

SALES REPRESENTATIVE AGREEMENT

THIS AGREEMENT, effective upon the latter of the dates this Agreement is signed by the parties below, between Colonial Life & Accident Insurance Company of Columbia, South Carolina (hereinafter referred to as “Colonial Life” or “Company”) and

_____ of
Name of Agent

_____ (hereinafter referred to as “SR”).
City/State

In consideration of the mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

I. Appointment and Authority

A. Appointment

Colonial Life hereby contracts with the above named person as a SR to represent Colonial Life in the state or states in which SR is duly licensed and appointed by Colonial Life under Section II-A. The appointment of SR under this Agreement does not give SR any exclusive rights in the state or states where SR transacts business. Colonial Life has the right to contract with other persons to represent Colonial Life in the capacity of a SR or for carrying on any other aspects of Colonial Life’s business in such state or states.

B. Authority

SR shall have no authority other than that expressly granted herein. No actions or failure to act on the part of Colonial Life shall be construed to imply the existence of any authority not expressly granted herein. SR is not authorized to make or amend any contract, incur any debt, or extend any credit on behalf of Colonial Life; modify or amend any application for insurance or any policy of insurance; extend the time for making any payment which may become due on any policy; or waive any of Colonial Life’s rights or privileges under any agreement made by the Company, or under Company policies and guidelines, or under any insurance policy or application. SR agrees that he or she will not directly or indirectly, in any manner whatsoever, offer or allow any account, applicant for insurance or any other person any advantage which is not offered by Colonial Life. SR agrees that if he or she obligates Colonial Life in any manner prohibited by this section, SR shall be liable to Colonial Life for any loss resulting therefrom, including but not limited to costs and attorney fees incurred by the Company in defending claims asserted by third parties. In addition to any other remedies available, Colonial Life shall have the right to deduct such loss from any commissions, bonuses or other compensation due SR under this or any other agreements between SR and the Company or between SR and one of the Company’s corporate affiliates.

II. Responsibilities of Sales Representative

A. Licensing

Unless otherwise required by law or regulation, SR shall be responsible for procuring and maintaining, at his or her expense, all licenses required by any governmental agency for transacting business under this Agreement. This Agreement shall not become effective and no commissions will be paid under this Agreement until such time as the SR has been issued such licenses and appointments as may be required to represent Colonial Life.

B. Functions

The principal business activity of SR under this Agreement is to (a) open accounts and maintain effective enrollment conditions; (b) coordinate enrollments and schedule reworks; (c) enroll accounts and solicit applications for insurance; and (d) service accounts and policyholders within accounts. These functions shall be discharged subject to the terms of this Agreement and policies, guidelines and performance standards prescribed by Colonial Life.

THIS AGREEMENT IS SUBJECT TO ARBITRATION

C. Advertising

The SR shall not, without the prior written approval of Colonial Life, publish or distribute any advertising material, supplies or other printed or written material concerning Colonial Life or its products.

D. Expenses

SR shall pay all of his or her expenses, including but not limited to the cost of any employees, employee benefits, his or her business license, office, transportation, telephone, postage, computer and other expenses incurred in the transaction of business under this Agreement.

E. Applications

SR shall carefully review all insurance applications, account information forms and other materials related to an account for completeness and legibility of information supplied, and make a full disclosure to Colonial Life of all factors which might affect the acceptance of the applications, proposed insured or account. SR shall promptly forward all applications, account information forms and related material to the home office of Colonial Life.

F. Forwarding Premiums

SR shall promptly forward to Colonial Life all monies collected or received on behalf of or for Colonial Life. These monies shall belong to and be held in trust for Colonial Life and shall not be used by SR for any purpose. SR shall have no rights in or to any monies collected or received on behalf of or for Colonial Life.

G. Governmental Rules and Regulations

SR agrees to follow and to be governed by all rules and regulations established by any federal, state, or local governmental or regulatory body governing the transaction of business by SR under this Agreement.

H. Colonial Life Policies and Guidelines

Colonial Life has established certain policies and guidelines for the orderly conduct of its business. These policies and guidelines are necessary for compliance with regulatory requirements, or for uniformity and convenience in various administrative matters. SR agrees that in the conduct of his or her activities under this Agreement, SR will comply with these policies and guidelines.

III. Responsibilities of Colonial Life

A. Provide Sales Materials

Colonial Life shall make available to SR standard applications, sales materials and forms to be used in the transaction of business. All material made available to SR pursuant to this Agreement remains the property of Colonial Life and shall be returned immediately to Colonial Life on demand or upon the termination of this Agreement, whichever occurs first.

B. Acceptance of Applications

SR shall exercise his or her own judgment as to persons from whom insurance applications shall be solicited; provided, however, that Colonial Life, in its sole discretion, shall have the right to approve or reject any applications submitted by SR. SR shall exercise his or her own judgment as to accounts or prospective accounts from which account information forms shall be solicited, but Colonial Life in its sole discretion shall have the right to approve or reject any account information form submitted by SR. Colonial Life has the right to prescribe eligibility requirements for accounts and individual applicants for insurance.

C. Payment of Commissions

Colonial Life shall pay SR commissions as set forth in Section IV of this Agreement. Commissions payable shall only be based upon actual premiums received by Colonial Life. The payment of these commissions shall constitute full compensation for the services rendered by SR.

D. Periodic Statements

Colonial Life will provide SR a periodic statement of compensation. SR agrees to examine each periodic statement and to notify Colonial Life, in writing, of specific mistakes or discrepancies in the statement. Failure of SR to so notify Colonial Life within sixty (60) days shall be an admission of the correctness of such statement and shall bar any claims to the contrary against Colonial Life.

IV. Compensation

A. General

1. Schedule of Commissions

All commissions shall be earned in accordance with the terms of the Schedule of Commissions published by Colonial Life. Such Schedule and any amendments thereto shall be incorporated herein by reference and become a part of this Agreement. Colonial Life reserves the right to change the terms of the Schedule of Commissions at any time and will publish such changes and the effective date thereof. Any such change in the Schedule of Commissions shall not affect commissions due or to become due on insurance applications submitted prior to the effective date of the change.

2. Miscellaneous Fees and Expenses

Where permitted by law, Colonial Life may from time to time find it necessary to enter into an agreement with an account to pay an administrative fee or otherwise reimburse the account for expenses incurred. If Colonial Life enters into an agreement with an account to pay an administrative fee or other expenses, compensation otherwise payable under this Agreement to SR may be adjusted to deduct the costs of such fee or expenses.

3. Indebtedness to Colonial Life

Colonial Life shall have a first lien on all commissions earned under this Agreement for any debt due Colonial Life from SR. Colonial Life may at any time deduct any indebtedness of SR to Colonial Life from any monies due SR under this Agreement, or from any other source, including but not limited to, monies due SR under any agreement between SR and Company or between SR and one of Colonial Life's corporate affiliates.

4. Conversions

A conversion occurs when an existing policyholder in a payroll deduction account changes the method of premium payment on the policy from payroll deduction to individual premium payment. SR shall earn commissions on conversions effected by SR in the amounts and in the manner set forth in Colonial Life's then-existing guidelines governing conversions.

5. Transfers/Internal Replacements

A transfer/internal replacement occurs when an existing policy in effect with Colonial Life is replaced with another Colonial Life policy of similar coverage type as defined by Colonial Life's then-existing guidelines governing transfers/internal replacements. If SR transfers/internally replaces any policy then SR will be compensated in accordance with Colonial Life's then-existing transfer/internal replacement guidelines.

6. Joint Activities

Colonial Life may, at its discretion, elect to pay any commissions in accordance with an agreement between or among SR and other persons. However, SR acknowledges that Colonial Life shall not be a party to or be bound by such an agreement, and that Colonial Life may at any time refuse to pay or continue paying commissions in accordance with such an agreement. In all cases where there is a dispute between the SR and other persons concerning a division of commissions or the opening, servicing, solicitation, enrollment, coordination or coding of accounts, Colonial Life shall have the right to decide and settle the dispute. The decision of Colonial Life shall be binding and conclusive on the SR. SR understands and agrees that commissions otherwise due SR under this Agreement may be reduced if Colonial Life determines that premium coding information submitted to the Company is incorrect, or that a portion of said commissions should be paid to another person who is entitled thereto. Colonial Life's determination shall be binding and conclusive on SR.

7. Advances

In its sole discretion, Colonial Life may elect to advance certain commissions payable under this Agreement to SR. It is specifically agreed that any advances made to SR are an advance of future earnings. Colonial Life shall have a right of offset against commissions, bonuses or other compensation payable to SR under this or any other agreement between SR and the Company or between SR and one of the Company's corporate affiliates in order to repay any such advances made. All advances and repayment thereof shall be made in accordance with such policies and guidelines as are from time to time established by Colonial Life. If Colonial Life determines at any time and for any reason that advances should be discontinued, SR shall not be eligible to qualify for any future advances.

8. Affiliate Products

Subject to policies and guidelines prescribed by Colonial Life, SR may be permitted to sell products underwritten by Colonial Life's corporate affiliates in Colonial Life's accounts. SR must be licensed and appointed to represent the corporate affiliate as required by law. For any such sales made, SR will be compensated by the corporate affiliate, and will not be entitled to any compensation from Colonial Life under this Agreement for such sales.

B. Sales Compensation

1. First Year Commissions

a. Definition

First Year Commissions are commissions payable on the premiums credited by Colonial Life on a policy for the first twelve (12) months immediately following the policy effective date. First Year Commissions may be either New Business Commissions or Rework Commissions. New Business Commissions are First Year Commissions payable on new policies issued during the first twelve (12) calendar months following the effective date of a new payroll deduction or employer paid account or an individual pay policy. Rework Commissions are First Year Commissions payable on new policies issued following the first twelve (12) calendar months after the effective date of a new payroll deduction or employer paid account. The rate to be used in computing First Year Commissions will be as set forth in the Schedule of Commissions in effect on the date of the insurance application.

b. Opening Accounts

SR will earn First Year Commissions on the premiums coded to SR from new policies, excluding conversions, issued in an account during the time the SR is coded to the account as Account Opener.

c. Coordinating Accounts

SR will earn First Year Commissions on the premiums coded to SR from new policies, excluding conversions, issued in an account during the time the SR is coded to the account as Account Coordinator.

d. Enrolling Accounts

SR will earn First Year Commissions on the premiums coded to SR from new policies, excluding conversions, issued on new applications submitted by SR during the term of this Agreement.

e. Recoding of Accounts

In the event that an account is recoded to another person as Account Opener or Account Coordinator pursuant to Section VI, SR will, subject to the terms of this Agreement, continue to earn First Year Commissions on policies placed in force in the account prior to the date of recoding. However, SR will not earn First Year Commissions on any increase in premiums on those policies, nor will SR earn any First Year Commissions whatsoever on premiums from policies issued on applications submitted in the account after the date of recoding.

2. Renewal Commissions

a. Definition

Renewal Commissions are commissions payable on the premiums credited by Colonial Life on a policy during the second and subsequent years following the policy effective date. The rate to be used in computing Renewal Commissions will be as set forth in the Schedule of Commissions in effect on the date of the insurance applications.

b. Entitlement to Renewal Commissions

During the term of this Agreement, SR will earn Renewal Commissions as provided in this section on premiums coded to SR under Section IV-B-1-b (Opening Accounts), c (Coordinating Accounts), and d (Enrolling Accounts).

c. Qualification for Renewals

SR's right to earn Renewal Commissions after his or her first twelve (12) months of production shall be determined by SR meeting the yearly renewal qualification as prescribed by Colonial Life during the twelve (12) full months following the date he or she first produces. If, during this twelve (12) month period, SR meets the renewal qualification amount as prescribed by Colonial Life, then SR will earn Renewal Commissions for the remainder of that calendar year only. As used in this paragraph, the date that SR first produces shall be the date that premium is first coded to SR for the purpose of paying commissions following the effective date of this Agreement.

At the end of SR's first full calendar year under this Agreement, his or her right to earn Renewal Commissions during the next calendar year will be based on SR meeting the renewal qualification requirement during such first full calendar year. Thereafter, SR will only earn Renewal Commissions in the calendar year following a calendar year in which SR meets the yearly renewal qualification requirements as prescribed from time to time by Colonial Life.

d. Waiver of Premium

The SR shall not be entitled to earn Renewal Commissions on premiums waived or paid by Colonial Life under the disability provision of any policy or upon any more than one year's premium installments thereof, which, instead of being paid in cash, are charged to automatic premium loan under the provisions of the insurance policy.

3. Vested Renewal Commissions

a. Definition

Vested Renewal Commissions are Renewal Commissions payable after the termination of this Agreement or paid under Section IV-B-3-e (iii) while this Agreement is in force...

b. Entitlement to Vested Renewal Commissions

SR may be entitled to receive Vested Renewal Commissions as provided in this section on premiums coded to SR under Section IV-B-1-b (Opening Accounts) and c (Coordinating Accounts). No Vested Renewal Commissions shall be earned or payable to SR on premiums coded to SR under Section IV-B-1-d (Enrolling Accounts) except as provided in subsection d. below.

c. Vesting Schedule

A Qualification Year is defined as a full calendar year during which this Agreement is in effect and the SR meets the renewal qualification requirement prescribed under Section IV-B-2-c. No credit will be given for partial years. A Vesting Year is defined as a year for which SR is entitled to earn Vested Renewal Commissions on premiums coded to SR under Section IV-B-1-b (Opening Accounts) and c (Coordinating Accounts). For each Qualification Year, SR will be entitled to accrue Vesting Years in accordance with the following table:

Qualification Years	Vesting Years
0	0
1	0
2	0
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	Lifetime or 20 years certain, whichever is longer.

d. Enroller Vesting

SR may be eligible to earn Vested Renewal Commissions for premiums coded to SR under Section IV-B-1-d (Enrolling Accounts) by meeting the Company's enroller vesting qualifications as prescribed from time to time by Colonial Life. SR understands that Colonial Life may at any time elect to discontinue SR's eligibility to qualify for additional enroller vesting but such election shall not affect any Vesting Years of enroller Vested Renewal Commissions for which SR has qualified prior to the effective date of the election.

e. Payment of Vested Renewal Commissions

- (i) In computing the amount of Vested Renewal Commissions for which SR qualifies under this Agreement, Colonial Life shall take into consideration only those premiums which have been credited to the policies at the time such computation is made.

- (ii) For purposes of this Agreement, the calculation of Vested Renewal Commissions to which SR may be entitled shall commence the first day of the month following the termination of this Agreement.
- (iii) If during any calendar year SR does not meet the yearly renewal requirement as prescribed under Section IV-B-2-c, then Colonial Life may pay SR Vested Renewal Commissions during the following calendar year from any Vesting Years for which SR has previously qualified and the Vesting Years for which SR has previously qualified shall be reduced by one.
- (iv) Vested Renewal Commissions shall not be funded and no assets shall be segregated to provide for their payment. To the extent payable they shall be paid from the general assets of Colonial Life.

4. Change to Different Contract

In the event this Agreement is terminated and SR becomes contracted with Colonial Life in another capacity, he or she may be entitled to continue to receive such Renewal Commissions or vesting credit under this Agreement as may be prescribed in Company policies and guidelines.

V. Bonuses, Incentives, Recognition and Awards

SR shall be entitled to qualify for or participate in such bonus, incentive, recognition and award programs, including conferences and meetings, which Colonial Life offers to SR. Nothing in this section shall be construed to require Colonial Life to offer such programs to SR. In addition, SR's eligibility to participate in such programs as may be offered will be determined in accordance with the published guidelines for such programs.

VI. Control of Accounts

The term "account" as used in this Agreement shall mean any account in which the premiums for Colonial Life products are employer paid or are paid by payroll deduction, or any account in which a group of persons is insured under a master policy which is issued to the employer to cover its employees or to an association to cover its members, or an account in which the employer or association provides solicitation privileges, but the employees or members pay Colonial Life directly or otherwise. All of these accounts are considered to be accounts of Colonial Life and not of the SR, and SR shall have no property rights therein. Colonial Life reserves the exclusive right to control the coding of these accounts to SR or to any other person at any time and for any purpose. Colonial Life may remove SR from an account at any time and for any reason. If SR transacts business in an account coded to another person, Colonial Life shall have the right to refuse to pay SR any commissions on any such business transacted. Colonial Life shall not be bound by the terms of any agreement between the SR and one or more other persons concerning the opening, servicing, soliciting, enrollment, or coordination of accounts. No such agreement shall in any way encumber Colonial Life's rights to control the coding of accounts to SR or to any other person at any time and for any purpose.

VII. Disability

A. Definition

For the purposes of this Agreement, disability or disabled shall mean a determination that SR is physically unable to perform his or her responsibilities under this Agreement as determined by Colonial Life upon submission of proof thereof, including medical evidence.

B. Continuation of Agreement During Disability

In the event SR is found to be disabled as provided in this section, this Agreement shall remain in force while SR remains disabled for the following periods:

1. If this Agreement has been in effect for less than twenty-four (24) months, this Agreement shall remain in force for a period of twelve (12) months from the date of disability.
2. If this Agreement has been in effect for more than twenty-four (24) months, this Agreement shall, in addition to the twelve (12) months provided in Section VII-B-1, remain in force for an additional three (3) months for each additional twelve (12) months in excess of twenty-four (24) that this Agreement has been in effect, up to a maximum of thirty-six (36) months.
3. During any month this Agreement remains in force by virtue of the provisions of this section, SR will be entitled to have 1/12th of the qualification prescribed under Section IV-B-2-c credited toward satisfying the provisions of Section IV-B-2 of this Agreement.

4. In no event will this Agreement remain in force for more than a cumulative total of forty-eight (48) months due to SR's being disabled regardless of whether the disability is continuous or involves separate periods of disability.
5. During the period this Agreement remains in force by virtue of the provisions of this section, SR shall continue to qualify for additional years of vesting pursuant to Section IV-B-3.

C. Recoding of Accounts

In the event of SR's disability, Colonial Life may reassign any accounts coded to SR in accordance with Section VI. In the event SR ceases to be disabled, Colonial Life will determine under Section VI whether such accounts will be recoded back to SR.

VIII. Prohibited Acts

- A. SR shall not during the term of this Agreement or at any time thereafter directly or indirectly engage in any of the following acts of prohibited conduct:
 1. Attempt to induce or induce other agents, managers, representatives or employees of Colonial Life to terminate their agreements with Colonial Life or to become contracted or associated with another insurer.
 2. Attempt to induce or induce Colonial Life policyholders to relinquish their Colonial Life policies.
 3. Attempt to induce or induce any organization to terminate any payroll deduction or solicitation privileges afforded Colonial Life or to cancel any Colonial Life coverage which is employer paid.
 4. Divulge the names of Colonial Life policyholders, accounts, agents, managers, representatives or employees to any competitor or potential competitor.
 5. Make available any information or materials acquired from Colonial Life to any competitor or potential competitor.
 6. Solicit or accept sales of competing products, or introduce competitors, in any account in which Colonial Life has payroll deduction or solicitation privileges or has in force Colonial Life insurance coverage which is employer paid.
- B. SR shall forever forfeit all rights to commissions, bonuses or other compensation if SR engages in any of the acts specified in Section VIII-A above or any of the acts specified in Section X-A-1, 2 or 4.
- C. Upon written approval by Colonial Life's senior sales officer or his or her authorized designee, any provisions of this section may be waived by Colonial Life if the Company determines that it is in its own best interest to do so. Examples of circumstances in which such a waiver may be granted include but are not limited to, instances in which Colonial Life and its corporate affiliates are unwilling or unable to offer particular products in a Colonial Life account, as well as instances in which a waiver would support an alliance, partnership or other business arrangement between Colonial Life and another insurer.

IX. Covenant Not To Compete

- A. It is understood and agreed between Colonial Life and SR that the covenants by SR in this section are of the essence of this Agreement. Colonial Life would not otherwise provide SR with access to methods which it has developed, at a substantial expense, for selling various plans and types of insurance, or give to SR the names and addresses of accounts and policyholders of Colonial Life in the absence of such covenants. In consideration of the covenants hereinafter set forth, Colonial Life agrees to provide SR with access to methods which it has developed on selling various plans and types of insurance, and access to names of accounts, prospects and policyholders of the Company. SR acknowledges and agrees that the utilization by SR of such information in competition with Colonial Life would be grossly unfair to Colonial Life and would result in continuing irreparable damage to Colonial Life.
- B. During the term of this Agreement and for a period of two (2) years after the termination of this Agreement, SR agrees not to, directly or indirectly, engage in any of the following:
 1. Attempt to induce or induce other agents, managers, representatives or employees of Colonial Life to terminate their agreements with Colonial Life or to become contracted or associated with another insurer.

2. Divulge the names of Colonial Life policyholders, accounts, agents, managers, representatives or employees to any competitor or potential competitor.
 3. Make available any information or materials acquired from Colonial Life to any competitor or potential competitor.
- C. During the term of this Agreement and for a period of two (2) years after the termination of this Agreement, the SR agrees not to, directly or indirectly, contact any Colonial Life insured or account with which SR had business relations during the period he or she was associated with Colonial Life for the purpose of engaging in any of the following:
1. Attempt to induce or induce any Colonial Life policyholders to relinquish their Colonial Life policies.
 2. Attempt to induce or induce any organization to terminate any payroll deduction or solicitation privileges afforded Colonial Life or to cancel any Colonial Life coverage which is employer paid.
 3. Solicit or accept sales of competing products, or introduce competitors, in any account in which Colonial Life has payroll deduction or solicitation privileges or has in force insurance coverage which is employer paid.
- D. Upon written approval by Colonial Life's senior sales officer or his or her authorized designee, any provisions of this section may be waived by Colonial Life if the Company determines that it is in its own best interest to do so. Examples of circumstances in which such a waiver may be granted include, but are not limited to, instances in which Colonial Life and its corporate affiliates are unwilling or unable to offer particular products in a Colonial Life account, as well as instances in which a waiver would support an alliance, partnership or other business arrangement between Colonial Life and another insurer.
- E. SR acknowledges and agrees Colonial Life has a valid need to protect its business by prohibiting SR from engaging in the activities described in this section. SR acknowledges and agrees that the time period and restrictions described are reasonable and necessary to protect Colonial Life's business.
- F. SR recognizes that a breach of the covenants contained in Section IX-B or C will result in irreparable injury or damage to Colonial Life. SR therefore agrees that upon the occurrence of a breach of the covenants, Colonial Life shall be entitled to an injunction to restrain the violation or anticipated violation of the covenants. If Colonial Life is required to take such legal action, the SR shall pay the cost of such action, including Colonial Life's reasonable attorney fees. The remedy provided herein shall be in addition to any other remedies at law or in equity to which Colonial Life may be entitled.

X. Termination

A. Termination for Cause

Colonial Life shall have the right to immediately terminate this Agreement for just cause, and the termination shall be considered as being for just cause if SR:

1. Wrongfully withholds any funds, policies, applications, premium receipts, vouchers, or other property belonging to Colonial Life or to an applicant for insurance.
2. Violates the insurance laws or regulations of any state in which SR transacts business.
3. Is convicted by a trial judge or jury of a crime involving any felony, or any misdemeanor involving moral turpitude.
4. Makes or allows to be made false or misleading statements on any application, claim or other document or communication submitted to Colonial Life.
5. Engages in any of the **Prohibited Acts** described in Section VIII-A.
6. Fails to comply with the terms and conditions of this Agreement.
7. Fails to achieve \$12,000 in net sales credits, or an equivalent measure prescribed by the Company, for any calendar year.
8. Engages in any other conduct which Colonial Life considers to be potentially harmful or disruptive to its business or that of its corporate affiliates.

9. Fails to meet business quality standards as from time to time established by the Company.
10. Fails to submit any new business to Colonial Life for a period of one-hundred and eighty consecutive days.

B. Termination on Loss of License

This Agreement shall automatically terminate whenever SR ceases to hold a valid license to transact business under this Agreement.

C. Termination on Death

This Agreement shall automatically terminate upon the death of the SR.

D. Elimination of SR Agreements

This Agreement may be terminated by Colonial Life at any time, without cause, provided that all other Sales Representative Agreements are also terminated at the same time.

E. Termination by SR

This Agreement may be terminated at any time by Colonial Life upon request by SR to Colonial Life's home office, or upon other evidence that SR no longer intends to represent the Company.

XI. Independent Contractor Status

A. Independent Contractor Relationship

The relationship between SR and Colonial Life is as an independent contractor. It is expressly understood and agreed between the parties to this Agreement that nothing contained in this Agreement is intended to or shall be construed to constitute Colonial Life and SR as partners or to establish the relationship of employer/employee between Colonial Life and SR. This Agreement is an independent contractor agreement and under no circumstances shall it be construed as an employee benefit plan or contract of employment. Colonial Life shall not exercise nor have the right to exercise direction or control over SR's time, when or how SR may work, or over the activities of SR or any employees of SR. Any request to the contrary should be reported in writing to a Company officer in Colonial Life's home office.

B. Treatment of SR Under Tax and Other Laws

The principal business activity contemplated by this Agreement is the transaction of insurance business other than life insurance, and thus it is not contemplated that SR shall be a "full-time life insurance salesman" as defined under applicable federal tax laws.

SR shall be treated as an independent contractor and not as an employee with respect to services performed under this Agreement for all purposes, including but not limited to:

1. For federal and state tax purposes including but not limited to state and federal income tax withholding at source, the Federal Insurance Contributions Act, the Social Security Act, and the Federal Unemployment Tax Act.
2. For purposes of all employee benefit plans including but not limited to group-term life insurance, accident and health insurance, educational assistance programs, dependent care assistance programs, and contributions to or under, or distributions under a stock bonus, pension, profit sharing, or annuity plan, or by a trust forming part of such a plan; and;
3. For purposes of workers compensation laws, the Employee Retirement Income Security Act (ERISA), federal and state labor laws, and other laws relating to employment.

C. Specific Responsibilities of SR Under Federal Tax Laws

As an independent contractor, SR has certain responsibilities under the federal tax laws. SR must report all compensation earned under this Agreement to the Internal Revenue Service on the appropriate income tax form and pay any federal income taxes due with respect to these amounts. SR must report all compensation earned under this Agreement on the appropriate self-employment tax forms and pay any self-employment (SECA) taxes with respect to these amounts. To assist SR in complying with these requirements and to fulfill his or her own obligations to the Internal Revenue Service, Colonial Life will, after the close of each calendar year, in a timely fashion, furnish SR with a statement of earnings.

XII. Miscellaneous

A. Death

If at the time of SR's death any monies are payable to SR pursuant to the terms of this Agreement, Colonial Life will, after first deducting any indebtedness to Colonial Life, pay such monies as they accrue to the estate of SR. If SR dies prior to receiving credit for the number of years of Vested Renewal Commissions for which he or she has qualified under this Agreement, SR's estate shall be entitled to receive the Vested Renewal Commissions for the remainder of the years for which SR qualified, to the same extent SR would have been entitled to receive such commissions.

B. Assignment

No assignment by SR of this Agreement or any remuneration accrued or to accrue under this Agreement will be binding on Colonial Life unless authorized in writing by Colonial Life. Colonial Life does not assume any responsibility for or guarantee the validity or sufficiency of any assignment.

C. Colonial Life's Right to Cancel Policies

Colonial Life reserves the right to reject any application for insurance and to cancel, refuse to renew, or modify, in accordance with the policy provisions, any policy issued by Colonial Life. Colonial Life further reserves the right to withdraw any policy or riders from the market at any time.

D. Waiver

Failure of Colonial Life to insist upon strict compliance with any provision of this Agreement or any policy or guideline of Colonial Life shall not constitute a waiver of such provision, policy or guideline.

E. Modification; Acknowledgment of Authority

SR understands and acknowledges that no modification or amendment of this Agreement shall be valid, nor shall any promise, representation or agreement made by any person be binding on Colonial Life, unless approved in writing by an authorized officer in Colonial Life's home office in Columbia, South Carolina.

F. Notice

Any written notice, request, instruction or document to be given under this Agreement by any party to the other may be delivered personally or sent electronically or by first class mail, with postage duly affixed, to the other party at their last known address. Electronic notice to SR from Colonial Life shall be delivered by transmission of an e-mail to SR at the e-mail address kept in Colonial Life's files.

G. Binding Effect

All terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the heirs, successors and assigns of the parties hereto.

H. Definitions

1. Code

For the purpose of this Agreement, the words "code", "coded", "coded to", "recode", "recoded", "recoding" and "coding" refer to the manner in which accounts, applications, policies, premium and members of the sales organization are assigned in Colonial Life's records.

2. Corporate Affiliate

For the purpose of this Agreement, the phrase "corporate affiliate" means the ultimate parent company of Colonial Life, and any corporate subsidiary within such parent company's holding company system other than Colonial Life.

I. Privacy

SR shall comply with all applicable federal and state laws protecting the privacy of nonpublic personal information of individuals. To the extent that the Company discloses nonpublic personal information of any individual to SR, SR agrees not to use or disclose the information other than to carry out the purposes for which the Company disclosed the information to SR.

XIII. Choice of Law

It is agreed that all questions and issues relating to the validity of or performance under this Agreement shall be governed by the laws of the State of South Carolina.

XIV. Arbitration

Except as otherwise provided in this section, every claim, controversy or dispute arising out of or related to this Agreement, or the breach thereof, which cannot be settled through negotiation shall be settled by binding arbitration administered by the American Arbitration Association (AAA) pursuant to the AAA's Commercial Arbitration Rules. A copy of said Commercial Arbitration Rules, as well as forms to demand arbitration thereunder, may be obtained from the American Arbitration Association. In the event that a party initiates a lawsuit in court concerning an arbitrable claim, controversy or dispute such party shall be liable to the other party for the costs, including attorney fees that the other party incurs to obtain an order from the court to stay or dismiss the lawsuit or otherwise compel arbitration. Arbitration hereunder must be demanded within the relevant statute of limitations applicable to the claim, controversy or dispute. The arbitrator shall be neutral, and shall be a practicing attorney experienced in insurance matters. The arbitrator shall be authorized to award such relief as is allowed by law. The award shall equally apportion between the parties all costs of the arbitration, including but not limited to, all administrative fees and the arbitrator's compensation and expenses, if any. However, except as provided elsewhere in this Agreement, each party shall be responsible for its own attorney fees incurred during the course of the arbitration, as well as the costs of any witnesses or other evidence such party produces or causes to be produced. The award of the arbitrator shall include findings of fact and conclusions of law. Such award shall be kept confidential, and shall be final, binding and conclusive on the parties. Judgment on the award may be entered by any court of competent jurisdiction. Notwithstanding the foregoing, Colonial Life may at its option elect to bring any action authorized under Section IX-F as a lawsuit in a court of competent jurisdiction, rather than demanding arbitration as provided herein, if the Company determines that immediate access to the courts is necessary to protect its business.

XV. Severability

If any one or more of the provisions contained in the sections and subsections in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

XVI. Captions

Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

XVII. Entire Agreement

This Agreement contains the complete Agreement between the parties and each party hereby warrants that there are no prior agreements or representations that are not set forth herein. This Agreement terminates any previous contracts or agreements between the undersigned and Colonial Life.

By:

Sales Representative

Authorized Officer
Colonial Life & Accident Insurance Company

Date

Printed Name

Date

Colonial Life

1200 Colonial Life Boulevard, Columbia, South Carolina 29210
coloniallife.com

Colonial Life products are underwritten by Colonial Life & Accident Insurance Company, for which Colonial Life is the marketing brand.