

PRESIDENTIAL LIFE INSURANCE COMPANY

Nyack, NY 10960

INDEPENDENT PRODUCER'S AGREEMENT FOR INDIVIDUAL DISABILITY INSURANCE

D/B/A ROCKLAND LIFE IN THE STATE OF TEXAS

THIS INDEPENDENT PRODUCER'S AGREEMENT is made this _____ day of _____, 20____, by and between PRESIDENTIAL LIFE INSURANCE COMPANY, 69 Lydecker Street, Nyack, New York 10960 (the "Company") and _____ (the "producer")
(Print name of Producer) (Street, City, State & Zip Code)

The parties hereto hereby agree as follows:

1. **APPOINTMENT:** The Company appoints the Producer to market, sell and service, in accordance with this Agreement, Individual Disability Income Insurance Policies (hereinafter collectively called "Policies") underwritten by the Company.

The Producer's relationship to the Company shall be that of an independent contractor, and nothing contained in this Agreement shall make the Producer or any of the Producer's agents or employees, the agents or employees of the Company or of any reinsurance company contracted with the Company. The Producer shall have no authority, except that which is expressly set forth in this Agreement. No authority shall be implied from the authority expressly granted herein.

As a condition of this appointment, the Producer certifies that all of its agents and sales representatives are licensed, and will at all times during the term of this Agreement continue to be licensed to sell Individual Disability Income Insurance Policies in any jurisdiction in which such insurance underwritten by the Company will be marketed and/or sold by the Producer.

2. **RESTRICTIONS ON PRODUCER'S AUTHORITY:** The producer shall not perform any of the following acts or commit the Company to perform any of the following acts:
 - (a) Bind or commit the Company on any risk in any manner;
 - (b) Waive, modify, or change any terms, rates, conditions or limitations of any Contracts;
 - (c) Collect or receive any premium payment, except as authorized in Section 14(c) hereof;
 - (d) Extend the time for any premium payment, or to reinstate any Contracts;
 - (e) Adjust or settle on behalf of the Company any claim or dispute arising out of or in connection with any Contracts;
 - (f) Market or sell the Policies in any state in which the Policies have not been filed with and approved by the applicable insurance regulatory authority;
 - (g) Market or sell the Policies in any state in which the producer is not properly licensed and appointed by the Company;
 - (h) Enter into any legal proceeding pertaining to the Company's business as a representative of the Company;
 - (i) Print, publish, distribute or use in any way any written or oral advertising, or letterhead or other matter or material, that includes the Company's name or otherwise refers to the Company without the Company's prior written approval.
3. **LICENSES:** The Producer must be properly licensed and appointed in every state in which commissions may be earned on business produced by the Producer. Unless the Producer is so licensed and appointed, the Company shall have no obligation to pay any commissions earned in such states.
4. **COMMISSIONS:** As compensation in full for all services rendered by the Producer pursuant to this Agreement, the Producer shall be entitled to receive commissions on premiums earned, (less policy fee) and actually received by the Company for Policies underwritten by the Company set forth in Schedule A of this Agreement, which is attached hereto and made a part hereof. Such commissions shall be determined in accordance with the Commission Rates stated in said Schedule A.

If this Agreement is terminated by the Company by reason of any of the subsections of Section 6 of this Agreement other than Section 6 (g), the Producer shall be entitled to receive commissions on all earned premiums received by the Company on or before the effective date of termination, but the Producer shall have no right to commissions on premiums received by the Company after the effective date of the termination. In the event this Agreement is terminated under Section 6 (g), commissions payable under this Agreement shall be paid for the remainder of the Contract Period stated for each Individual Policy in Schedule A of this Agreement and for such subsequent Contract Periods as may be mutually agreed upon in writing by the Producer and the Company.

Commissions shall not be payable unless and until the premiums to which they apply are received and earned by the Company. In the event of any refund or return by the Company of any premiums on which the Producer had received commissions, the Producer shall refund the commission received thereon to the Company within fifteen (15) days following the date of the Company's request therefore and the amount refundable shall constitute an indebtedness of the Producer to the Company.

5. **TERMINATION:** This Agreement may be terminated for any of the following reasons:
- (a) The Producer has failed to comply with the laws or regulations of any regulatory authority;
 - (b) The Producer has knowingly or negligently misrepresented, whether through error or omission, a Policy underwritten by the Company or service offered by or through the Company;
 - (c) The Producer has knowingly furnished false information, or has knowingly failed to disclose unfavorable information, which is deemed by the Company to have been material to the underwriting of a Policy application or the Contract issued with respect thereto;
 - (d) The Producer has defrauded or attempted to defraud the Company, or has wrongfully withheld any funds owed or belonging to the Company or to an authorized representative thereof;
 - (e) If, in order to induce the Company to enter into this Agreement or any contract, the Producer has furnished false information of a material nature or failed to disclose unfavorable information of a material nature;
 - (f) The Producer has failed to abide by the terms of this Agreement in any manner;
 - (g) Upon 30 days advance written notice from either party to the other;
6. **INDEBTEDNESS:** Any indebtedness of the Producer to the Company or any of its affiliates or subsidiaries shall be a first lien on any monies due or to become due under this Agreement. The company may, at any time, deduct from any monies due to the Producer any such indebtedness, together with interest at the rate of twelve percent (12%) per annum and any collection costs incurred by the Company.
7. **ASSIGNMENT:** No assignment of any compensation due under this Agreement shall be valid unless approved in advance in writing by a duly authorized officer of the Company. Any assignment of the compensation shall be subject to any existing or future indebtedness to the Company.
8. **MATERIALS AND RECORDS:** Materials developed and provided by the Company, including but not limited to, computer programs, manuals, underwriting guidelines, or any other information pertaining to the Company's products or their content shall remain the sole and exclusive property of the Company. These materials shall be used only in the marketing, sale and servicing of the Policies underwritten by the Company and shall be returned to the Company upon demand therefore, and in any event upon termination of this Agreement for any reason.
9. **NOTICES:** Any notice given by either of the parties to this Agreement to the other party shall be in writing and will be deemed given as soon as mailed to the other party by certified mail, postage prepaid to the address shown for such other party at the beginning of this Agreement. Either party may change its address by written notice sent in the above described manner to the other party at its address of record for receiving notices.
10. **NON-WAIVER**
- (a) The Company, in addition to other legal and equitable rights and remedies, shall be entitled to injunctive relief to restrain any active or threatened breach of this agreement by the Producer.
 - (b) Forbearance or neglect by the Company to insist upon the performance of any provision of this Agreement at any time or under any circumstances shall not constitute a waiver of the provision or any other provision of

the Agreement.

11. **APPLICABLE LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principle.

12. **GENERAL PROVISIONS**

- (a) Except as specifically provided in this Agreement, no commissions, service fees, expense allowances or reimbursements, or emoluments or compensation of any kind shall be payable by the Company to the Producer.

13. **ENTIRE AGREEMENT:** This is the entire agreement between the Company and the Producer, and no other agreements or representations of any kind, whether oral or written, shall form part of this Agreement. This Agreement supersedes any and all previous agreements, whether oral or written, between the Producer and the Company.

14. **PRODUCERS**

- (a) Appointment. In appointing Producers/Sub-Producers/Sub-Licensees you shall use only the agreement forms approved by the Company. No such Agreement or Modification thereof shall be effective until approved in writing by an officer of the Company. We reserve the right to disapprove any Producer/Sub-Producer/Sub-Licensee appointment or to cancel the appointment of a Producer/Sub-Producer/Sub-Licensee at any time.

Any Producers/Sub-Producers/Sub-Licensees appointed by You may place business with the Company through You as long as the Producer meets state licensing requirements and this Agreement between us remains in effect.

- (b) You shall be responsible to the Company for all acts of your Producers/Sub-Producers/Sub-Licensees or employees, and for monies received by them for the Company's account. In addition to all other rights, we may offset against any sums due or becoming due You, and monies owing the Company by You or Your brokers or employees. Upon termination of this agreement, any monies owed the Company shall be paid to the Company. This subsection shall survive the term of this agreement.

- (c) You agree to:

1. Promptly transmit to our home office applications for policies solicited by You; and
2. Collect and promptly remit to us the first premiums in the form of a check made payable to the Company. No policyholder check may be made payable to You or Your agents. If, however, You receive monies in any form for or on account of the Company, such monies shall constitute trust funds for us and shall be remitted immediately to the Company.

- (d) You shall indemnify and hold the Company harmless from all losses, expenses, damages and liability resulting from unauthorized acts by You, Your producers or employees.

PRESIDENTIAL LIFE INSURANCE COMPANY

By: _____ Title: _____

PRODUCER: _____
(Print Name)

By: _____
Authorized Official's Signature/Title

PRESIDENTIAL LIFE INSURANCE COMPANY

Nyack, NY 10960

INDEPENDENT PRODUCER'S APPLICATION FOR APPOINTMENT FOR INDIVIDUAL DISABILITY INSURANCE

1. Name of Producer / Agency _____
2. Business Form: Individual ___ Corporation ___ Partnership ___ Social Security / Tax ID # _____
3. Mailing Address: _____
(PO Box Acceptable for Mailing purposes)
4. Business Address: _____
(if PO Box then a physical business address or home address **MUST** be listed.)
- Phone: () _____ FAX () _____ E-Mail _____

5. Producer/Agency Principal(s):

Name: _____ Title: _____ Date of Birth: _____ Date first Licensed: _____

SS #of Principal: _____ **Please attach a copy of your New York Health License Number:** _____

6. Have you ever been refused an insurance license by any state?..... [] Yes [] No
7. Has your insurance license ever been suspended or revoked by any state?..... [] Yes [] No
8. Have you ever had, or do you anticipate, any disciplinary action by any state? [] Yes [] No
9. Have you ever pled guilty or nolo contendere, or been found guilty of, a felony since obtaining your license? .. [] Yes [] No
10. Have you ever been denied a surety or fidelity bond?..... [] Yes [] No
11. Have you declared bankruptcy in the last 5 years? [] Yes [] No

Give complete details & dates regarding any "Yes" answers (attach additional sheets, if needed to provide complete information):

The above information is full, complete and true. I understand that any misstatements, false statements and/or material misrepresentation or omissions may result in declination of this application or revocation of my appointment.

I understand that, in considering this application for appointment, we may obtain an investigative report that may include information regarding my character, general reputation, personal characteristics and mode of living and I hereby give my permission to obtain such a report. Upon your written request, additional information as to the nature and scope of the report, if one is made, will be provided.

Date _____ Producer's Signature _____

Producer (Level 11D)
Supplemental Override Allowance Schedule A
For
Individual Disability Insurance

Attached to and made a part of the INDEPENDENT PRODUCER AGREEMENT dated _____,
20____ between PRESIDENTIAL LIFE INSURANCE COMPANY ("COMPANY") and _____
_____ ("PRODUCER").

First Year Commission shall be payable by Presidential to you as provided below based upon premium received by Presidential for the first year following the Policy's effective date. First year commission will be paid to You within 60 days of the later of: (1) the date on which premium qualifying You for such commission is credited to Presidential's premium account; or (2) the date on which You have met all requirements to be paid commissions.

Renewal Commission shall be payable on renewal premiums as received by Presidential Life for a maximum of 9 years. Renewal commissions are vested only through the 10th policy year, so long as on January 1 of any year following the termination of your agreement, annual inforce renewal premiums are \$10,000 or more. Renewal commission will be paid to You within 60 days of the later of: (1) the date on which premium qualifying You for such commission is credited to Presidential's premium account; or (2) the date on which You have met all requirements to be paid commissions.

Service Fees shall be paid on premiums received by Presidential Life on a Policy that has been in force for more than 10 years so long as You are still under contract with Presidential Life to write new Individual Disability Income Insurance business; Service Fees will be paid to You within 60 days of the later of: (1) the date on which premium qualifying You for such service fees is credited to Presidential's premium account; or (2) the date on which You have met all requirements to be paid commissions.

Return of Compensation: Presidential Life may be entitled to the return of amounts paid to You as First Year Commissions, Renewal Commissions and Service Fees or other compensation. This can happen if a change in premium or cancellation of a Policy causes the amount of compensation to which You are entitled to change. In such a case Presidential Life shall restate the compensation payable to You and You shall return to Presidential Life any overpayments. Presidential Life shall have the right to offset any overpayments against any other funds payable to You by Presidential Life.

Presidential Life reserves the right, with (30) days prior written notice to You, to alter, amend or modify the commission schedules and compensation arrangements. Any such changes shall become effective for policies applied for or issued on or after the effective date of the change.

Payment of the amount of commission compensation determined by application of this Schedule shall at all times be subject to all of the conditions and other provisions of the INDEPENDENT PRODUCER AGREEMENT to which this Schedule is attached and made a part of.

Producer (Level 11D)

Supplemental Override Allowance will be payable as shown in the chart below.

	Producers Compensation	Supplemental Override	Total Compensation
Individual Disability			
1 st Year	30	0	30
Years 2 – 10	3	0	3
Service Fees Years 11 +	1	0	1

Level 91D:

PRODUCER (Level 11D):

(Print Name)

(Print Name)

By: _____
Appointing Signature

By: _____
Authorized Signature / Title

Commission Hierarchy

Name _____ # _____ Commission Level _____

Name _____ # _____ Commission Level _____

Name _____ # _____ Commission Level _____

Name _____ # _____ Commission Level _____

Annual policy fee of \$25 is non-commissionable.