



American General Life Insurance Company

Member of American International Group, Inc.

P.O. Box 401 • Milwaukee, WI 53201-0401

This supplement is made, entered into, and effective the date hereinafter specified by and between American General Life Company, a Texas insurance corporation (hereinafter called the Company) and the Representative signing this agreement (hereinafter called the Representative).

It is agreed by and between the parties as follows:

1. This supplement shall be an endorsement to the Application to Represent entered into between the Representative and the Company.
2. This supplement supersedes and cancels all previous annualization agreements.
3. The Company will prepay seventy-five percent (75%) of first year commissions due on life policies, issued within two years from the effective date of this supplement. The twenty-five percent (25%) remaining first year commission will be paid on an earned basis upon receipt of the tenth month premium.
4. Annualization is available on individual life insurance, excluding annuities, single premium life insurance, controlled business (all family members and business partners) and additional deposits received in conjunction with the sale of individual life insurance and annuity policies (hereinafter called "New Business"), payable on premiums paid under a monthly preauthorized check plan, a monthly salary savings plan or monthly government allotment modes of payment. All advances will be made upon full payment of the first modal premium and the cash payment of said advance will become a loan to the Representative to the extent of the amount advanced.
5. Annualization on Universal Life policies is limited to seventy-five percent (75%) of the amount collected, but will in no event exceed seventy-five percent (75%) of the Benchmark premium. The twenty-five percent (25%) remaining first year commission will be paid on an earned basis upon receipt of the tenth month premium.
6. List Bill premiums are not eligible for annualization.
7. Prepayment is limited to \$2,500 for any one case and limited to \$25,000 on any such business issued and paid in any calendar month.
8. It is understood that any prepayment of monies or commissions advanced shall create indebtedness to the Company. If payment in full is demanded, or if a repayment schedule is implemented under any provision above, the undersigned agrees to pay interest on the unpaid balance of the loan at a rate of prime +2% annually, calculated from the date the loan was originally made to the date the loan is finally repaid.
9. If repayment is not made as provided above, the Representative authorizes any attorney of any court of record in the United States to appear and confess judgement against said Representative in favor of the company for the unpaid balance due under this loan agreement, including interest, costs and attorney's fees.
10. The Representative specifically recognizes that the confession of judgement provision in the above paragraph will constitute an assignment against his personal assets and earnings from any source whatsoever.
11. The Company shall have the right with or without cause to terminate this supplement at any time by written notice to the last known address of the Representative. Should this supplement or the agreement to which it is endorsed be cancelled, then an amount equal to any and all unearned prepaid commissions will be immediately, and on demand, payable to the Company.
12. Only policies paid after the date of Home Office approval of this annualization supplement are eligible for annualization payments.
13. The Representative, by this agreement, agrees that the Company shall have first lien on the Representative's commission account and that the Company has prior right and offset to the extent of any and all unearned prepaid commissions.
14. The Company retains the right to modify this supplement from time to time and both the Representative and the sponsor agree to comply with the modifications.
15. Termination of this supplement does not of itself terminate the agreement to which it is a supplement. However, termination of the agreement terminates this annualization supplement and notice is specifically not required.
16. This supplement replaces the vesting provisions of the agreement to which it is a supplement. The new vesting provisions are as follows:
 - (A) If the agreement is terminated by death, and subject to the provisions and rules of the Company, all first year and renewal commissions shall be paid as they accrue.
 - (B) All such payments shall be made to the surviving spouse, and at the date of death of the surviving spouse, to the estate of said spouse. If the Representative dies leaving no surviving spouse, such monies will be paid to the estate of the Representative; provided, however, that if the application to represent was signed as a corporation or a partnership, then all such payments will be paid to said corporation or partnership.
 - (C) If this supplement, or the agreement to which it is a supplement, shall be terminated for any reason other than death of the Representative, then continuation of first year and renewal commissions shall depend upon in force policy count.

(D) If, at the end of the 13th and 25th month, and in accordance with the in force policy count schedule outlined below, and beginning with the first day of the month following termination of this supplement, the Representative's in force policy count, including those policies produced by any producer appointed by the Representative, falls below the percentage of in force policies required by the in force policy count schedule, then the balance of any first year commissions and any and all renewal commissions will forever cease.

In Force Policy Count Schedule

End of Month Following Termination	Percent of In Force Policies Required
13th	85%
25th	75%

17. To qualify for and to maintain the Supplement for Prepayment of Commissions, the Representative commits to the Company at least \$5,000 of paid annualized premium each year on a monthly pro rata basis. If the Representative does not perform to the above production commitment, the Company may choose to exercise its right to terminate this supplement.

18. Should, at the option of the Company, annualization be renewed for any subsequent 24 month period, an annualization fee equal to 2.5% of the first year paid annualized premium will be automatically deducted from your commission statements.

19. Those policies on which the Company receives insufficient payment and reissued policies are not eligible for annualization and any commissions will be credited on an earned basis. Policies on direct payment mode are not eligible for annualization.

20. The undersigned hereby authorizes the Company to conduct an investigation concerning character, credit, reputation and personal traits and releases those contacted and the Company from any liability with respect to the content of the information provided and any resulting action by the Company including the sharing of such information or the termination of this annualization agreement.

21. This agreement shall not be effective until it is approved, signed and dated in the Home Office.

Dated and Approved at Milwaukee, Wisconsin, this _____ day of _____, _____.

American General Life Companies

_____	_____	Code # _____
Regional Vice President	Representative	
_____	_____	
Senior Marketing Officer	Print Name of Representative	
_____	_____	Code # _____
President	Sponsor	

The bottom portion of this Agreement will be returned to inform you of the effective date of this Agreement.

Sponsored by _____

A 75% Annualization Agreement for Representative _____

has been approved effective _____. Policies issued after this date shall be eligible for annualization payments.