

Annualization Agreement

AGREEMENT

American General

Life Companies

Products underwritten by:

American General Life Insurance Company of Delaware

Wilmington, DE

American General Assurance Company

Schaumburg, IL

American General Life Insurance Company

Houston, Texas

The United States Life Insurance Company in the City of New York

New York, NY

www.americangeneral.com/employeebenefits

The underwriting risks, financial and contractual obligations and support functions associated with the products issued by the above-listed companies are the responsibility of each individual company.

American General Life Insurance Company of Delaware, American General Life Insurance Company and American General Assurance Company do not solicit business in the state of New York.

ANNUALIZATION AGREEMENT

This Agreement is attached to and made part of the Master General Agent/General Agent/ Agent/Producer/Broker Contract (the "Contract") between American General Life Insurance Company of Delaware, and each Affiliated Insurer made a party to the Contract, hereinafter called the Company, and _____ (insert name of Producer), hereinafter called the Producer and is governed by the terms and conditions of the Contract except as may be hereinafter provided. This Agreement is effective as of the day and date set out below.

This Agreement is being made in conjunction with the issuance of a policy or policies of insurance to an employer or the employees of an employer, hereinafter each called a "Case". As consideration for the Company's agreement to annualize Producer commissions, the parties agree as follows:

1. Advances and Recovery:

The Company will advance **40%** of the calculated total first year agent level compensation (the "Advance") for each Case.

Producer agrees to repay Company each Advance in ten (10) equal monthly installments. The Company will deduct such repayment amount from the commissions due Producer on a monthly basis beginning the first month following the Advance. If a Case lapses prior to reimbursement of the related Advance, the Company shall recover the unpaid balance of the related Advance immediately through offset of unpaid commissions or any other available means. Any indebtedness as a result of these Advances will be a lawful obligation of the Producer and its individual principals payable immediately upon demand by the Company. If the Producer fails to repay the indebtedness within 90 days upon demand, the General Agent/Master General Agent for whom Producer is a Subagent shall be held jointly and severally liable for repayment per the contract between Company and General Agent/Master General Agent. In the event that Company uses an attorney in the collection of any sums due hereunder, Producer, and if applicable, General Agent/Master General Agent, shall be jointly and severally liable for reasonable attorney fees, costs and expenses expended in collection of said sums.

2. Guarantees and Recovery:

The Producer hereby grants the Company a security interest in any and all compensation payable by the Company or any of the Company's affiliates, and if insufficient, then in the general assets of Producer and, if applicable, its individual principals.

If the Producer is a corporation, partnership, limited liability corporation or other non-natural person, annualized commissions will only be paid if there is a personal guarantee of repayment by the principals of the organization. By executing this Agreement as guarantor, the principal(s) agree(s) that the Company shall have a security interest in any and all compensation payable to the principal(s), as individual(s), by the Company or its affiliates, and if the compensation is insufficient the principal(s) pledge(s) his/her personal assets as security for the obligation.

In the event of termination of the Contract to which this Agreement is made a part, it is understood the Company shall have the right to offset any debit balance due to the Company resulting from this financing against all compensation otherwise due and payable to the Producer or principal under the terms of all contracts with the Company.

Effective as of _____ (insert date)

PRODUCER:

Accepted and Agreed by PRODUCER:

Address: _____

Printed Name: _____

City/State/Zip Code: _____

Signature: _____

Telephone Number: _____

Title: _____

Date: _____

If Producer is a legal entity:

If Producer is a legal entity:

Accepted, Guaranteed and Agreed by Principal:

Accepted, Guaranteed and Agreed by Principal:

Printed Name: _____

Printed Name: _____

Signature: _____

Signature: _____

REQUIRED FOR ALL ADVANCES:

Accepted and Agreed by General Agent / Master General Agent:

Accepted and Agreed to by COMPANY

Printed Name: _____

Printed Name: _____

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____