



GUARANTY

Income Life Insurance Company

P. O. Box 2231

Baton Rouge, LA 70821

Tel. #800.535.8110 / Fax # 225.343.1747

www.gilico.com

GILICO Contract Checklist

All Items to Be Returned to GILICO

- 1. Application for Appointment To Represent – Form GIA 136(Rev 5/06)**
 - ✓ The Agent and the Marketing Organization must sign the application.
- 2. Notice and Authorization Specific to California Civil Code (Optional)**
 - ✓ **Resident California Agents Only**
- 3. Authorization for Automatic Commission Deposits – Form GI 508 (10/99)**
 - ✓ Please attach a “VOID” check for the account to which automatic deposits are to be made.
- 4. Agent’s Contract – GI 129 (Rev 4/99)**
 - ✓ This contract must be signed by the Agent.
- 5. Copy of Agent License**
 - ✓ LTC License requirements – Life and Health or Disability; North Carolina also requires a Med/Supp License
 - ✓ LTC Continuing Ed Requirements - CA, CO, IN, and IL require completion of State Specific LTC Courses prior to solicitation of Annuicare®
- 6. Request for Taxpayer Identification Number and Certification – Form W-9**
 - ✓ This must be signed by the Agent.
- 7. Anti-Money Laundering Producer Guide – (4/28/06)**

APPLICATION FOR APPOINTMENT TO REPRESENT:



FULL NAME	LAST	FIRST	MIDDLE	<input type="checkbox"/> Male	<input type="checkbox"/> Female
FIRM NAME (If Applicable)					
HOME ADDRESS	CITY	STATE	ZIP	HOME PHONE ()	
BUSINESS ADDRESS	CITY	STATE	ZIP		
MAIL ADDRESS	CITY	STATE	ZIP		
BUSINESS PHONE ()	FAX NO. ()	E-MAIL ADDRESS			
BIRTHDATE	SOCIAL SECURITY NUMBER		FEDERAL I.D. NUMBER		
CURRENTLY LICENSED BY STATE(S) OF:					
ARE YOU CURRENTLY LICENSED AS AN : <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input type="checkbox"/> PROPRIETORSHIP (Attach copy of current license)					
GENERAL INFORMATION: (Explain "Yes" answers below or on an attached paper.)					
1. Have you ever had your insurance license refused, suspended or revoked, been placed on probation, reprimanded or fined by any state insurance department? If yes, please explain. <input type="checkbox"/> YES <input type="checkbox"/> NO					
2. Have you ever had a complaint filed against you or ever been investigated by a state insurance department or securities agency? If yes, please explain. <input type="checkbox"/> YES <input type="checkbox"/> NO					
3. Have you ever been convicted, pled guilty or no contest, or are you currently under investigation of a felony in any state? If yes, please explain and attach court records. <input type="checkbox"/> YES <input type="checkbox"/> NO					
4. Do you currently have, or in the past five years had, any civil judgments, garnishments or tax liens filed against you? If yes, please explain. <input type="checkbox"/> YES <input type="checkbox"/> NO					
5. Have you ever filed for or been declared bankrupt or insolvent, either personally or in business? If so, when? Please explain. <input type="checkbox"/> YES <input type="checkbox"/> NO					
6. Errors & Omissions Insurance – List carrier's name, policy number, and amount. Attach proof of coverage. (May be required in some states.) <input type="checkbox"/> YES <input type="checkbox"/> NO					
STATEMENTS OF UNDERSTANDING :					
<p>Until such time I am properly licensed, appointed or certified as required by the state insurance department, I will not (1) solicit applications for insurance for the Company in any state, or (2) represent myself as an affiliate of the Company in any way.</p> <p>Furthermore, I do understand that if I do solicit applications without an appointment, I may be in violation, not only of Company regulations, but insurance department regulations for which severe fines can be levied, and I will be held solely and singularly liable for any claim incurred (or any other liability which may arise) on any application which may have been written in violation of any state insurance department regulations or the rules of the Company, and I understand that the Company is bound to report all violations of state insurance department regulations as they occur. In addition, I understand until I am properly appointed, no supplies of any kind may be provided to me by the Company, other than supplies marked "Sample" or "Specimen." I also understand, if fines are levied against the Company for any of my acts, I will be liable for the fines levied. I understand any omission or misrepresentation of fact called for in this application is cause for immediate dismissal. I have read the "Producer's Guide to Anti-Money Laundering" and will promptly report suspicious activity as directed.</p> <p>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 appointment to represent Guaranty Income Life Insurance Company. I am willing that a photocopy of this authorization be accepted with the same authority as the original, and I specifically waive any written notice from any present or former employer who may provide information based upon this authorized request. I understand this authorization is to be part of the written employment 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 appointment to represent Guaranty Income Life Insurance Company.</p>					
PRINT APPLICANT'S NAME		APPLICANT'S SIGNATURE		DATE	
FOR MARKETING ORGANIZATION USE ONLY					
CHECKLIST: <input type="checkbox"/> Completed Application For Appointment <input type="checkbox"/> Signed Contract <input type="checkbox"/> Copy of Licenses <input type="checkbox"/> Applicable Fees					
LEVEL	SPONSORING AGENT NAME & NUMBER			ADVANCE (Life Only)	<input type="checkbox"/> Yes <input type="checkbox"/> No
PRINT MARKETING ORGANIZATION'S NAME CapitalCare, Inc.		MARKETING ORGANIZATION'S SIGNATURE		DATE	

P. O. Box 2231, Baton Rouge, LA 70821 / 929 Government St., Baton Rouge LA 70802
Phone 225.383.0355 / 800.535.8110 / FAX 225.343.1747



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Income Life Insurance Company

P. O. Box 2231

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**Notice and Authorization
Specific to
California Civil Code**

Pursuant to California state law, this notice is to inform you that Guaranty Income Life Insurance Company (GILICO) has requested an Investigative Consumer Report regarding your character, general reputation, personal characteristics and/or mode of living for the purpose of evaluating you for appointment to represent GILICO. The nature and scope of the report requested may include, but not be limited to, financial and credit history; criminal history records; employment history verification; education history verification; driving history; and, professional licensing and disciplinary action history.

The report was requested from General Information Services, Inc., an investigative consumer-reporting agency:

General Information Services, Inc.
Post Office Box 353
Chapin, South Carolina 29036
1-866-265-4921

In accordance with the California Consumer Reporting Agencies Act, you have a right to request a copy of this report. If you elect to request a copy of the report, it will be sent within three business days of GILICO receiving the report. You may indicate your desire to receive a copy of your report by checking the box below:

Name: _____

Signature: _____

Under rights granted to me by California Law, I wish to receive a copy of my Investigative Consumer Report

Attached, please find your rights under the California Consumer Reporting Agencies Act.

Regards,

Guaranty Income Life Insurance Co.

Attachment

Summary of Rights for California Consumer Reporting Agencies Act California Civil Code Section 1786.22

Please know that you have a right under California law to inspect files maintained on you by an investigative consumer reporting agency pursuant to any of the following procedures, during normal business hours and on reasonable notice:

- 1) You may personally inspect the files if you provide proper identification (e.g., valid driver's license, social security account number, military identification card, credit cards), and may receive a copy of the file for the actual cost of duplication services provided.
- 2) You may make a written request, by certified mail and with proper identification, as described above, for copies to be sent to a specified addressee.
- 3) You may make a written request, with proper identification as described above, for telephone disclosure of a summary of information contained in your files, if any toll charge is prepaid by or charged directly to you.

If you are unable to provide "proper identification" through the types of cards or numbers listed above, the agency may require additional information concerning your employment and personal or family history in order to verify your identity.

The agency must provide trained personnel to explain to you any information that the agency is required to furnish to you from your file. The agency also must provide you with a written explanation of any coded information contained in your files at the time inspection of your files is permitted. You are permitted by law to be accompanied by one other person of your choosing when inspecting your files. That person must furnish reasonable identification. The agency may require you to provide the agency with a written statement granting permission to the agency to discuss your file in such person's presence. The agency also is not required by law to make available to you the sources of information in your files, although such information would be obtainable through proper discovery procedures in any court action brought under Title 1.6A of the Civil Code pertaining to Investigative Consumer Reporting Agencies.

AUTHORIZATION FOR AUTOMATIC COMMISSION DEPOSITS



I, _____, hereby authorize and instruct Guaranty Income Life Insurance Company (GILICO) to deposit the amount of each of my commission payments directly into my checking or savings account indicated below in the Deposit instructions and to make any such withdrawals directly from my account or accounts as are necessary to correct any incorrect deposits by GILICO under this Authorization.

I further hereby authorize and instruct the financial institution named below (the "Institution") to accept such automatic deposits to or withdrawals from my account by GILICO and to cause my account to be automatically credited or debited (as the case may be) in the amount of such deposits or withdrawals by GILICO without any responsibility for the correctness of any such deposit or withdrawal.

Institution _____

Institution Address _____

(Street)

(City)

(Zip)

DEPOSIT INSTRUCTIONS

(Please initial on appropriate line.)

_____ Please deposit the full amount of each of my commission payments to my **checking** account number

(Please attach a "VOID" check for the account to which such automatic deposits are to be made.)

OR

_____ Please deposit the full amount of each of my commission payments to my **savings** account number

_____ EFT Routing number _____

I understand that I can cancel this authorization at any time. **To cancel, I must give written notice to both GILICO and the Institution.** My cancellation will become effective as to GILICO when GILICO receives my notice of cancellation and has had a reasonable period of time upon which to act on it. Any automatic deposits to or withdrawals from my account by GILICO up until that time will be authorized by this authorization. My cancellation of this authorization will become effective as to the institution when the institution receives my notice of cancellation and has had a reasonable period of time upon which to act on it. Any automatic credits or debits made to my account or accounts by the institution up until that time will be authorized by this authorization.

I further understand that all automatic deposits and credits to or withdrawals and debts from my account under this authorization will be subject to all rules, regulations, agreements and disclosure statements of GILICO and the institution governing accounts and preauthorized transfers to and from accounts.

Name: _____ Signature: **X** _____

Date: _____

P. O. Box 2231
Baton Rouge, LA 70821-2231

Tel. # 1.800.535.8110 / Fax # 1.225.343.1747



GUARANTY
Income Life Insurance Company

A SUBSIDIARY OF GUARANTY CORPORATION

AGENT'S CONTRACT

P.O. Box 2231, BATON ROUGE, LA 70821-2231
929 GOVERNMENT ST., BATON ROUGE, LA 70802
PHONE (800) 535-8110 / FAX (225) 343-0047

THIS AGREEMENT, effective this _____ day of _____, _____ (Effective Date), made by and between GUARANTY INCOME LIFE INSURANCE COMPANY ("Company" or "GILICO") and _____ SALES AGENT ("You," "Your" or "Agent"), provides as follows:

SECTION 1-Appointment

1.1 APPOINTMENT. Subject to the provisions of this Agreement, GILICO hereby appoints Agent as a sales agent of GILICO. This appointment shall also include the sub-agents, if any, which are or may be appointed and assigned by GILICO to Agent as approved hereunder.

1.2 TERRITORY. It is understood and agreed that this Agreement does not grant any exclusive territory to Agent and does not impose upon Agent any territorial limit of operation. This contract authorizes You to solicit applications in all states in which You are properly licensed and appointed with GILICO, and in which GILICO is admitted to do business.

1.3 RELATIONSHIP. This Agreement is not a contract of employment and does not create the relationship of employer and employee between GILICO and Agent. Agent is not expected or obliged to devote full time and effort to the business of GILICO or to represent GILICO exclusively. It is understood and agreed that this Agreement calls for results and does not purport to control the time or manner of performance of Agent. Rather, Agent is an independent contractor and shall exercise his or her own judgement and discretion in the conduct of the business contemplated under this Agreement, subject to the provisions hereof. Agent specifically recognizes and accepts responsibility for payment of any applicable taxes levied by Federal, State or Local authorities as a result of compensation arising hereunder.

SECTION 2-Authority

2.1 GENERAL PROVISION. The powers and authority of Agent are limited to only those expressly provided under this Agreement. Any and all such powers and authority shall continue only during the duration of this Agreement and shall terminate on the date of termination of this Agreement.

2.2 SOLICITATION. Agent is hereby empowered and authorized to solicit applications for policies on forms then being issued or offered by Company both personally and through properly licensed sub-agents and brokers appointed and assigned by Company to Agent.

2.3 RECRUITING. Agent may recruit and recommend the appointment by Company of sub-agents and brokers. Agent shall have no authority to make any such appointment on behalf of Company, and no purported appointment shall be valid unless and until such sub-agent or broker has been appointed by Company and has executed an Agent's Contract or other form provided by Company and signed by the Company.

The Company shall not be obligated to appoint any sub-agent or broker or to assign any sub-agent or broker to Agent, and Company expressly reserves the exclusive right and sole discretion to assign and to terminate the appointment or assignment of any sub-agent or broker at any time. The assignment of any sub-agent or broker to Agent shall be terminated immediately upon the earlier of the termination of this Agreement or of the contract between Company and such sub-agent or broker.

2.4 LIMITATION OF AUTHORITY. Agent shall have no power or authority to, and hereby agrees and warrants that he or she will not do anything not expressly authorized herein including, but not limited to, any of the following:

- (a) waive, alter, amend, modify or discharge any policy or contract of the Company;
- (b) waive forfeiture under any policy;
- (c) quote rates other than as provided by the Company;
- (d) receive any funds for the benefit of the Company, except initial gross premiums;
- (e) incur any liability, obligation or indebtedness on behalf of the Company;
- (f) endorse or negotiate any checks or other instruments payable to the order of the Company; or
- (g) voluntarily accept service of process on behalf of the Company.

SECTION 3-Duties and Responsibilities

3.1 GENERAL PROVISIONS. Agent and all sub-agents and brokers assigned to the Agent shall fairly, truthfully and properly represent the Company and its products and services and shall faithfully perform all the duties within the scope of the appointment under this Agreement. In particular, but without limitation, Agent agrees to perform the duties set forth below.

3.2 PREMIUMS. Agent shall collect and receive or cause to be collected and received the initial gross premium on policies secured by Agent or by sub-agents and brokers assigned by Company to Agent. Premiums shall be received only by check or money order payable to GILICO and shall be received by You as a fiduciary, and shall not be used by You for any personal use, but You shall immediately remit all such premiums to the Company. All such premiums and other funds shall at all times remain the property of the Company.

3.3 HANDLING OF APPLICATIONS. Upon receipt, You shall submit to GILICO all properly completed applications, whether or not the applicant has been examined by a Medical Examiner. All medical examinations are to be completed by an authorized Medical Examiner and mailed directly to our Home Office by the Medical Examiner. GILICO may reject, or require the amendment of, any applications for insurance. You shall be liable for any charges incurred by GILICO for medical examinations and inspection charges on insurance policies or annuity contracts issued as applied for and not taken by the applicant.

3.4 RULES. Agent agrees to become familiar with and to comply with all of the Company's Rules and Procedures and with all applicable statutes and regulations of any state or jurisdiction where Agent and any sub-agent or broker assigned to him or her is licensed. These rules, procedures and statutes may be amended from time to time.

3.5 EXPENSES. It is expressly understood and agreed that Agent shall be responsible for all costs, expenses, obligations, debts, damages, taxes, fees and penalties incurred by Agent under this Agreement or otherwise.

3.6 ACTS OF OTHERS. Agent shall be responsible and liable for the acts and omissions of the sub-agents and brokers recruited or assigned by the Company to Agent and for any damages and obligations arising therefrom, which acts and omissions shall, for purposes of the Agreement, be deemed to be those of Agent and not the Company.

SECTION 4-Compensation

4.1 DETERMINATION. The full compensation of Agent under this Agreement shall be determined solely in accordance with the provisions of the Commission Addendum or Addenda, attached hereto and made a part hereof, which are in effect on the issue date of the policies solicited by Agent or his/her sub-agents and brokers. GILICO shall have the exclusive right and sole discretion at any time to unilaterally terminate any such Addendum or to modify all or any portion of any such Addendum, or the rate, amount or method for determining the commission or compensation, provided such action is uniformly taken with respect to all persons to whom such Addendum apply. Such modifications or terminations shall become effective no less than thirty (30) days from the date GILICO gives written notice to Agent, and unless otherwise agreed to by Agent and GILICO in writing, shall have no effect on compensation resulting from policies with an issue date prior to the effective date of such modification or termination.

4.2 PAYMENT. Compensation shall become due the Agent only upon actual receipt by GILICO of the premiums or other payment due GILICO and upon application of such premiums or payment to the policy or contract to which it applies. Compensation shall be paid in accordance with the standard rules and procedures of GILICO, which rules and procedures may be changed by GILICO at any time. In any case in which commissions are to be shared, the application relating to such business must be signed by all participating agents and the production credits and commissions shall be divided as agreed by agents and GILICO.

4.3 ADJUSTMENTS. GILICO shall have the exclusive right and sole discretion to withdraw, rescind, cancel, terminate or reduce all or any portion of coverage on any policy or contract issued by GILICO without liability to Agent. If GILICO exercises such right and tenders a return of all or any portion of the premium or payment thereof, waiver of surrender charges, or if GILICO is required by law to tender a return of all or any portion of premium or payment, any compensation received by the Agent with respect to the amount of premium or payment so tendered shall be rescinded and shall constitute an indebtedness of Agent to GILICO. Agent shall remit the amount of such compensation to GILICO in full within ten (10) days after receipt of notice of demand therefor. If any policy issued pursuant to this agreement is deemed by GILICO in its sole discretion to replace any other policy on the same person, then the compensation, if any, payable with respect to the replacement policy shall be determined by GILICO and its determination shall be conclusive. The termination of a policy previously issued on the same person, within six (6) months prior or subsequent to the date of application for a new policy shall be conclusive that it is a replacement policy.

4.4 INDEBTEDNESS. Any money or thing of value due Company from Agent, whether arising under this Agreement, any prior or subsequent agreement, or otherwise, or arising under any agreement between the Company and any sub-agent or broker assigned to the Agent, shall constitute an indebtedness of Agent to Company. Company shall at any time have the right to set off all or part of any such indebtedness against any amount payable to Agent under this Agreement, any prior or subsequent Agreement, or otherwise. As security for any and all such indebtedness, Agent hereby transfers, assigns and grants to Company a security interest in and a first lien upon all amounts payable to Agent under this Agreement, any prior or subsequent Agreement, or otherwise. The said security interest and lien and the said right of set off and recoupment shall not be extinguished by the termination of this Agreement.

4.5 VESTING. In the event of a termination of this Agreement, ALL first year and renewal commissions for the first through the tenth policy years are vested unless Agent is terminated for cause. Commissions will continue to be paid until total commissions earned annually amount to less than \$500, at which time the Company has the option of paying, in a lump sum, the present value (as determined by the Company) of future commissions. Commissions are not vested after the tenth policy year. However, during GIA129 (Rev. 4/99)

the continuance of this Agreement, You will be paid an Active Agent's Service Fee on premiums paid to GILICO in accordance with the provisions of the applicable Commission Addenda.

4.6 LICENSING. Agent will pay the fee for Agent's initial resident license and appointment fees. Agent will bear the cost of any nonresident license and appointment fees for Agent, sub-agents and brokers. Company will pay the resident renewal appointment fee, if Agent, sub-agent or broker has produced sufficient business in the previous twelve months.

4.7 COMPANY FORMS. The Company will provide Agent, at Company's cost, with application forms, brochures and the various papers necessary to write and service policies. Agent will be responsible for all other business expenses.

4.8 ADVERTISING AND SALES PROMOTION. Company will furnish Agent, at Company's cost, all advertising materials, circulars and other Company printed sales matter. Company will consider Agent's suggestions or requests for specialized solicitation material and advertising, but none may be used without prior written approval of Company.

SECTION 5-Termination

5.1 BY NOTICE. This Agreement may be terminated without cause by either party by giving to the other party thirty (30) days written notice to the other party's last known address as shown by the records of the party giving such notice.

5.2 AUTOMATIC. This Agreement shall automatically terminate as of the date of death or incompetency of Agent. In the event of such death or incompetency, any compensation due Agent hereunder shall be paid when due to the lawful successors of Agent's estate.

5.3 FOR CAUSE. The Company may terminate this Agreement "For Cause" by sending to the last known address of Agent a written notice of such termination which shall be effective immediately upon mailing of such notice, if Agent does any of the following acts:

- (a) violates any state insurance law, regulation or policy;
- (b) fails to strictly observe any of the Company's Rules and Procedures;
- (c) withholds any money, policy receipt or property of the Company;
- (d) rebates or offers to rebate all or part of a premium on a policy of insurance issued or to be issued by Company, in violation of the laws of any state;
- (e) in the sole judgement of the Company, establishes a pattern of inducing or attempting to induce policyholders of the Company to discontinue payment of premiums or replace or relinquish any policy;
- (f) induces or attempts to induce any Agent or sub-agents to leave the Company's services;
- (g) violates any criminal law or statute;
- (h) makes any material misrepresentation or performs any fraud or dishonesty affecting the Company or its policyholders;
- (i) breaches or violates any provision of this Agreement.

Company shall have, for each and every such act or omission, the right to terminate this Agreement for cause, and Agent shall, as of the date of termination, unconditionally forfeit all rights, claims and demands whatsoever of Agent against the Company for both first year and renewal commissions or other compensation, but nothing herein shall be construed to affect any rights or claims of Company against Agent under this Agreement or otherwise.

SECTION 6-Effect of Termination

6.1 GENERALLY. Upon any termination of this Agreement, Your authority to act as Agent for the Company shall terminate. Any and all indebtedness of Agent to Company shall mature, accelerate and become immediately due and payable in full notwithstanding any agreement to the contrary. Agent shall immediately and without further notice return to the Company all then undelivered policies and all property furnished or provided to Agent by Company.

6.2 SUBSEQUENT TO TERMINATION. If, subsequent to termination of this Agreement, Agent shall induce policyholders to discontinue premiums or replace or relinquish any policy, misappropriate or impair any funds or property of the Company or fails to remit any funds or property of Company within ten (10) days after receipt of demand therefor, all vested commissions shall be forfeited by Agent and the Company shall retain all other claims it may have against Agent.

SECTION 7-General Provisions

7.1 ENTIRE CONTRACT. This Agreement, the Commission Addenda attached hereto, and the Company's Rules and Procedures, as amended, contain the entire understanding between the parties and incorporates all prior and concurrent contracts and Agreements there between, whether written or oral on all matters. No modification of any provision of this Agreement, except modifications of the Commission Addenda and the Company's Rules and Procedures, shall be effective unless endorsed in writing by Agent and the Company.

7.2 PRIOR CONTRACTS. Notwithstanding the provisions of Paragraph 7.1, above, no provision of this Agreement shall be deemed to abrogate or render void any provision of any written agreement executed by the parties hereto prior to the Effective Date

of this Agreement relating to the form and amount of commissions with respect to policies issued by the Company prior to such Effective Date.

7.3 WAIVER. The forbearance, neglect or delay of either party to strictly enforce any provision of this Agreement shall not at any time operate as a waiver or estoppel of any right of the parties under this Agreement, regardless of the similarity of the circumstances.

7.4 ASSIGNMENT. Agent shall not assign, transfer, encumber or otherwise relinquish or dispose of this Agreement or any right or interest hereunder, except upon written approval of the President or a Vice President of the Company. Any purported assignment, transfer, encumbrance or other relinquishment or disposition of such right or interest not so approved shall be void and unenforceable against the Company regardless of notice thereof. Company makes no representations as to the validity of any assignment.

7.5 RECIPROCAL INDEMNITY PROVISIONS. You agree to indemnify and hold the Company harmless from and against any and all expenses, losses and damages, including attorneys' fees and expenses of litigation (collectively, "Losses"), arising from Your unauthorized acts, acts done in violation of the terms of this Agreement, and acts of proven malpractice, negligence or criminal activity, whether such Losses are incurred directly by the Company or through third party claims, including settlements thereof by the Company based on what the Company considers to be material hazards to litigation.

The Company agrees to indemnify and hold Agent harmless from and against any and all Losses incident to, arising out of, in connection with, or resulting from the activities of Company, its employees, its affiliated companies and their employees except to the extent such Losses arise from or as a result of Agent's unauthorized acts, acts done in violation of this Agreement, or acts of proven malpractice, negligence or criminal activity, whether such Losses are incurred directly by Agent or through third party claims.

7.6 NOTICE. Any notices as required hereunder, including but not limited to notice of termination, may be served personally or by ordinary mail addressed to the last known address of the party for whom intended, and in the latter event shall be deemed served upon such party on the date deposited in the United States mail, postage prepaid.

7.7 SITUS. This Agreement is made and performable in East Baton Rouge Parish, Louisiana. The parties agree that any action at law or in equity hereunder shall be brought exclusively in East Baton Rouge Parish, Louisiana and that the laws of the state of Louisiana, except for the conflict of laws provision, shall govern any dispute arising hereunder. In any litigation between the parties, the prevailing party shall be entitled to recover its reasonable attorney fees from the losing party.

7.8 REMEDIES. All rights and remedies under this Agreement which are afforded at law or in equity shall be cumulative and not alternative.

In witness whereof, the Company and Agent, intending to be legally bound hereby, have executed this Agreement on the date(s) indicated below.

AGENT: _____
Print Name

By: _____ Date: _____
Signature

If Agent is a Corporation _____
Name of Corporation

Attested By (Name, Title)

Guaranty Income Life Insurance Company:

By: _____
Print Name

Signature

Title: _____ Date _____

AGENT'S GUIDE

Rules & Procedures



GUARANTY

Income Life Insurance Company

Guaranty Income Life Insurance Company

Insuring the Lives of People Since 1926

MISSION STATEMENT

The success of Guaranty Income Life Insurance Company is based upon:

- The highest ethical standards
- Efficient, friendly service from a knowledgeable staff
- Sound investments, and
- Innovative products.

Our goals are to develop, distribute and support life insurance products and annuities in the most effective manner to build value for our Policyholders, Agents, Employees, Shareholders and Associates.

We embrace change as an opportunity to improve our performance and

help more people guarantee their income for life...

With Guaranty Income Life.

John H. Lancaster, President

September 16, 1998

GUARANTY INCOME LIFE INSURANCE COMPANY

COMPLIANCE

Guaranty Income Life Insurance Company (“GILICO”) is dedicated to providing you, our business partner, the ability to deliver the finest insurance products and services available. Meeting this commitment requires teamwork. We will do **our** part to provide products and the people and systems to back them up, and to back you up. **Your** commitment is required to represent us with the highest standards of personal and professional integrity. You are expected to have full knowledge of the laws under which you must operate, and of our products and procedures.

SECTION I—LICENSING, APPOINTMENT, AND COMMISSIONS

You are responsible for maintaining all licensing and appointment requirements in the jurisdictions you represent us or our products. You are expected to know and adhere to laws that specify when you may solicit business, when commissions may be paid, and which products are approved.

GILICO pays EFT commissions on a weekly basis. Whether paid to you or not, no commission is earned until premiums have been applied to the policy, and all policy delivery requirements have been met.

SECTION II - KNOWLEDGE AND TRAINING

Your **Agent’s Contract** is your agreement with GILICO. **Read It Carefully.**

You are expected to have thorough knowledge of all applicable Company requirements, rules and procedures as well as each of our products you sell. This information is provided to you in the following ways:

1. This **Agent’s Guide Rules & Procedures** contains the General Policies, Rules and Procedures of the Company. You are responsible for reading this Guide, and for signing a copy of the Agent’s Code of Professional Ethics, which is reproduced in Section IV.
2. The **Marketing Organization (“M.O.”)**, which contracted you, is familiar with the Company’s products and procedures. Your M.O. as well as the **Sales Department** at GILICO are experienced and trained to assist you.
3. The Company provides **Sales Brochures**, illustration software, and/or training material on each of its products giving complete information for that product, including Underwriting guidelines and minimum and maximum policy size.

4. GILICO periodically updates its rules & procedures through bulletins and newsletters, which are mailed to you.
5. The GILICO Web site, www.gilico.com, provides up to date information on all products, including current interest rates, where applicable.

GENERAL POLICIES, RULES AND PROCEDURES

1. **Insurable Interest** – If the owner or beneficiary listed on an application is not a relative of the insured, a statement explaining insurable interest is required.
2. **Replacements and Exchanges** – This Company discourages replacements unless it is for the benefit of the policy owner. The agent's responsibility is to assure the policy owner's interest is best served. The proper replacement forms must be completed for both internal and external replacement. An application submitted without the proper replacement forms(s) will be returned unprocessed. The Company's policy is to notify existing insurers that replacement is contemplated.
3. **Suitability** – You are expected to provide your clients with products which serve their needs, and which they are able to afford.

SECTION III - ADVERTISING

Any material, which includes a reference to GILICO, is considered advertising and must be submitted for Home Office approval before use. All advertising submitted shall conform to Company rules and applicable regulations relating to advertising in the states where the materials will be used. Publicity releases, mailers, and the use of any written or printed material pertaining to GILICO policies, plans, financial condition, or statements concerning production must be approved by GILICO prior to use. Any agent using unapproved advertising will be subject to termination of appointment, fines by regulatory authorities and possible loss of license.

All advertising must be submitted for approval on the Advertising Submission Form available from the Home Office or from the forms section of the Company's Web site at www.gilico.com. A copy of the form AD/499 is enclosed in the Licensing Portfolio.

All Advertising Submission Forms must be sent to GILICO Sales Department with a copy of the proposed advertisement. If the advertisement is in the form of a radio or television ad, a tape of such advertisement with a written copy of the script must be sent with the submission form.

SECTION IV – AGENT’S CODE OF PROFESSIONAL ETHICS

All Agents must read, sign, and return Form #GI 504 reproduced in this guide. The signed original is kept on file with GILICO.

1. I will fully comply with all ethics and compliance standards and procedures established and communicated to me by Guaranty Income Life Insurance Company (“GILICO”).
2. I will fully comply and remain current with the laws and regulations of the jurisdictions in which I am licensed to conduct business for GILICO, and will obtain all required licenses and appointments.
3. I will attempt to discover and understand the needs and financial circumstances of my clients. I will fully explain GILICO’s products and services and make every effort to provide the same quality and level of service to my clients that I would expect for myself.
4. I will not negotiate or deposit any funds payable to GILICO or payable to any payee other than myself, nor will I create any legal obligation for GILICO that is not within the scope of my authority.
5. I will conduct myself in a professional manner and will accept the decisions made by GILICO and its employees. I will treat others with the same esteem I expect for myself.
6. I will not waive any of GILICO’s rights or requirements, bind GILICO by any statement, promise or representation, or collect any money other than as provided in my Agent’s Contract.
7. I will only use appropriate sales material and illustrations approved by GILICO and will include all appropriate disclaimers. I will not advertise or publicize GILICO’s name by using it in any advertising or publicity medium unless GILICO has approved the content in writing. I will not alter, or otherwise modify policies, policy envelopes, sales illustrations, or literature provided by GILICO.
8. All signatures on applications or other documents submitted by me will be authentic. I will not sign another person’s name, nor will I sign as a witness to any person’s signature on any application or other form relating to GILICO’s business unless the signature is written in my presence or otherwise noted on the form.
9. I will deliver all policies and contracts to the policy owner in a timely manner.

10. I will not be the assignee, owner or beneficiary of any policy issued by GILICO other than a policy on myself or on a member of my immediate family unless authorized in writing by GILICO.
11. I will not enter into any contracts with any sub-agents or brokers for the solicitation of insurance or share commissions with anyone not licensed and appointed with GILICO.
12. I will not represent GILICO in any manner at all before any State Insurance Department or Official, or before any Governmental Agency, without first consulting with and receiving specific prior written approval of GILICO.
13. I will not charge for services provided to any applicant, policy owner, beneficiary, or assignee, such as for explaining the terms of a policy, collecting policy proceeds, making or submitting proofs of claim, or settlement of any claim, or any similar service.
14. I will not misrepresent any of GILICO's products, nor make any disparaging remarks or use any disparaging literature about GILICO's competitors.

NOTICE TO APPLICANT TO REPRESENT

**GUARANTY INCOME LIFE
INSURANCE COMPANY**

This is to inform you that a consumer report or an investigative consumer report is being obtained from a consumer reporting agency for the purpose of evaluating you for appointment to represent Guaranty Income Life Insurance Company.

This report may contain information bearing on your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living from public record sources or through personal interviews with your neighbors, friends or associates. You may also have a right to request additional disclosures regarding the nature and scope of the investigation.

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.)	
City, state, and ZIP code		
List account number(s) here (optional)		
Requester's name and address (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 3.** 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 3.

Social security number								
or								
Employer identification number								

Note: If the account is in more than one name, see the chart on page 4 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 4.)

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 obtain 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.

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

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

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.

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

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

PRODUCER'S GUIDE TO ANTI-MONEY LAUNDERING

The USA Patriot Act includes provisions intended to prevent the financial services industry, including the insurance sector, from being used for money laundering and terrorist financing by criminals and terrorists. The Act requires insurance companies to establish anti-money laundering (AML) programs that comply with minimum standards developed by the Department of the Treasury. Regulations issued by the Treasury Department and its Financial Crimes Enforcement Network (FinCEN) establish minimum requirements for insurance company anti-money laundering programs and require insurers to report suspicious transactions.

WHAT RESPONSIBILITIES WILL PRODUCERS HAVE UNDER THE NEW RULES?

FinCEN has made clear that producers will have an important role to play in insurance companies' anti-money laundering programs because they have direct contact with customers and are thus often in the best position to gather information and detect suspicious activity. To assure that insurance companies and their distribution partners collaborate in preventing money laundering, the new rules require life insurance companies to integrate producers into their anti-money laundering programs and to monitor the producers' compliance with the programs.

WHAT IS MONEY LAUNDERING AND TERRORIST FINANCING?

MONEY LAUNDERING. Money laundering is a varied and often complicated process that can, but does not always, involve cash transactions. Illegally-obtained money is filtered through a series of transactions that eventually make the money appear to be obtained from "clean," or legal, activities. The money laundering process has been described as having three phases that often overlap:

Placement—Injecting ill-gotten proceeds, including cash, into the financial system through transactions such as bank deposits or the purchase of certain insurance products.

Layering—Separating illicit proceeds from their criminal source through complex financial transactions.

Integration—Putting the proceeds back into circulation in the economy, with the appearance of legality.

TERRORIST FINANCING. Terrorist financing involves the use of money, which may be lawfully obtained, to fund illegal activities. Because the transactions often have a legitimate origin and can often involve small amounts of money, terrorist financing can be more difficult to identify than money-laundering activities, although an effective anti-money laundering program can help prevent the use of funds for terrorism activities.

"COVERED PRODUCTS." The rules are not applicable to all insurance products. Rather, the Treasury Department identified categories of "covered products" that in its judgment presented sufficient AML risk to justify regulation. "Covered products" are defined to include:

- A permanent life insurance policy, other than a group life insurance policy;
- An annuity contract, other than a group annuity contract; or
- Any other insurance product with features of cash value or investment.

Accordingly, property casualty coverage, health insurance, and term life insurance, among other kinds of products, need not be included in an insurance company's AML program. Insurance companies may offer guidance on which of their products are covered under their programs. All current GILICO life and annuity products, excluding dental policies, are included in the definition of covered products.

CUSTOMER INFORMATION. The new rules require insurance companies to collect customer information from producers, among other sources, to support their anti-money laundering programs and to detect and report suspicious transactions. FinCEN has made clear that insurance producers have a crucial role to play in this area:

Insurance producers are an integral part of the insurance industry due to their contact with customers. Insurance producers typically are involved in sales operations and are therefore in direct contact with customers. As a result, the producer will often be in a critical position of knowledge as to the source of investment assets, the needs of the client and the objectives for which the insurance products are being purchased.

METHODS OF PAYMENT. Certain forms of payment – including cash, money orders, traveler's checks, and bank checks – can be used in the placement phase of a money laundering scheme. To manage this risk, GILICO has set limits on the forms of payments that will be accepted and the amounts acceptable for some of them. The goal is to reduce the chances that the insurance business will be involved in money laundering, without excluding forms of payment with a legitimate business purpose. Because producers often collect at least the first premium due under a policy, they may be called upon to inform customers of these standards and enforce them.

SUSPICIOUS TRANSACTIONS. Producers are often in the best position to detect suspicious activity – for instance, customers who are resistant to requests for information, who are indifferent to the features of a product, except for withdrawal rights, or who seek products inconsistent with their apparent needs. Producers should be aware of “red flags” and should notify GILICO's AML Compliance Officer.

RED FLAGS. Some examples of “red flags” associated with existing or potential customers include, but are not limited to, the following:

- The purchase of an insurance product that appears to be inconsistent with a customer's needs;
- Any unusual method of payment, particularly by cash or cash equivalents (when such method is, in fact, unusual);
- The purchase of an insurance product with monetary instruments in structured amounts;
- The early termination of an insurance product, especially at a cost to the customer, or where cash was tendered and/or the refund check is directed to an apparently unrelated third party;
- The transfer of the benefit of an insurance product to an apparently unrelated third party;

- Little or no concern by a customer for the investment performance of an insurance product, but much concern about the early termination features of the product;
- The reluctance by a customer to provide identifying information when purchasing an insurance product, or the providing of minimal or seemingly fictitious information; and
- The borrowing of the maximum amount available soon after purchasing the product.

Under federal law, insurance producers, as well as insurance companies, are protected from liability to customers for disclosing possible criminal activity to their insurance companies, law enforcement, and certain government supervisory agencies.

SUSPICIOUS ACTIVITY REPORTS AND THE FACT THAT THEY HAVE BEEN FILED MUST BE KEPT CONFIDENTIAL. In particular, customers cannot be notified that a suspicious activity has been reported.

To insure the prompt and accurate reporting of suspicious activity, GILICO has established a “red flag” hyperlink on GILICOLink. “Red flag” activity may also be reported by:

- telephone, 1-800-535-8110 ext. 292
- facsimile, 1-225-343-0047
- e-mail, redflag@gilico.com, or
- regular mail:

Attention: AML Compliance
Guaranty Income Life Insurance Company
929 Government Street
Baton Rouge, LA 70802

STATE LTC APPOINTMENT REQUIREMENTS
Guaranty Income Life Insurance Company

STATE	License(s) Required to Sell LTC			LTC Continuing Education Requirements	Comments
	LIFE	HLTH/DIS	LTC		
<i>Alabama</i>	X	X			
<i>Arizona</i>	X	X			
<i>Arkansas</i>	X	X			
<i>California</i>	X	X		Residents and Non-residents - 8 Hour 2004 LTC Continuing Ed course prior to sale.	30 Hr CE Requirement - 8 hours every license renewal period. 50 Hr CE Requirement - 8 hours each license year. Tax-qualified Partnership courses are not acceptable.
<i>Colorado</i>	X	X		Residents - 2 hours of Colorado Specific LTC Continuing Ed prior to sale; Non-Residents - Not required if home state CE requirements are satisfied and home state recognizes CO on the same basis	Course only needs to be taken one time.
<i>Florida</i>	X	X			
<i>Georgia</i>	X	X			
<i>Illinois</i>	X	X		Residents and Non-residents - 6 hours of State Specific LTC Continuing Ed prior to sale.	"Traditional Long-Term Care Insurance Policy" course only needs to be taken one time.
<i>Indiana</i>	X	X		Residents - 8 hours of LTC Continuing Ed prior to sale, 5 hours LTC Continuing Ed each 2 years of the 4 year renewal period.	Non-residents - CE requirements are waived.
<i>Iowa</i>	X	X			
<i>Kansas</i>	X	X			
<i>Kentucky</i>	X	X			
<i>Louisiana</i>	X	X			Life and health is a combined license.
<i>Michigan</i>	X	X			
<i>Mississippi</i>	X	X			Life and health is a combined license.
<i>Missouri</i>	X	X			
<i>Montana</i>	X	X			
<i>Nebraska</i>	X	X			
<i>Nevada</i>	X	X			
<i>New Mexico</i>	X	X			
<i>North Carolina</i>	X	X	X		
<i>North Dakota</i>	X	X			
<i>Ohio</i>	X	X			
<i>Oklahoma</i>	X	X			
<i>Oregon</i>	X	X			
<i>South Carolina</i>	X	X			
<i>Tennessee</i>	X	X			
<i>Texas</i>	X	X			Life and health is a combined license.
<i>Utah</i>	X	X			
<i>Washington</i>	X	X			
<i>Wyoming</i>	X	X			