of that agreement by the subordinate agent. In addition, General Agent agrees to indemnify Company for any amounts owed to Company by any subordinate agent to the extent that such debt was incurred during the time that General Agent was an appointing agent for such subordinate agent. General Agent shall train, supervise, and be solely responsible for and to all subordinate agents.
- b. Company will pay overrides to General Agent on business produced by subordinate agents. Overrides will be commissions Company would normally pay to General Agent if General Agent produced the same business, less the commission Company pays on that business to subordinate agents. Overrides are

commissions and are subject to all terms, conditions and limitations of this Agreement.

- c. General Agent may terminate the agreement of a subordinate agent at any time and for any reason upon written notification of Company.
- d. Company may, at any time, at its sole discretion, recontract or reassign a subordinate agent whose agreement has been terminated. Any overrides resulting from Policies issued prior to the date that the subordinate agent is recontracted or reassigned will continue to be paid to General Agent according to the terms of this Agreement. Any indebtedness incurred by the subordinate agent prior to the date of recontracting or reassignment, will continue to be an obligation of General Agent according to the terms of this Agreement.
- e. If Company wishes to remove and reassign any subordinate agent recruited by General Agent from General Agent's compensation structure prior to termination of the subordinate agent's agreement, Company will negotiate a release with General Agent; however, such release will not be unreasonably withheld by General Agent. Any overrides resulting from Policies issued prior to the date that the subordinate agent is reassigned will continue to be paid to General Agent according to the terms of this Agreement. Any indebtedness incurred by the subordinate agent prior to the date of reassignment, will continue to be an obligation of General Agent according to the terms of this Agreement.

1.4 Relationship. This Agreement is not a contract of employment and nothing contained herein shall be construed to create the relationship of joint venture, partnership, or employment between the parties. It is expressly agreed that General Agent is an independent contractor, and that as such General Agent agrees to be responsible for all taxes as a self-employed independent contractor. General Agent shall exercise his or her discretion as to the persons or businesses to be solicited, and the time, place and manner of solicitation.

1.5 Limitations.

General Agent shall not have authority to:

- a. accept risks, pass upon insurability, or bind Company in any way;
- b. misrepresent any of Company's products or services or make or modify policies or contracts on behalf of Company or waive any of Company's rights or requirements;
- c. collect or receipt for deferred or renewal premiums;
- d. endorse, cash or deposit any check or draft made payable to Company;
- e. accept or deposit any check or draft for premiums made payable to any person or entity other than Company;
- f. open any bank account or trust account on behalf of, for the benefit of, or containing the name of Company;
- g. advertise or publish any matter or thing concerning Company or its policies without the prior written permission of Company;
- h. directly or indirectly cause or endeavor to cause any agents of Company to terminate or alter their association with Company, or induce or attempt to induce any policyholders of Company to relinquish, surrender, replace or lapse their policies;

- i. incur any indebtedness on behalf of Company; or
- j. do or perform any acts or things other than expressly authorized herein.

2. GENERAL AGENT RESPONSIBILITIES

General Agent agrees to comply with Company's rules and regulations pertaining to the conduct of business covered by this Agreement, but such rules and regulations shall not interfere with General Agent's freedom of action as described in subparagraph 1.4, Relationship.

2.1 Advertising. General Agent shall not make, publish, issue or cause to have made, published or issued any advertisement, letter, circular, pamphlet or other publication or statement, in writing or through electronic media ("advertisement"), referring to Company or the insurance written under this Agreement without the express prior written consent of Company. The consideration for and the giving of consent shall relate to only one specific request and shall not be construed to have applied to any subsequent material or program. The giving of consent shall not be construed as an agreement by Company to bear any part of the expense of the advertisement.

All requests for written consent shall contain direct reproductions of all material; i.e., art work, copy, script, photographs, videotape, magnetic recording tape, etc. to be used in the reproduction of the advertisement in the printed or electronic media. In addition, all requests shall include the schedule(s) for the commencement and duration of the advertising campaign for which the subject material will be used.

Furthermore, without limiting other provisions of this Agreement, in the event Company shall be subjected to liability, loss, cost, expense, fine or penalty arising out of any unauthorized advertisement by General Agent, General Agent shall be liable to Company for all direct, consequential, or other damages of any kind and for costs and expenses incurred by or awarded against Company and for any other payments required to be made by Company as a result of unauthorized advertising, by reason of settlement or otherwise.

2.2 Assignment. General Agent agrees not to assign this Agreement or any compensation payable under it without the prior written consent of Company, which shall not be unreasonably withheld.

2.3 Prompt Transmittal. General Agent agrees to transmit to Company, within 24 hours of receipt, applications solicited and money received for Company. General Agent shall transmit to the home office of Company, by certified mail, within 24 hours of receipt, any paper served upon General Agent or General Agent's directors, officers or employees or upon subordinate agents recruited by or assigned to General Agent in connection with any legal proceedings by or against Company.

2.4 Expenses. General Agent agrees to pay all expenses incurred by General Agent in the performance of this Agreement.

2.5 Hold Harmless. General Agent shall be responsible to Company and shall indemnify, save, defend and hold Company harmless against any and all claims, suits, hearings,

actions, damages of any kind, liability, fines, penalties, costs, losses or expenses, including attorney's fees, caused by or resulting from any allegation of or any misconduct, error, negligent act or omission, or other unauthorized act by General Agent or any of General Agent's subordinate agents, directors, officers, employees, representatives or other agents.

- 2.6 Errors and Omissions.** General Agent shall at all times carry adequate Errors and Omissions insurance, and shall furnish proof of such coverage upon request by Company.
- 2.7 Examination of Records.** General Agent agrees to keep accurate records of all transactions on behalf of Company and to make such records available for examination at any time by authorized representatives of Company.
- 2.8 Indebtedness.** General Agent's indebtedness to Company shall be comprised of:
- a. All advances, loans, chargebacks, payments of annualized commissions, commissions paid on premium returned by Company for any reason, or extensions of credit by Company to General Agent.
 - b. All advances, loans, chargebacks, payments of annualized commissions, commissions paid on premium returned by Company for any reason, or extensions of credit by Company to any subordinate agent for which General Agent is an appointing agent.

General Agent's entire indebtedness, as shown in the accounts of Company, may, at any time, be deemed due and payable and Company may exercise any rights or remedies available to it, including, but not limited to, charging to General Agent's accounts all attorney fees and other collection expenses permitted by law.

Company shall have a first lien in the amount of such indebtedness against any compensation that may be or become due under this Agreement or any other agreement between Company and General Agent, and Company may at any time offset against such compensation the amount of such indebtedness. Company may, at its sole option, file any documents under any appropriate state uniform commercial code or similar law, and General Agent agrees to cooperate and sign any such documents at the request of Company.

- 2.9 Guarantee.** If General Agent is a corporation or partnership, the principal(s) signing this Agreement on behalf of General Agent jointly and severally guarantee to repay to Company any indebtedness Company is unable to collect from General Agent. Should it become necessary to take legal action to recover such indebtedness, the principal(s) jointly and severally agree to be responsible for the reasonable attorney fees of Company.
- 2.10 Property.** General Agent agrees to return on demand all records, manuals, supplies and other property of Company.
- 2.11 Third Party Litigation.** General Agent agrees not to pursue litigation against a third party for any cause related to the conduct of business covered by this Agreement without the prior written consent of Company, which shall not be unreasonably withheld.

- 2.12 Policies and Procedures.** General Agent agrees to comply with Company's Policies and Procedures as set forth in the Operations Manual. General Agent agrees to make available training regarding the Policies and Procedures to subordinate agents assigned to General Agent's compensation structure and appointed by Company and to assure compliance with the Policies and Procedures by such agents. Company will provide materials that may be used in such training.
- 2.13 Suitability of Sale.** General Agent or subordinate agent shall conduct a suitability of sale inquiry prior to or at the time of sale. General Agent shall make training regarding use of a suitability profile available to subordinate agents assigned to General Agent's compensation structure and appointed by Company. Agents may use either the suitability profile form attached hereto as Attachment A (or General Agent's own suitability profile form that has been approved by Company). Attachment A may be amended by Company at any time, in any manner, and without prior notice.
- 2.14 Legal Compliance.** General Agent agrees to keep General Agent and General Agent's subordinate agents informed of and shall comply with all applicable federal, state or local regulations and laws now or hereafter in force while conducting business hereunder. General Agent specifically agrees to comply with the provisions of any federal or state laws and regulations with respect to privacy and any disclosure of nonpublic personal information about consumers/customers who are clients of Company and Company's affiliated companies. General Agent shall promptly notify Company in writing of all contacts and correspondence received from insurance regulatory or other governmental authorities and cooperate fully with Company in making responses to those authorities.
- 2.15 Confidentiality.**
- a. General Agent shall maintain the confidentiality of and not disclose a policyholder's or applicant's nonpublic personal information that is gathered on behalf of Company. Such nonpublic personal information means personally identifiable financial or health information provided by the policyholder or applicant resulting from activities of the Company or General Agent. General Agent shall not disclose such information either directly or indirectly through solicitors, subagents or other third persons. Furthermore, General Agent shall not disclose a policyholder's account number or similar form of access number or code to any third party for the use of marketing to the policyholder. General Agent shall take reasonable efforts to secure the privacy of nonpublic personal information gathered by General Agent.
 - b. General Agent's obligation to not disclose such information shall not prohibit General Agent from disclosing the information in accordance with the law. Damages arising out of General Agent's failure to comply with the applicable requirements of the Company's Operations Manual, any state or federal privacy laws and/or regulations pursuant thereto, including but not limited to, the Fair Credit Reporting Act, the Gramm Leach Bliley Act, any Driver Privacy

Protection law or for any violation of this Agreement will be subject to the indemnification provisions in Section 2.5.

2.16 Use of the Company Name and Logo. General Agent is authorized to use "AIG Annuity Insurance Company ("AIG") terms, names and/or company names" only in connection with General Agent's solicitation, sale and servicing of the Company products and only after having obtained prior written approval from the Company for each such use. "AIG terms, names, and/or company names" refers to company, marketing, and product names and/or other symbols or logos, that contain the term "AIG Annuity Insurance Company", Agent's authority to use the AIG logo and the other related "AIG terms, names and/or company names" shall automatically terminate upon termination of this Agreement. Any materials using company names, symbols or logos where multiple copies may have been printed or reproduced must be destroyed when this Agreement terminates.

2.17 Federal Crime Control Act Notice and Certification.

- a. By execution of this Agreement, General Agent represents and warrants that General Agent has not been convicted of any criminal felony involving dishonesty or breach of trust, or has obtained the required written authorization or written consent from the Department(s) of Insurance in the state(s) in which General Agent transacts insurance business, in which case General Agent shall advise the Company of such conviction and furnish such authorization or consent for Company's examination.
- b. Should General Agent at any time while this Agreement is in effect be convicted of a criminal felony involving dishonesty or breach of trust, General Agent agrees to immediately notify Company in writing of the felony conviction. General Agent understands that failure to comply with the requirements of the Federal Crime Control and Law Enforcement Act of 1994 (18 U.S.C.S. Sec. 1033, 1034) may result in disciplinary action up to and including termination for cause by Company.

3. GENERAL AGENT COMPENSATION

3.1 State Law Restrictions. No compensation payments in violation of applicable laws, including, but not limited to, state licensing requirements, will be made by Company.

3.2 Payment of Compensation. Subject to subparagraph 3.1 above, Company agrees to pay General Agent compensation for Policies issued on applications submitted by General Agent. Such compensation shall be considered payment in full for all General Agent's services performed and all expenses incurred by General Agent. Such compensation shall be equal to the commissions shown in the Commission Schedule(s) attached to this Agreement. Payment of compensation shall be in accordance with Company's usual procedures and shall be paid only on premiums paid in cash to Company. No premium shall be considered paid in cash until it has been actually collected and received by Company. The Commission Schedule(s) may be changed by Company at any time upon

written notice to General Agent, but no such change shall affect commissions on any policy issued prior to the effective date of the change. By submitting applications for Policies listed on the attached commission schedules or future commission schedules, General Agent affirms acceptance of the commissions and the terms set forth therein.

3.3 Policy Reinstatement. If any policy issued on any application submitted by General Agent should lapse for non-payment of premium, no further compensation shall be payable to General Agent on such policy unless it is thereafter reinstated through General Agent.

3.4 Policy Replacement. If any policy issued on an application submitted by General Agent is considered a replacement of an existing Company policy in accordance with Company's then current replacement rules, General Agent compensation shall be adjusted in accordance with those rules.

3.5 Agent Reassignment. Company reserves the right to remove General Agent or any subordinate agent from a policy and to reassign another agent to such policy, in its sole discretion, upon the written request of a policyholder, or as may be otherwise appropriate. If requested by the policyholder, compensation for such reassigned policy that is accrued in the future shall be paid to the new agent.

4. TERMINATION AND VESTING

4.1 Termination. Termination of this Agreement may be effected as follows:

- a. Cause. This Agreement shall automatically terminate without prior notice upon the occurrence of any of the events set forth below:
 - (1) Upon the bankruptcy or dissolution of General Agent provided, however, that if General Agent is an entity with more than one principal, and there is more than one General Agent, the Agreement shall automatically terminate only with respect to the bankrupt or dissolved principal.
 - (2) When and if General Agent commits fraud or gross negligence in the performance of any duties imposed upon General Agent by this Agreement or wrongfully withholds or misappropriates funds of Company, its policyholders or applicants.
 - (3) When and if General Agent breaches this Agreement or violates insurance or federal or state securities laws or regulations or any other laws of any jurisdiction in which General Agent transacts business.
 - (4) When and if General Agent misrepresents or omits any material information that Company is entitled to receive, including, but not limited to, information on an application, a policy application or a reinstatement request.
 - (5) When and if General Agent fails to obtain renewal of a necessary license in any jurisdiction, but only as to the affected jurisdictions.
 - (6) When and if General Agent directly or indirectly causes or endeavors to cause any agent of Company to terminate or alter his or her association with Company or induces or attempts to induce any policyholder of

Company to relinquish, surrender, replace or lapse his or her policy, unless in the policyholder's best interest.

(7) When and if General Agent fails strictly to observe any Company procedure, rule, regulation or instruction.

- b. Death or Dissolution. If General Agent is not a corporation or partnership, this Agreement will terminate on the date of General Agent's death. If General Agent is a corporation or partnership, this Agreement will terminate on the date that the corporation or partnership is dissolved or otherwise adjudged no longer to be a legal entity.
- c. Notice. This Agreement may be terminated by either party for any reason by giving the other party at least 30 days' advance written notice.
- d. Execution of Replacement Agreement. This Agreement shall terminate immediately upon the execution of any other agreement between General Agent and Company that is intended to replace this Agreement, subject to the provisions of paragraph 7 below.

4.2 Vesting. Commissions payable to General Agent after termination of this Agreement shall be as follows:

- a. In the event of termination of this Agreement for any kind of violation as set forth in subparagraph 4.1(a) hereof, no compensation of any kind shall thereafter be payable to General Agent.
- b. If after termination of this Agreement, General Agent is subject to and/or partakes in any of the activities set forth in subparagraph 4.1(a) hereof, no compensation of any kind shall thereafter be payable to General Agent.
- c. In the event of termination of this Agreement for death or disability, first-year and renewal commissions shall continue to be paid unless General Agent is paid less than six hundred dollars (\$600.00) in any calendar year following termination. In that event, no further first-year and renewal commissions will be paid. "Disability" as used in this paragraph means the complete inability of General Agent, as a result of illness or injury, to engage in a gainful occupation for a continuous period of at least six months.
- d. Subject to the provisions of Section 3.5 above, in the event of termination of this Agreement for any reason other than for cause, death, or disability, first-year and renewal commissions shall be fully vested in General Agent unless General Agent is paid less than six hundred dollars (\$600.00) in first-year and renewal commissions in any calendar year following termination. In that event, no further first-year and renewal commissions will be paid.

5. BENEFICIARY

If General Agent is not a corporation or partnership, unless otherwise designated by amendment to this Agreement, General Agent's beneficiary shall be General Agent's spouse, if living, otherwise General Agent's estate. Any compensation due General Agent's beneficiary under this Agreement shall commence upon receipt by Company of proof of General Agent's death, subject to the restrictions described in subparagraph 3.1, State Law Restrictions.

6. OPERATIONS MANUAL

Company's Operations Manual, including the revisions, additions and amendments thereto from time to time made by Company, shall be for all purposes a part of this Agreement as fully as if set out word for word herein and shall be complied with by General Agent.

7. ARBITRATION

The parties agree that any controversy between or among them arising out of their business or pursuant to this Agreement that cannot be settled by agreement shall be taken to arbitration as set forth herein. Such arbitration will be held in a place mutually agreeable to the parties and conducted according to the applicable arbitration rules of the American Arbitration Association. Arbitration may be initiated by serving or mailing a written notice.

The parties reserve the right to refuse to arbitrate before any arbitrator who is or has been employed by or affiliated with a competing organization. In such a situation, another qualified arbitrator shall be selected. The parties agree that the decision of the arbitrators selected hereunder shall be final and binding on all parties and shall be issued in writing within thirty (30) days of the close of the record. This arbitration provision is expressly made pursuant to and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-14. The parties agree that pursuant to Section 9 of the Act, a judgment of the United States District Court for the Southern District of Texas shall be entered upon the award made pursuant to the arbitration.

The arbitrators shall be empowered to decree any and all relief of an equitable nature, including, but not limited to, such relief as a temporary restraining order and/or preliminary injunctive relief. The arbitrators shall also be empowered to award all remedies provided by an applicable statutory or common law cause of action, subject to an adequate accounting and costs.

The parties agree to share equally all filing and arbitrator's costs in any arbitration proceeding, including payment of arbitrator(s) fees.

8. PREVIOUS AGREEMENT

This Agreement terminates all previous agency agreements, if any, between Company and General Agent. However, the execution of this Agreement shall not affect any rights or obligations that have already accrued under any prior agreement.

9. ENTIRE AGREEMENT

This Agreement and the attached Commission Schedule(s) and Attachments, along with the Operations Manual and any revision, update, amendment or supplement to any of the foregoing constitute the entire agreement between the parties. No amendment of this Agreement shall be valid unless made in writing by Company.

10. WAIVER

The failure of Company to insist on strict compliance, or to exercise any right or remedy under this Agreement shall not constitute a waiver of any rights contained herein nor stop Company from thereafter demanding full and complete compliance nor prevent Company from exercising such remedy in the future.

11. INVALID PROVISIONS

The provisions of this Agreement are severable. If any provision or part hereof is held invalid, such invalidity shall not affect any other provision that can be given effect without the invalid provisions.

12. SURVIVAL OF PROVISIONS

The following provisions shall survive termination of the Agreement: 2.5 “Hold Harmless”, 2.7 “Examination of Records”, 2.8 “Indebtedness”, 2.9 “Guarantee”, 2.10 “Property”, 2.14 “Legal Compliance”, 2.15 “Confidentiality”, 3.5 “Agent Reassignment”, 4.2 “Vesting”, 7 Arbitration, and 13 “Construction”, and any chargeback provisions contained in the Commission Schedule(s).

13. CONSTRUCTION

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. Venue for any action between the parties shall be in Texas, exclusive of choice of laws provisions.

14. NOTICES

Any written notices required under this Agreement shall be sent by U. S. Mail, Certified, Return Receipt Requested, air courier service, or by facsimile confirmed by a facsimile acknowledgment from the recipient, and will be deemed given upon actual receipt by the addressee as reflected on the receipt. Such notices will be sent, as applicable, to General Agent’s last known address or to Company at 2929 Allen Parkway, Houston, Texas 77019 Attn.: General Counsel.

15. COUNTERPARTS

This Agreement may be executed in two or more counterparts. All counterparts shall collectively constitute a single instrument. The parties may execute and exchange facsimile counterparts of the signature page, and these facsimile signatures shall be binding as original signatures. It shall not be necessary in making proof of this Agreement to produce more than a single counterpart containing the respective signatures for each of the parties. A signature page to any counterpart may be detached from the counterpart without impairing its legal effect. The signature page may then be attached to another counterpart identical to it except having attached to it additional signature pages.

The Parties certify that they have read the General Agent Agreement to which this signature page is attached, including Attachment A, and the Commission Schedule.

GENERAL AGENT:

AIG ANNUITY INSURANCE COMPANY:

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

Name: _____
(Printed Name)

Name: _____
(Printed Name)

Title: _____

Title: _____

Date: _____

Date: _____

Commission Schedule
Between _____ ("Agent") and
AIG Annuity Insurance Company ("Company") Amarillo, Texas
For General Agent/Agency Agreement Dated _____

The general agent/agency agreement between Agent and Company is hereby supplemented, as provided in the section referring to compensation to define the current rate of commission payable on the authorized products ("Policies"). Commission payable under this schedule will be reduced to the extent that compensation shall be payable by Company to agents assigned to General Agent's/Agency's compensation structure.

	FIRST YEAR AND RENEWAL COMMISSION		
	1 st Year	2 nd -5 th Years	6 th -20 th Years
FLEXIBLE PREMIUM DEFERRED ANNUITIES (w/o Chargebacks)			
Envision Plus II			
Issue Ages 0-75	Commissions Applicable to Qualified and	6.75%	-
Issue Ages 76-80	Non-Qualified Monies	5.25%	-
Issue Ages 81-85 ¹		3.50%	-
FPDA Plus III and TSA Plus III [403(b)] Qualified 0-70		5.00%	5.00%
	Non-Qualified 0-85 ¹		5.00%
Ultra Extra			
Issue Ages 0-75	Commissions Applicable to Qualified and	5.25%	-
Issue Ages 76-80	Non-Qualified Monies	4.25%	-
Issue Ages 81-85 ¹		3.25%	-
Ultra Vision ³			
Owner Ages 0-75	Commissions Applicable to Qualified and	8.50%	-
Owner Ages 76-80	Non-Qualified Monies	7.50%	-
Owner Ages 81-85 ²		6.50%	-
Vision Flex ⁴			
	New Contributions		
	Issue Ages 0-70 ¹	6.00%	6.00%
	Transfers, Rollovers & Exchanges	5.00%	5.00%
			6.00%
			-
SINGLE PREMIUM DEFERRED ANNUITIES (w/o Chargebacks)			
Primary Choice ¹	Qualified (0-70) & Non-Qualified (0-85)		
	10,000 - 49,000 Premium	5.50%	
	50,000 - 500,000 Premium	5.00%	
Ultra MYG			
Owner Ages 0-75	Commissions Applicable to Qualified and	9.00%	-
Owner Ages 76-80	Non-Qualified Monies	6.00%	-
Owner Ages 81-85 ²		4.00%	-
Vision One ⁴			
Issue Ages 0-80		6.00%	-
Issue Ages 81-85 ¹		5.00%	-

FLEX 5 AND 7	Initial Premium	Subsequent Premium
Owner Ages 0-85	6.00%	6.00%
Owner Ages 86-90 ²	3.00 %	3.00%

FLEX 5 AND 7 CHARGEBACKS: Same as Fastrak 5 policies, except applies to policy forms A116-98 and A117-98. See next page.