



**YOUR APPLICATION MAY BE RETURNED!**

You must be licensed and appointed with the company prior to submitting an application. Insurance companies are now ***returning*** applications submitted by brokers who are not ***licensed and appointed*** for the respective company in the state of solicitation.

**\*\* ATTENTION \*\***

**THIS PAPERWORK MUST BE  
RETURNED TO YOUR  
BROKERAGE  
GENERAL AGENCY.**

**Failure to return to your Brokerage General Agency  
will result in a delay of the appointment and possible  
rejection, by the carrier, of any business submitted.**

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LINCOLN BENEFIT LIFE  
AN ALLSTATE COMPANY

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## Lincoln Benefit Life Checklist

- Confidential Personal Information Form (LBL798-6)
- FCRA Form (LBL-6221), for CA resident agents use CA-FCRA Form (LBL-6313). For MN & OK residents use Form (LBL-6995)
- Proof of Anti-Money Laundering Training. If you have taken the course through LIMRA, nothing further is required. If you haven't taken AML training, you will be invited to take the LIMRA course after you are contracted with Lincoln Benefit Life. If you've taken the course through an approved vendor, please provide a copy of the certification.
- Contract
- Resident License Copy
- Current E&O declaration page, specifying coverage of \$1 million per claim



## Step 7 Regulatory & Background Questions

Please answer the following questions on the individual agent or the principal of the corporation/agency applying for the contract.

- 1) Have you ever been charged with a felony?  Yes  No
- 2) Have you ever been charged with a misdemeanor including allegations of fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion or a conspiracy to commit any of these offenses?  Yes  No
- 3) Have you individually, or has a company you exercised control over, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition in the previous 2 years?  Yes  No
- 4) Has any regulatory body ever taken action against you or any of your insurance, securities or other professional license?  Yes  No

***If you answered "yes" to any of the above questions, attach explanations.***

## Step 8 Regulatory Requirements

Have you completed your Anti-money Laundering training?  Yes or  No \*If taken through LIMRA, no further action is necessary. If taken through another agency, please enclose a copy of the certification. If you haven't taken the course, you will be invited to take it after we have assigned you a writing number.

## Step 9 Direct Deposit of Commissions

Having your commissions direct deposited are optional, however, it can speed up the receipt of your commissions by several days.

- I wish to have my commissions Direct Deposited (for direct deposit of variable commissions, please contact your Broker Dealer)  
Fax # for pre-deposit notification (optional): (\_\_\_\_\_)\_\_\_\_\_

**\*\*\* ATTACH YOUR VOIDED CHECK OR SAVINGS DEPOSIT SLIP\*\*\***

Bank institution name: \_\_\_\_\_

Bank institution address: \_\_\_\_\_

Type of Account:  Checking  Savings Account #: \_\_\_\_\_ Routing #: \_\_\_\_\_

By signing below,

I authorize and request Lincoln Benefit Life Company to direct the net amount of any payment to me for crediting in my account at the financial institution designated above. "Payment" means any compensation payable to me under the terms of my contract. This authorization is not an assignment of my rights to receive such payment and revokes all prior payment direction notifications applicable to any such payment. I understand that the financial institution designated above reserves the right to cancel this agreement by notice to me; however, the authorization will remain in full force and effect with Lincoln Benefit Life Company until Lincoln Benefit Life Company has received written notification from me of its termination in such time and in such manner as to afford Lincoln Benefit Life Company a reasonable opportunity to act upon it.

## Step 9 Certification & Authorization

**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.

**Authorization for Release of Information** – I hereby authorize any bank, credit bureau, financial institution, insurance company, agency, court of law, person, or organization that has any records or knowledge of my financial status, credit standing, or criminal history to give Lincoln Benefit Life or their representative any such information. It is our policy to develop background information on agents who wish to be appointed with our company using credit reports and criminal court records (involving convictions only). If as a result of the investigation, we are unable to appoint you, we will notify you. Subsequent credit reports and criminal court records reports may be requested from time to time in order to update our files.

I agree not to solicit business for Lincoln Benefit Life until my license is in my possession and when the company notifies me that I am qualified to write business for this company.

I certify that the information and answers to the questions on this processing form are true and correct to the best of my knowledge. Information found to be incorrect may result in termination.

We certify that the information you have entered here will be held in strict confidence.

**PLEASE SIGN HERE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**Lincoln Benefit Life Company, Lincoln, Nebraska**  
**AGENT'S AGREEMENT — APPOINTMENT**

**AGENT:**

Name: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature of Agent or Firm Principal)

\_\_\_\_\_  
(Print or Type Name and Title Here)

Date: \_\_\_\_\_

**BENEFICIARY TO RECEIVE COMMISSIONS PAYABLE  
AFTER DEATH (LIMITED TO ONE INDIVIDUAL):**

Name of Beneficiary: \_\_\_\_\_

\_\_\_\_\_  
(Print or Type Name Here)

Relationship: \_\_\_\_\_

**RECRUITER MUST COMPLETE...  
COMMISSION SCHEDULE FORM: \_\_\_\_\_**

**RECRUITING ORGANIZATION:**

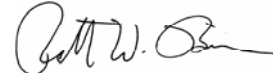
Name: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature of Agent or Firm Principal)

\_\_\_\_\_  
(Print or Type Name and Title Here)

**Recruiter's Agent #:** \_\_\_\_\_

**LINCOLN BENEFIT LIFE COMPANY:**



By: Robert W. Birman, Vice President

Contract Effective Date: \_\_\_\_\_

For all Agents, except those holding a resident license in Georgia, North Carolina, Pennsylvania and Utah, this contract is not deemed to be executed and effective until the earlier of the Agent's first insurance application submitted to Lincoln Benefit Life Company or the first payment of commissions to a subagent assigned to the Agent. For Georgia, North Carolina, Pennsylvania and Utah resident Agents, the Contract Effective Date is shown above.

Lincoln Benefit Life Company ("**LBL**") hereby appoints the individual or entity named above as its **AGENT ("you")** with duties, powers, and obligations as herein set forth, and you hereby accept the appointment on the terms and conditions set forth herein. The provisions stated in all supplements, Commission Rules, and Schedule of Commissions are incorporated into and made a part of this Agreement. **Effective Date** -- For all Agents, except those holding a resident license in Georgia, North Carolina, Pennsylvania, and Utah, this Agreement shall become executed and effective upon the earlier of 1) your submission of an insurance application to LBL and your appointment with LBL is submitted to your resident state or 2) The first payment of commissions to a subagent assigned to You. For Georgia, North Carolina, Pennsylvania and Utah resident Agents, this Agreement shall become effective on the date shown above. If any provision of the Agreement is now or shall in the future be in conflict with any applicable law or any valid Department of Insurance ruling or order, it shall be modified to the extent necessary for compliance. This Agreement shall supersede all previous agreements between the parties.

**Authority** — You are authorized to act as an Agent on behalf of **LBL** for the purpose of developing and supervising the distribution of **LBL's** insurance products. Specifically, you are authorized to:

- 1) Recruit and recommend persons for appointment by **LBL** as insurance agents.
- 2) Train and supervise such agents in accordance with the standards of **LBL** and the requirements of the state or states in which they are licensed and in which they act as an agent for **LBL**.
- 3) Solicit applications for the policies of insurance and annuity contracts written by **LBL** and approved for marketing.

**Responsibilities** — You are required to follow certain guidelines while exercising the authority granted under this Agreement. These guidelines include, but are not limited to, the following:

- 1) For any applications solicited by you, you shall submit such applications when received to **LBL**. You shall also collect the first premium and transmit all collections immediately to **LBL**.
- 2) You shall promptly deliver any policy or contract issued by **LBL** to owner of the policy or contract. In no event shall delivery take longer than thirty (30) days from the date you receive the policy or contract. In the event delivery will take longer than thirty (30) days, you are required to notify **LBL**.
- 3) You shall make reasonable effort to preserve business issued by **LBL** and to maintain in force policies issued by **LBL**.
- 4) You shall at all times comply with the rules and regulations of **LBL** pertaining to underwriting practices, acceptance of risks, delivery of policies, and all other areas of conduct for **LBL's** business.

- 5) Licensing of agents shall be in compliance with statutory and regulatory requirements of the Departments of Insurance or other regulatory agencies and in accordance with the standards and procedures established by **LBL**. Neither you nor any of your agents shall solicit business for **LBL** until you are notified in writing by **LBL** that you or they are qualified to write business for **LBL**.
- 6) You shall notify **LBL** immediately upon becoming aware of any misdemeanor or felony criminal convictions (excluding minor traffic citations) relating to you, your employees, or any agent licensed under you and appointed with **LBL**.
- 7) Comply with **LBL's** policies and procedures concerning the replacement of life insurance policies and annuity contracts. A replacement occurs whenever an existing policy or contract is terminated, converted, or otherwise changed in value. For any transaction involving a replacement, **LBL** requires you to:
  - a) recommend the replacement only when replacement is in the best interest of the customer;
  - b) fully disclose any and all relevant information to the customer, including: (i) comparing old and new premium expenses, surrender charges, cash values, and death benefits; (ii) any specific loss of cash value or policy value related to surrendering the existing policy; (iii) all guaranteed and maximum values of both policies; (iv) whether a new contestability period and/or suicide clause will start under the new policy; and (v) whether the customer will have to resubmit to underwriting to purchase the new policy;
  - c) provide state-required replacement notices to customers on the same day the application is taken and indicate on the application that the transaction involves the full or partial replacement of an existing policy; and
  - d) never recommend that a customer cancel an existing policy until a new policy is in force, and the customer has determined that the new policy is acceptable.
- 8) Adhere to **LBL's** rules and regulations concerning ethical market conduct, which require that you:
  - a) carefully evaluate the insurance needs and financial objectives of your clients, and use sales tools (e.g., policy illustrations and sales brochures) to determine that the insurance or annuity you are proposing meets these needs;
  - b) maintain a current license and valid appointment in all states in which you promote the sale of **LBL** products to customers and keep current of changes in insurance laws and regulations by reviewing the bulletins and newsletters published by the State Departments of Insurance and **LBL**;
  - c) comply with **LBL's** policies concerning replacements, and refrain from providing false or misleading information about a competitor or competing product or otherwise making disparaging remarks about a competitor;
  - d) submit, prior to use, all advertising materials intended to promote the sale of **LBL** products to **LBL** for approval;
    - e) immediately report to **LBL** any customer complaints, whether written or oral, and assist **LBL** in resolving the complaint to the satisfaction of all parties; and
    - f) communicate these standards to any agents or officer personnel that you directly supervise and request their agreement to be bound by these conditions as well.
- 9) During the term of this Agreement, you will maintain errors and omissions insurance coverage in an amount satisfactory to **LBL** underwritten by an insurer satisfactory to **LBL**. Coverage must insure against any negligent act, error, or omission by you or any person employed by you in the rendering of any services related to this Agreement. You will provide proof of such coverage upon our request.
 

**Independent Contractor** – The relationship you have with **LBL** under this Agreement is that of an independent contractor. Neither you nor your employees or agents shall be deemed to be the employee or servant of **LBL**.

You also acknowledge that all agents in your hierarchy are independent contractors of **LBL** and, at a subagent's election or for good cause, can be transferred by **LBL** in accordance with **LBL's** transfer rules. None of the benefits provided by **LBL** to its employees, including, but not limited to, workers compensation insurance and unemployment insurance, are available to you, your employees, and agents.

**Limitation of Authority** – You shall not possess or exercise any authority on behalf of **LBL** other than expressly conferred by this Agreement. Activities that you are specifically not authorized to perform on behalf of **LBL** include, but are not limited to:

  - 1) Making, altering, or discharging any contract.
  - 2) Incurring any indebtedness or liability on behalf of **LBL**.
  - 3) Expending, or contracting for the expenditure of, any funds of **LBL**.
  - 4) Extending the time for payment of any premium, binding **LBL** to the reinstatement of any terminated policy, or accepting notes for payment of premiums.
  - 5) Waiving or modifying any terms, conditions, or limitations of any policy.
  - 6) Adjusting, settling, or committing **LBL** to any action regarding any claim.
  - 7) Issuing, using, or circulating any advertisement or literature referencing **LBL** unless the advertisement or literature has first been approved in writing by **LBL**.
  - 8) Entering into any legal proceedings on behalf of **LBL** in connection with any matters pertaining to **LBL's** business.
  - 9) Delivering any policy issued by **LBL** prior to the settlement by the applicant of the first premium or required funding for the policy or contract.
  - 10) Delivering any policy when you or your agents have knowledge of any impairment of the applicant's health either not disclosed on the application or that occurred subsequent to the securing of the application.

**Records** – All books, records, application forms, and material furnished by **LBL** pertaining to the solicitation of applications for insurance hereunder shall be the property of **LBL** and shall be returned to **LBL** upon termination of this Agreement. All other records pertaining to your performance under this agreement shall be open to inspection by **LBL** or by the Department of Insurance (as required by law) at all times.

**Expenses** – You shall pay all expenses of every nature incurred in connection with the conduct of your business, and **LBL** shall not be liable in any way therefore.

**Taxes** – You shall assume full responsibility for, and indemnify **LBL** against, any liability in connection with the payment of all federal, state, and local taxes or contributions imposed or required under unemployment insurance, social security, income tax, and related laws with respect to compensation received under this Agreement by you.

**Fiscal Responsibility** – You shall immediately pay to **LBL** all monies received by you or your agents on all applications obtained and policies issued. All such funds shall be segregated by you and held by you in trust. Such funds shall not be used by you for any purpose.

**Indebtedness** – You shall be responsible to **LBL** for the acts of your agents and employees and for the indebtedness of your agents to **LBL**. **LBL** shall have a retaining first lien against any commissions payable hereunder for any indebtedness of you or your agents to **LBL**, and **LBL** may charge and set off any such amounts due from commissions payable. Your indebtedness shall bear interest at the rate of one percent (1%) per month and shall be absolutely repayable on demand from **LBL**. Following demand for repayment or termination of this Agreement, whichever occurs first, all indebtedness shall bear interest at the maximum lawful rate from that date until paid. You shall be responsible to **LBL** for all costs and expenses, including legal fees, incurred by **LBL** as a part of its efforts to collect indebtedness.

**Compensation** – Your compensation shall be based on your personal production and the production of all agents assigned to you. You shall be compensated according to the Schedule of Commissions, as amended from time to time, for premiums received on policies issued by **LBL** for applications secured under this Agreement. Payment of commissions and service fees shall be made at such times and in the manner **LBL** considers appropriate for the efficient administration of this Agreement. The Schedule of Commissions is subject to change by **LBL**, but any change shall not apply to business written prior to the effective date of the change. The statements issued by **LBL** concerning agent's commissions and service fees paid and/or payable, advances and indebtedness shall be conclusive unless, within thirty (30) days following receipt of the statement, you notify **LBL** of a dispute regarding any transactions reported on that statement. If a policy on which you are receiving commission or service fees lapses for any reason, no further commission or service fees will be paid to you unless the policy is reinstated solely due to your actions. If, for any reason, **LBL** refunds any premium on which you received a commission or service fee, you shall immediately repay to **LBL** the commission or service fee received on such premium.

**Vesting** – Your right to commissions shall be deemed fully vested, and except as specifically limited to herein, the renewal commissions shall be paid for the term and in the amount shown in the Schedule of Commissions. Your right to service fees shall continue so long as this Agreement is in force. Following termination of this Agreement for any reason, the amount shown as service fees in the Schedule of Commissions may be reduced by one-half.

**Beneficiary** – You may name a beneficiary to receive any commissions payable after your death. **LBL** reserves the right to require evidence that there are no conflicting claims before making payments to the named beneficiary.

**Non-Public Personal Financial Information –**

(Requirements pursuant to the Gramm-Leach-Bliley Act)

You agree to protect any confidential information of **LBL** customers that is accessible by you. Confidential Information includes, but is not limited to, any nonpublic personal information about **LBL's** customers or potential customers, regardless of whether it is personally identifiable or anonymous information. Such nonpublic personal information includes, but is not limited to:

- 1) Application information, such as assets and income;
- 2) Identifying information, such as name, address and social security number;
- 3) Transaction information such as policy activity; contract balances, purchases and withdrawals; and
- 4) Information from other sources, such as credit reports.

You agree, now and at all times in the future, not to use or disclose Confidential Information to any person or entity, other than to carry out the purposes for which the **LBL** applicant or customer disclosed the information, or as necessary to carry out the lawful business purposes of this Agreement, or as otherwise allowed by law or regulation. Use or disclosure of Confidential Information shall comply with federal and state privacy laws, rules and regulations. You agree to adhere to **LBL's** policies and procedures related to maintaining the privacy and protection of applicants' and customers' Confidential Information.

You shall establish policies and procedures to protect such Confidential Information in accordance with commercially reasonable standards and at a minimum using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure or duplication of such Confidential Information as **LBL** uses to protect its own confidential information. You will implement appropriate measures to:

- 1) Ensure the security and confidentiality of **LBL's** customer information;
- 2) Protect against any anticipated threats or hazards to the security or integrity of such information; and
- 3) Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

Confidential Information shall be returned to **LBL**, or destroyed upon **LBL's** request, once the services contemplated by this Agreement have been completed, or upon termination of this Agreement. In addition, you shall not be entitled to use such Confidential Information for any purpose thereafter.

Further, you agree that any violation of this section shall be a material breach of this Agreement and shall entitle **LBL** to immediately terminate this Agreement without penalty upon notice to you. You agree to permit **LBL** to audit your compliance with this section, and with all applicable laws, rules and regulations, during regular business hours upon reasonable notice to you. The provisions of this section shall survive any termination of this Agreement.

**Assignment** – You may not assign this Agreement, any interest in this Agreement, or any compensation earned or to be accrued under this Agreement without the prior written consent of **LBL**.

**Termination** – Either party may terminate this Agreement at any time by giving written notice. Notice may be mailed or delivered to the last known address of the other party. If you reside in, or are licensed in, Arkansas, Florida, Illinois, Missouri and/or Oregon, you hereby agree to waive any advance notice of termination and agree that termination will be effective immediately upon delivery of written notice. Upon termination, you shall in no manner thereafter act for **LBL** and shall promptly account for and remit to **LBL** any monies then held for it. On demand, you shall turn over to **LBL** all undelivered policies, ratebooks, other records, materials, and properties pertaining to your agency business. Your right to any commission or any other thing of value shall cease if you: commit any act that injures the business or reputation of **LBL**; fail to account for and remit promptly any monies collected by you for **LBL**; or, withhold any policies, money or other property belonging or returnable to **LBL**.

**Law Applicable** – The execution and performance of this Agreement involves transacting business in the State of Nebraska by you with **LBL**. This Agreement shall be governed by and construed according to the laws of the State of Nebraska. All actions with respect to this Agreement shall be brought in a court of competent jurisdiction in Lancaster County, Nebraska.

# Lincoln Benefit Life Company, Lincoln, Nebraska

## COMMISSION RULES

These Commission Rules are incorporated into and made a part of your agent agreement and appointment effective on the date of the agreement or upon receipt of these Rules, whichever is later. Subject to the terms and conditions of your agreement, you shall be compensated according to the following Commission Rules and the applicable Schedule of Commissions. The Commission Rules and the Schedule of Commissions are subject to change and may be revised from time to time by LBL. By submission of an application or the acceptance of commission, you agree to be bound by the provisions of these Rules.

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### UNIVERSAL LIFE

**Note: "Target premium" means the amount up to which the maximum first year commission percentage applies.**

- 1) All premiums paid into the policy will be credited to the first year target premium until the full first year target premium has been paid. Any excess first year premium and all renewal premium will be commissioned as stated in the Schedule of Commissions except as noted below.
- 2) New first year target premium commission will be payable if the base amount is increased or if new Benefit riders are added, provided:
  - a) The increase in base amount does not replace a prior decrease
  - b) The addition of a rider does not replace a previously dropped rider
  - c) The increase in base amount is not due to change from death benefit option 2 to option 1; option 3 to option 1; or option 3 to option 2;
  - d) All pro rata minimum required premiums for the time up to the date of the increase have been paid; and
  - e) Premium paid at the time of the increase, or scheduled to be paid within 12 months of the date of the increase, is at least equal to the increase in target premium plus any remaining minimum premium for amounts in force on the date of the increase.
- 3) For all Universal Life products, only permanent substandard extra premiums will increase the target.
- 4) For any new target increase, commissions will be payable upon receipt of new additional premium into the policy. There will be no retroactive increases in commission on premiums previously credited with excess or renewal commissions.
- 5) For all products where the Full Surrender Charge Adjustment Rider has been selected, commissions will be paid according to the following:
  - a) Commissions, target and excess will be levelized and paid over the first 5 years of the policy, so long as the policy remains in force. Commissions for year 1 will be divided by 5 and paid out over the first 5 years; commissions for year 2 will be divided by 4 and paid out over the remaining 4 years; commissions for year 3 will be divided by 3 and paid out over the remaining 3 years; commissions for year 4 will be divided by 2 and paid out over the remaining 2 years and commissions for year 5 will not be divided and will be paid out normally.
  - b) A 100% commission chargeback will apply upon lapse or surrender in the first 6 months; 50% commission chargeback will apply in months 7-12.
  - c) Commissions on new premiums associated with increases in face amount during the first 5 years will be levelized and paid in the same manner as described in (5) a) above.
  - d) In the event of an elective decrease in face amount during the first 5 years, the target premium will be recalculated as if the reduced face amount applied at issue. Commissions payable over the remainder of the 5 year period will be reduced by the amount actual commissions paid prior to the decrease exceed what would have been paid if the lower face amount applied at issue. If the amount of the reduction exceeds the remaining levelized commission payments, no further commission relating to the original first year premiums will be payable.

## TERM PLANS

- 1) Prepaid renewal premiums will not be commissioned until they are applied to the contract.
- 2) Commissions will be paid on Waiver of Premium, Guaranteed Exchange Option, Accidental Death Benefit, Spouse and Child Riders at the same rate as provided for the policy to which the riders are attached.
- 3) Additional Insured Riders ("AIR's") with a face amount below \$500,000, added to a TrueTerm policy with a face amount above \$500,000.00, will be commissioned at the TrueTerm below \$500,000 rate.
- 4) If additional premium is charged because the risk is substandard and permanent, commissions will be paid on the additional premium at the same rate. If the classification is temporary, no first year commission will be paid on the additional premium. Renewal commission will be paid at the same rate as provided for the policy.
- 5) No commission will be payable on premiums which are paid by applying a premium exchange/conversion allowance. If the Term is exchanged for any term rider, no first year commissions will be paid.

## ANNUITY COMMISSION RULES

The amount of commissions shown in the Schedule of Commissions for annuity contracts is applicable to contracts where the aggregate account value of all contracts with the same owner is \$1,000,000 or less.

If the "owner" referenced in these rules is not a person, the rules then apply to the "annuitant".

### 1) Chargebacks

- a) LBL will chargeback commissions under the rules set forth in the Agent Schedule of Commissions attached to your contract.
- b) With respect to chargebacks described in the Agent Schedule of Commissions on surrenders, a proportionate chargeback would also be made on partial withdrawals.
- c) In addition, any deferred annuity contract that is annuitized within the first contract year will receive a commission chargeback equivalent to the difference in commission between that product and the SPIA currently being sold (excluding the Allstate® Treasury-Linked Annuity and Allstate® Treasury-Linked Annuity II).
- d) The chargeback rules contained in the Agent Schedule of Commissions also apply to any commission paid at the beginning of each new term as indicated within the Schedule.

### 2) Commission Limits

Regular commissions will not be payable on any premium paid into one or more deferred annuities, either at issue or over their lifetime, which exceed the limits of \$1,000,000.

### 3) Modified Compensation

If premiums in excess of the commission limits described above are paid at issue or over their lifetime, for ages 76 and above, commissions will be payable on a modified basis. The "age" applies to the oldest owner's age unless the owner is not a person, in which case the oldest annuitant's age will be used. Commission in excess of the commission limits will be spread out over a seven-year period on all plans on the premium in excess of the limits. The annual commission received on this basis will be one-sixth of the usual commission. These payments will stop upon the seventh annual payment for all annuities or the termination of the contract, if sooner. Chargebacks due to exercise of the confinement waiver benefit will be limited to those occurring within 60 days of the issue date.

For Saver's Index® Annuity I, the commission paid will be reduced and paid according to the schedules found in the Additional Notes following the Schedule of Commissions. Please refer to the Schedule of Commissions for specific details.

Additional policies and supplements, which may be developed by LBL from time to time, may be added to the Commission Rules and Schedule of Commissions by addendum and shall be subject to the same conditions as set forth herein.

## REPLACEMENT RULES

These Replacement Rules address (1) whether any surrender/withdrawal charge may be assessed to the policyholder; and (2) whether any commissions may be paid on the new policy. In any situation where a surrender/withdrawal charge is assessed to perform the replacement, a disclosure statement must be signed by the policyholder acknowledging their understanding and agreement. This signed disclosure statement must be received by the Home Office prior to execution of the internal replacement. These Replacement Rules may be changed from time to time. Circumstances which may cause them to be changed include, but are not limited to, the following: (a) changes which may benefit the policyholder (as determined by LBL); (b) introduction of new products; and (c) changes in the then-current interest rate environment. Such changes will not discriminate between individuals or classes of policyholders. Please note that if it is necessary for any surrender/withdrawal charge to be assessed, (1) no new commissions will be paid, and (2) a disclosure statement must be signed by the policyholder.

### Annuities

#### 1) General Rule

These rules apply where a deferred fixed annuity is exchanged for another deferred fixed annuity. Except for states where it is not approved, the withdrawal charge on the original contract may be reduced by the amount of commission that would have been payable on the new contract, but will never be less than zero. If the withdrawal charge exceeds the commission otherwise payable, the contract owner will be obligated to pay any such excess amount. Commissions on the new contract will be reduced by the amount of any waived withdrawal charge. This general rule has the following exceptions:

- a) Replacements from annuities involving a first year interest rate bonus. Where the contract owner has received a first year interest rate bonus, an additional amount will be added to the withdrawal charge in applying the General Rule calculation described above. The additional amount equals a percentage of the bonus interest rate, where the percentage depends on the number of completed contract years, as follows:

Completed Contract Years	Percent Of Bonus
0	100
1	80
2	60
3	40
4	20
5+	0

For example, if the plan had a 1% bonus and the contract was still in its first year, the entire 1% would be added to the withdrawal charge. If the plan had completed its second year, 0.6% (60% x 1%) would be added to the withdrawal charge. Saver's Choice Plus, SureHorizon<sup>SM</sup> II and SureHorizon<sup>SM</sup> Choice will use the Return of Principal Guarantee bonus amount in this calculation even if the contract does not have the Return of Principal Rider. Any such increase in withdrawal charge is only for purposes of determining the amount of withdrawal charge to be waived, and that in all cases any charge actually incurred by the contract holder will be not greater than the withdrawal charge stated in the contract.

- b) In any replacement involving Home Office Conservation Services, a 1% commission reduction will be assessed.
- c) Commissions will be paid at 50% of the amount that would have been payable on the new product for any SureHorizon<sup>SM</sup> II, SureHorizon<sup>SM</sup> Choice, Saver's Index<sup>®</sup> Annuity III and Tactician Plus contract written back into the same type of contract, providing the replacement is in the best interest of the customer. This applies to any full surrender internal exchange whether inside or outside the withdrawal charge period or within the free withdrawal window.

Examples include, but not limited to:

- The proceeds of a Tactician Plus (any guarantee period) to a new Tactician Plus (any guarantee period)
- The proceeds of a Tactician Plus premium payment in its window (any guarantee period) to a new Tactician Plus (any guarantee period)
- The proceeds of a Saver's Index<sup>®</sup> Annuity III to a new Saver's Index<sup>®</sup> Annuity III
- The proceeds of a SureHorizon<sup>SM</sup> to a new SureHorizon<sup>SM</sup> II
- The proceeds of a SureHorizon<sup>SM</sup> II to a new SureHorizon<sup>SM</sup> II

For Tactician Plus only, a partial withdrawal taking the entire amount available from the respective guarantee period while in the window will be deemed a full surrender for purposes of this section.

- d) Except as noted in Section 1c) above, commission will not be paid for any contract replaced by the same type of contract. This applies to any full or partial internal exchange whether inside or outside the withdrawal charge period, within the free withdrawal window or utilizing the free withdrawal amount. Examples include but are not limited to:
- The proceeds of an Allstate® Treasury-Linked Annuity to a new Allstate® Treasury-Linked Annuity
  - The proceeds of an Allstate® Treasury-Linked Annuity II to a new Allstate® Treasury-Linked Annuity II
  - 10% free amount from the Tactician Plus (any guarantee period) to a new Tactician Plus (any guarantee period)
  - The proceeds of a Saver's Index® Annuity I to a new Saver's Index® Annuity I outside the window period at the end of each 7-year term
  - The proceeds of a Saver's Index® Annuity Plus to a new Saver's Index® Annuity Plus
- e) Commissions will be paid at 100% of the amount that would have been payable on the new product for the proceeds of any Saver's Index Annuity I contract written to a new Saver's Index® Annuity I contract during the window period at the end of each 7-year term.
- f) No commission will be paid on any internal exchange/transfer from an existing contract to a SPIA

### **Life Products**

- 1) Universal Life to Universal Life (or Variable Universal Life)  
So long as the surrender charge on the old policy is less than or equal to the sum of the surrender charge and the commissionable premium on the new policy, no surrender charge will be assessed to the policyholder. Any excess of the surrender charge on the old policy over the sum of the new surrender charge and the new commissionable premium will be charged to the policyholder after all agent compensation has been applied toward that excess surrender charge.
- Commissions, if any, will only be paid on new premiums paid into the new policy. Commissions at the first year rate will be paid based on any increase in target premium for the new policy over the original target premium. If the new target premium is less than or equal to the original target premium, no "first year" compensation applies. In addition, if the first year surrender charge on the new plan is less than the surrender charge waived on the old plan, the difference will be deducted from the increase in target premium in determining the amount of any first year compensation. This general rule has the following exceptions:
- a) Replacements from Estate Executor. These replacements are unique due to the front-end load. Surrender charges will be assessed on the full front-end charge. First year commissions will only be paid on any increase in target premium on the new plan over the old plan.
- 2) Term to Term Replacements  
The following commission rules will apply to the replacement of an existing LBL term policy with a new term policy:
- a) If the existing term plan is over five years old, full normal commission will apply to the new policy.
- b) If the existing term plan is less than five years old and the new policy has a higher annual premium than the old policy, commission will only be paid on the excess of the new annual premium over the first year collected premium for the old policy.
- c) If the existing policy is less than five years old and the new policy has an annual premium less than or equal to the former annual premium, no commission will be paid on the new policy.
- 3) Term Conversions  
If a Term plan is exchanged for a universal life or whole life policy within the first ten years, full first year commissions will be paid on the premium actually paid by the policy owner up to the target premium reduced by the conversion allowance, if any. If the exchange occurs more than ten years after issue, all premiums for the new policy will be commissioned at the renewal rate.
- 4) Universal Life to Term  
These situations will be treated as surrenders.

## AGENT SCHEDULE OF COMMISSIONS

Subject to the terms and conditions of your agreement, you shall be compensated according to the following schedule of the policy forms shown. The payment of commissions is subject to the rules and practices of LBL. The commissions provided in the schedule shall be reduced by the amount of commissions payable to subagents assigned to you. By submission of an application or the acceptance of commission, you agree to be bound by the provisions of this schedule. Commissions are also subject to the Commission Rules that are part of your agreement with LBL.

Please contact the Home Office prior to solicitation to determine if these products are approved in the state where the application will be taken.

Life Policies			Premium Payments				
Policy Name	Policy #	Group Certificate #	Commission 1 <sup>st</sup> Year Min. Target Premium %	Commission 1 <sup>st</sup> Year Excess %	2-10 Yr. %	11th-20 <sup>th</sup> Yr. %	Accum. Value Trail Yr. 2-10 %
Ultra Index	UL-0710	GUL-0710	65	1.5	1.25	0	n/a
Ultra Plus	UL-0700	GUL-0700	65	1.5	1.25	0	n/a
Legacy Choice	UL-0420	GUL-0420	60	.4	1.25	0	n/a
Legacy Secure SL	UL-0520	GUL-0520	65	1.5	1.25	0	n/a
Legacy Secure	UL-0400	GUL-0400	65	1.5	1.25	0	n/a
Echelon I UL (b)	UL-0440	GUL-0440					
Issue Age							
0-65			4	n/a	4	n/a	.15
66-70			3.7	n/a	3.7	n/a	.15
71+			3.4	n/a	3.4	n/a	.15
Echelon II UL (b)	UL-0430	GUL-0430	2.25	n/a	2.25	n/a	.15
Whole Life II	LP-0720		60	n/a	1	0	n/a
TrueTerm*	LP-0600						
10 Year Below 500K			75	n/a	0	0	n/a
15 Year Below 500K			85	n/a	0	0	n/a
20 & 30 Year Below 500K			90	n/a	0	0	n/a
10 Year 500K and Above			65	n/a	0	0	n/a
15 Year 500K and Above			75	n/a	0	0	n/a
20 & 30 year 500K and Above			80	n/a	0	0	n/a

\* The policy fee for **TrueTerm** is NOT commissionable.

### Additional Notes

- (a) For the Legacy Premier SL (excluding policies where the Full Surrender Charge Adjustment Rider has been selected), premiums paid during the first 36 months will be credited to the first year target premium, until the full first year target premium has been paid.
- i) If the sum of premiums paid exceeds the full target premium during the first 12 months, excess premium and all renewal premium will be commissioned as stated above.
  - ii) If the sum of premiums paid exceeds the full target premium during months 13-36, additional renewal premium will be commissioned as stated above.
  - iii) Renewal premium beyond month 36 will be commissioned as stated above.
  - iv) Legacy Premier SL policies with Full Surrender Charge Adjustment Rider will be commissioned as stated in the Commission Rules.
- (b) For the Echelon I UL and Echelon II UL, all premium received during the first 10 policy years receives commissions at the same rate as indicated. The Accumulated Value Trail commission will be paid quarterly at a rate of .0375 of the policy value, net of outstanding loans, for all contracts at least 15 months old in policy years 2 through 10.

### LIFE CHARGEBACK RULES

**The entire commission will be charged back if the owner free looks the policy or the policy is treated as being free looked at any time. In addition:**

**Echelon I & II UL --**

- 100% chargeback if the policy is surrendered or lapses in the first 12 months.
- 50% chargeback if the policy is surrendered or lapses in months 13-24.

Annuity Contracts			Premium Payments			
Contract Name	Contract #	Group Certificate #	Commission 1 <sup>st</sup> Year Premium %			
Saver's Index Annuity I (a)** Owner's Attained Age***	AP-9412	GAP-9412				
0-75			4			
76-90			2.8			
Initiator***	AP-9632		.9			
The SPIA (g)	AP-8715		2.25			
GenerationLinc SPIA (e) Annuitant's Age***	AP-8715					
60-79			9			
80-85			7.75			

Contract Name	Contract #	Group Certificate #	Commission – Guarantee Period						
			(Year)	5	6	7	8	9	10
Tactician Plus (f)** Owner's Attained Age***	AP-9880	GAP-9880							
0-75				3.5	1.75	3.5	3.5	1.75	3.5
76-85				2.625	1.313	2.625	2.625	1.313	2.625
86-90				1.75	.875	1.75	1.75	.875	1.75

Contract Name	Contract #	Group Certificate #	Commission 1st Year Premium %	Enhanced Lifetime Income Rider Accumulated Trail Years 11+		
Allstate® Treasury-Linked Annuity (d)** Owner's Attained Age***	AP-0200	GAP-0200				
0-80			2.5			n/a
81-85			2			n/a
86-90			1.25			n/a
Allstate® Treasury-Linked Annuity II (d)(h)** Owner's Attained Age***	AP-0200	GAP-0200				
0-80			4			.25
81-85			3.2			.25
86-90			2			.25

Contract Name	Contract #	Group Certificate #	Commission – Contract Year										Annuitization Trail	Accumulated Value Trail
			1	2	3	4	5	6	7	8	9	10		
Saver's Index Annuity III(b)(c)** Owner's Attained Age***	AP-9750	GAP-9750												
Option A 0-75			6	5.4	4.8	4.2	3.6	3	2.4	1.8	1.2	.6	.25	n/a
76-90			4	3.6	3.2	2.8	2.4	2	1.6	1.2	.8	.4	.25	n/a
Option B 0-75			3	2.4	1.8	1.2	.6	0	0	0	0	0	.25	.60
76-90			1.9	1.5	1.1	.7	.3	0	0	0	0	0	.25	.60
SureHorizon <sup>SM</sup> II(b)(c)** Owner's Attained Age***	AP-0500	GAP-0500												
Option A 0-75			3.75	3.1	2.5	1.85	1.25	.65	0				.25	n/a
76-85			2.813	2.325	1.875	1.388	.938	.488	0				.25	n/a
86-90			1.875	1.55	1.25	.925	.625	.325	0				.25	n/a
Option B 0-75			1.25	.35	0	0	0	0	0	0	0	0	.25	.50
76-85			.938	.263	0	0	0	0	0	0	0	0	.25	.50
86-90			.625	.175	0	0	0	0	0	0	0	0	.25	.50
SureHorizon <sup>SM</sup> Choice(b)(c) Owner's Attained Age***	AP-0510	GAP-0510												
Option A 0-75			2.5										.25	n/a
76-85			1.875										.25	n/a
86-90			1.25										.25	n/a
Option B 0-75			.65										.25	.50
76-85			.488										.25	.50
86-90			.325										.25	.50

\*\* Commission rates shown on this Schedule of Commissions for any SureHorizon<sup>SM</sup> II or Saver's Index® Annuity I issued on or after 7/15/2003, Saver's Index® Annuity III issued on or after 12/2/2002, Allstate® Treasury-Linked Annuity issued on or after 8/4/2003, Tactician Plus issued on or after 3/1/2006, will not be vested under the terms of your contract. The commission rates for these annuity contracts may be changed at any time for additional deposits/premiums or commissions paid on successive term renewals for Saver's Index® Annuity I contracts. In no event, however, will LBL retroactively change the rates that would impact commissions already earned on these contracts. As of the mailing date, we anticipate Allstate® Treasury-Linked Annuity II will be available for sale 10/8/07.

\*\*\*Commissions for fixed annuities, with exception of GenerationLinc SPIA, will be paid according to the schedule above based upon the oldest owner's attained age or, if the owner is not a natural person, the age of the oldest annuitant.

Contract Name	Contract #	Group Certificate #	Commission – Contract Year	Annuitization Trail	Accumulated Value Trail	Enhanced Lifetime Income Rider Accumulated Trail Years 6+
Savers Index® Annuity Plus (c) (h) Owner's Attained Age***	AP-0530	GAP-0530	<u>1</u>			
Option A 0-75			3.5	.25	n/a	.50
76-85			2.45	.25	n/a	.50

Contract Name	Contract #	Group Certificate #	Commission – Contract Year	Annuitization Trail	Accumulated Value Trail	Enhanced Lifetime Income Rider Accumulated Trail Years 11+
Savers Index® Annuity Premier (c) (h) Owner's Attained Age***	AP-0540	GAP-0540	<u>1</u>			
Option A 0-75			6.75	.25	n/a	.25
76-85			4.725	.25	n/a	.25
Option B 0-75			3.75	.25	.60	.40
76-85			2.625	.25	.60	.40

### Additional Notes

- (a) New business commission will be paid at the beginning of each succeeding seven-year term on the balance of the accumulated value at the expiration of the 45-day free-withdrawal window for the Saver's Index® Annuity I. For Saver's Index® Annuity I issued on or after 7/15/2003, commissions paid on successive term renewals may be changed at any time. The commission paid at the beginning of a new seven-year term for Saver's Index® Annuity I will be paid according to the following schedule for annuitant's attained ages over age 77:

<u>Annuitant's Age</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>
	2.8	2.4	2	1.6	1.2	0.8	0.4

- (b) Accumulated value trail commission will be paid quarterly using the annual rate shown on this schedule divided by four (4). The trail will be paid on contract value for contracts that are at least 15 months old and will end when the contract is annuitized.
- (c) Annuitization trail commissions, during the annuitization phase, will begin paying after the withdrawal charge period expires on the contract, if commission Option A is selected or required. If commission Option B is available and selected, the annuitization trails will begin paying in the second year of the annuitization phase. Trail commissions are based on the hypothetical commuted value (present value of the remaining annuity payments) of the annuitized plan selected. Trail commissions will be payable on the same frequency as the annuity payments selected by the Contract Owner (i.e. Contract month, Contract quarter, etc.) at a rate of 25 basis points per year.
- (d) For Allstate® Treasury Linked Annuity, commissions are paid on additional premium contributions at the same rate shown. For Allstate® Treasury Linked Annuity a renewal commission will be paid no sooner than 10 days after the conclusion of the Window Period at a rate of 50% of the current new business commission. Commission is paid on the Sub Account Value as of the beginning of the Window Period, less any withdrawals during the Window Period. For Allstate® Treasury Linked Annuity II no new commission is paid on renewals into another 5-year guarantee period.
- (e) For GenerationLinc no commissions are paid on premium payments to the Universal Life contract.
- (f) For Tactician Plus no new commissions are paid on renewals in subsequent guarantee periods except for renewals from the 1-year guarantee period to the 1-year guarantee period, which pay a level percentage on each renewal into the 1-year guarantee period.
- (g) No commission will be paid on any internal exchange/transfer from an existing contract to a SPIA. In addition, no commission will be paid upon the annuitization of an existing deferred annuity not paying an annuitization trail.
- (h) Accumulated Value Trails for the Enhanced Lifetime Income Rider will cease if the rider is removed from the contract for any reason.

## ANNUITY CHARGEBACK RULES

The entire commission will be charged back if the owner free looks the contract or the contract is treated as being free looked at any time. In addition:

### **Saver's Index® Annuity Plus and Saver's Index® Annuity Premier –**

- 100% chargeback if the contract is surrendered in the first 12 months after the issue date.
- 100% chargeback on any withdrawal in excess of the free withdrawal amount that occurs in the first 12 months after the issue date for applications signed on or after 1/22/07.
- 100% chargeback on any withdrawal that occurs in the first 12 months after the issue date for applications signed prior to 1/22/07.

### **Saver's Index® Annuity I and Initiator –**

- 100% chargeback if the contract is surrendered in the first 6 months after a commission is paid.
- 50% chargeback if the contract is surrendered in months 7-12 after a commission is paid.

### **Saver's Index® Annuity III and Tactician Plus –**

- 100% chargeback if the contract is surrendered in the first 6 months of any new premium payment.
- 50% chargeback if the contract is surrendered in months 7-12 of any new premium payment.

**For Initiator, annuitizations within the first 12 months will be treated as a surrender for chargeback purposes.**

### **Saver's Index® Annuity I, Saver's Index® Annuity III, and Tactician Plus –**

- 100% chargeback on any withdrawal, including any free withdrawal amount, which occurs in the first 6 months of any new premium payment or renewal.
- 50% chargeback on any withdrawal, including any free withdrawal amount, which occurs in months 7-12 of any new premium payment or renewal.

### **Allstate® Treasury-Linked Annuity, Allstate® Treasury-Linked Annuity II, SureHorizon<sup>SM</sup> II and SureHorizon<sup>SM</sup> Choice –**

- A 100% chargeback will apply to any partial or full withdrawal in excess of the free amount that occurs within the first twelve months of each premium payment or the payment of an Allstate Treasury Linked Annuity renewal commission.

Payout of part or all of the cash value under the confinement waiver benefit will be treated as a chargeback in proportion to the percentage of the cash value paid out. If commissions are paid on the Annual Commission Payment (ACP) method, they will be reduced pro rata for any surrender made under the confinement benefit.