



**INSURING LIVES
SUPPORTING WOMEN
SERVING COMMUNITIESSM**

230 16th Street • Rock Island, IL 61201
Phone 800-627-4762 Fax 877-445-7579
agentcontract@royalneighbors.org

CONTRACT TO REPRESENT
 WITH AUTHORITY TO RECRUIT
Royal Neighbors of America

This Contract, with attachments, is entered into between You (the agent/agency) and Royal Neighbors of America, a fraternal benefit society whose Home Office is located in Rock Island, Illinois.

Agent/Agency Name *(as shown on the resident insurance license)*

A. Designation & Appointment

1. Designation

The Agent/Agency named above is herein referred to as You, Your or Agent. Royal Neighbors of America is herein referred to as the Society or It. This contract and all addendums and amendments attached are referred to as “the” or “this” contract, and are entered into between You and the Society in consideration for the mutual agreements set forth herein.

2. Appointment

Prior to requesting appointment with the Society, You will provide the Society with evidence of your license in the State(s) in which you are requesting appointment. Upon execution of this contract You are an agent of the Society for the purpose of soliciting applications for the Society’s insurance and annuity certificates in states where you are licensed and appointed to sell Royal Neighbors of America Products. In addition, if the “Authority to Recruit” box is checked above, You are granted authority to recruit and develop Agents to market the products of the Society, in accordance with the guidelines below, in any state of the United States in which the Society is duly licensed to sell insurance and annuity certificates and has filed and received approval for any product which the Society permits you to offer for sale. This contract does not grant exclusive rights in any territory or for any product. This contract is limited to the products offered by Royal Neighbors of America, shown in the Commission Addendum, attached hereto and made a part hereof by reference.

B. General Provisions

1. General

During the continuation of this contract, You agree to:

- (a) Be responsible for the prompt delivery of certificates sent to You in accordance with the Society’s rules and instructions;
- (b) Follow all Society bylaws, rules and regulations;
- (c) Solicit only in the state(s) in which You are licensed and appointed with the Society; and
- (d) Comply with all State and Federal laws, orders, rules and regulations.

2. Relationship

Nothing contained herein is intended to create the relationship of employer and employee between You and the Society, and You shall at all times be an independent contractor. You shall be free to exercise your own judgment as to the time, place and means of performing all acts hereunder, subject to the rules, regulations and instructions concerning solicitation and delivery of insurance and annuity certificates set forth by the Society or any insurance department.

3. Prompt Remittance

You shall promptly submit any applications for insurance and annuity certificates and any premiums collected by You for the benefit of the Society. Applications and premiums collected should be mailed to the Home Office, whose address is shown on the signature page of this contract. All certificates issued by the Society, must be delivered to the certificateholder within ten (10) days of Your receipt. You shall obtain a signed delivery receipt for the certificate, and return it to the Society. If the health condition of the applicant has changed since the application date, You shall promptly return the certificate to the Society and no issuance or delivery will occur.

4. Limitations

You are not authorized to waive, alter, or change any provision or condition of the Society's insurance or annuity certificates, Contract to Represent, literature (including marketing materials), or receipts; modify or extend the amount of time of any premium payment due to the Society, or receive any to the Society except the initial premium. You shall not enter into any contract, incur any expense or obligation of any kind, nor shall you bind the Society to any manner. The Society reserves the right, based upon Its sole discretion and without liability to You, to approve or disapprove any application, limit the amount of coverage issued, or charge a higher premium based upon Its evaluation of the risks.

5. Indemnification

You agree to defend, at the Society's request and through counsel acceptable to the Society, indemnify and hold the Society harmless from any claims, demands, losses, expenses, costs and damages arising or resulting directly or indirectly from (1) any breach by You of any term or condition of this contract, or (2) which are proximately caused by or related to any negligent or willful acts, errors or omissions by You or Your Employees, or (3) any violation of any law or regulation or failure to comply with any court order.

You shall not institute any legal proceedings in the Society's name. Should any claims or lawsuits be made by any third party against You or the Society as a result of alleged wrongdoings by You, then You shall hold the Society harmless from, and indemnify It for any claim, loss, expense, cost, or liability which It may incur defending the action and for any settlement of, or judgment resulting from such action. The Society may, at Its sole discretion, defend or settle any such claim.

C. Compensation, Accounting & Indebtedness

1. Compensation

- (a) You shall be paid compensation according to the terms of this contract, the Commission Addendum and any Annualization Addendum that may be attached. The Commission and / or Annualization Addendums are subject to change by the Society upon notice in writing to You or to Your IMO. However, any change shall not affect any certificates issued on applications signed prior to the effective date of the change.
- (b) Commissions shall not be owed or paid on certificates continued in force under any waiver of premium provision of any certificate, or on collected premiums that are subsequently refunded by the Society. You shall promptly repay the Society any commissions paid prior to the refund.

2. Accounting

- (a) The Society shall provide to You a statement showing compensation and deductions made within the accounting period. Each statement is deemed to be correct and accurate unless You object in writing within thirty (30) days after it has been delivered or posted for review.
- (b) If commissions due to You total less than \$50 in any pay period, then the commission payable will be deferred until accrued commissions exceed \$50. If the amount due is less than \$5.00, no compensation will be paid to You.
- (c) All accounting records maintained by You, relating to business conducted with the Society, are subject to inspection at any reasonable time by our authorized representative.

3. Indebtedness

- (a) Any compensation due under this contract may be applied to payment of any indebtedness You may have to the Society. Indebtedness includes any monetary claim the Society may have against you, including but not limited to advances paid, overpayment of commissions, reversal of commissions, indebtedness of your sub-agents which the Society has been deemed uncollectible, and other miscellaneous charges that you have authorized.
- (b) As additional security for the payment of indebtedness under this contract, the Society shall have a first and prior lien against the compensation due You under this contract. The Society may, at any time, offset any such indebtedness against compensation due You under the contract or any contract You have with the Society. If the Society does elect to offset, the offset shall not constitute an election by the Society to forego any other available remedies to collect the indebtedness.
- (c) You shall reimburse the Society and / or indemnify the Society, for any loss, including attorney's fees, that the Society may incur in recovering from You any indebtedness due the Society. Prior to rolling the debt up to You, the Society may, in its sole discretion, utilize the services of a collection agency in an effort to collect the debt owed by one of Your sub-agents. All cost incurred by the Society as well as any remaining debt which has remained uncollectable through a collection agency will be added to Your indebtedness.

D. Advertising Guidelines

You shall only use advertising or marketing material that has been created and approved in advance by the Society. Advertising includes any material which is designed to create public interest in Royal Neighbors of America, its products or agents. This includes, but is not limited to, consumer material designed to induce the public to purchase, increase, modify, retain, renew, or reinstate a certificate, as well as agent recruiting and training materials. The use of advertising or marketing materials that have not been created and approved by the Society will result in immediate “for cause” termination.

For advertisements on social media, please refer to The Society’s “Social Media” policy.

E. Term and Termination

This contract is valid for one year after the effective date, and will automatically renew for one year periods following its expiration date. If this contract is terminated “without cause”, any first year commissions, renewal commissions or override payments earned by You shall be fully vested and payable until such commission amounts are less than \$600 in any one calendar year at which point all payment due You from the Society will terminate. Servicing fees due in the eleventh (11th) and subsequent certificate years are not vested.

1. Termination “Without Cause”

- (a) At any time, either You or the Society may terminate this contract by giving fifteen (15) days written notice, sent to the last known address of the other.
- (b) If You are a partnership, this contract shall immediately terminate upon the death of any partner, unless the surviving partners shall elect by written notice to the Society, within thirty (30) days of the death of the partner, to continue this contract in force and in effect.
- (c) If You are a partnership, this contract shall immediately terminate upon the dissolution of the partnership.
- (d) If You are a corporation, this contract shall immediately terminate upon Your sale, bankruptcy or insolvency.

2. Termination “With Cause”

Without notice, this contract shall immediately terminate “with cause” if You,

- (a) commit a fraudulent, illegal or dishonest act, which adversely affects the Society, including but not limited to any misrepresentation as to the terms or provisions of an authorized certificate; any alteration, falsification or withholding of information, whether written or oral, about an applicant or prospective insured; any alteration of any application materials; withholding of any required underwriting material;
- (b) violate any insurance law, regulation, or rules of any jurisdiction in which You transact business.
- (c) Personally engage in or cause or permit agents under your control to engage in a pattern or practice of replacing, twisting or rewriting of the Society’s life certificates. Any dispute regarding this matter that cannot be resolved by the parties to this agreement will be submitted to arbitration pursuant to paragraph F. 1. of this Agreement; or
- (d) Engage in the act of giving anything of value to an applicant in exchange for the purchase of a life insurance policy or annuity (rebating).

If this contract is terminated “with cause”, You shall forfeit to the Society all right, title and interest in any compensation under this contract. Forfeiture under this paragraph shall not constitute an election by the Society to forego any and all other claims or remedies it may have against You.

F. Miscellaneous Provisions

1. Arbitration / Governing Law

Any dispute arising between You and the Society shall be governed by and construed and enforced pursuant to the laws of the state of Illinois. In consideration of the execution of this contract, You agree that any dispute arising between You and the Society regarding the terms, the applicability or the enforcement of this contract, which cannot be resolved amicably, shall be first submitted to the American Arbitration Association for binding resolution. The rules of the American Arbitration Association shall govern any dispute under this paragraph. The prevailing party shall be entitled to recovery of reasonable attorney’s fees and costs including the cost of the mediation and/or arbitration. The arbitrator shall determine the prevailing parties, the costs and the amount of the attorneys’ fees.

2. Supersede & Waiver

This contract supersedes and replaces any contract or agreement previously entered into between You and the Society on behalf of the Society with respect to any future transactions. However, any rights You and the Society have under

any previous contract are otherwise unaffected except as expressly provided in this contract. The Society's failure to enforce any provision of this contract shall not constitute a waiver of any other provision of this contract.

3. Assignment & Modification

No assignment of this contract or any compensation due shall be valid unless in writing and approved, in advance, by the Society. No modification of this contract shall be binding on the Society unless in writing and signed and approved by an authorized officer of the Society.

4. Savings Clause

If any provision of this contract shall be contrary to the laws of the particular state, county, or jurisdiction where used, such contrary provision shall not entirely invalidate this contract, and this contract shall be construed as not containing the particular provision held to be invalid in such state, county, or jurisdiction and the rights and obligations of You and the Society shall be construed and enforced in such a manner as nearly as possible to effect the intent and purposes of the contract.

5. Entire Contract

This contract and all addendums attached, which have been approved by the Society, contain the entire agreement between You and the Society. This contract shall become effective only when first executed by You and thereafter accepted by the Society.

6. Copies & Electronic Retention of this Contract

You agree that the Society may retain this contract solely as an imaged or electronic version and may destroy any original signed version of this contract; provided the imaged or electronic version accurately represents this contract including the parties' signatures. You and the Society agree that a facsimile or other electronic reproduction of this contract shall be deemed as valid as the original.

7. Privacy Act Notice

By your signature below You acknowledge you have received a copy of the Privacy Notice, attached to and made a part of this contract. You acknowledge and agree You are acting as a third party service provider to the Society, as contemplated under §503 of the Gramm-Leach-Bliley Privacy Act and are therefore bound by the stated policy of the Society regarding the release of nonpublic information derived by, or for, the Society in Its normal course and conduct of business.

8. Notice

You agree that any notice due You from the Society may be delivered by either regular or certified mail or by emailing You at email addressed provide to the Society by You on the Producer Application or that is subsequently supplied by You to the Society.

This contract becomes effective on the date it is accepted by the Society.

By: _____ Executed this _____ day of _____, _____
Your Signature
(if Corporation, authorized officer)

Accepted this _____ day of _____, _____

By: _____
Signature for Royal Neighbors of America

Printed name

Royal Neighbors of America
230 16th Street
Rock Island, IL 61201
(800) 627-4762



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES™

ANNUALIZED FINANCIAL AGREEMENT

In order to assist you in the development of business as a representative of Royal Neighbors of America, we will provide the financial arrangement described below. We may, however, terminate this financial arrangement at any time and may terminate it if a minimum of three certificates are not sold by you within any 90 day period.

For purposes of this agreement “we”, “our”, “us” or “the Society” refer to Royal Neighbors of America and “you”, “your”, “yours”, or “the agent” refer to the individual named above.

FINANCIAL ARRANGEMENT

1. We will, at our discretion, advance to you money in excess of commissions earned and payable to you. These advances will be in the form of discounted annualized first year commissions on new initially paid for life insurance sold on the Electronic Funds Transfer (EFT) mode of collection. All advances shall constitute a lien against all earnings under your contract with Royal Neighbors of America.
2. The annualized advance on initial first year commissions on Electronic Funds Transfer (EFT) business will be _____% of the anticipated first year commissions. For Universal Life policies, only commissions on target premiums will be annualized and there will be no annualization of commissions on excess premiums.
3. The annualized advance on initial first year commissions on Electronic Funds Transfer (EFT) business may be retained by us to liquidate any charge back of commissions or any debit balance that may exist.
4. Commissions on business written on all other modes of collection will be paid as earned, except that they may be retained by us to liquidate any charge back of commissions or any debit balance that may exist.
5. Commissions earned in excess of the annualized advance on a policy will also be paid as earned, but these may also be withheld to liquidate a charge back or debit balances that may exist.
6. The maximum advance on any one certificate will be \$2,000. These advances will be paid at the same frequency as your commissions.
7. Commissions on additions, increases, or reissues of certificates previously advanced will not cause recalculation of the advance. Commissions on additions and increases will be credited as earned. Likewise, no annualized advance will be paid on any conversion or exchange credit; commissions on such business will be credited as earned.
8. Annualization is not available on annuity business.
9. An Electronic Funds Transfer (EFT) on a certificate, on which an advance has been made, that is returned unhonored by the bank will result in a charge back of the unearned portion of the advance. The amount of the charge back shall be the full advance previously paid on the certificate minus all first year commissions actually earned on the certificate prior to the unhonored Electronic Funds Transfer (EFT). The charge back will be deducted from any amounts due the agent until fully repaid. It is fully understood that all payments of credits, commissions, advances or any amounts due the agent will cease until the charge back has been fully recaptured.

ANNUALIZED FINANCIAL AGREEMENT

This Financial Agreement may be terminated by the Society at any time without notice by discontinuing the payment of advances.

If this Financial Agreement is terminated, all commissions earned as of the date of termination or which may be earned in the future will be withheld and applied to any debit balance which may exist in the agent's account.

In consideration of the benefits received by you as a result of any advances made by the Society, upon termination of this Financial Agreement, your agent's contract or upon demand, you agree to repay us all sums advanced to you by the Society which may remain outstanding at the time of such termination demand. We may apply all commissions and other remuneration whatsoever due you to liquidate such indebtedness. We also retain the right to use any other method of debt collection which we deem advisable. In the event we are required to retain the services of an attorney to collect any indebtedness hereunder, you agree to pay reasonable attorney's fees plus court and other reasonable costs.

Any failure by us to insist upon strict compliance with the terms of provision of the Financing Agreement shall not be construed as a waiver unless specifically agreed to by us in writing.

You agree that you have read and understand the foregoing Financial Agreement and have freely and voluntarily executed it for the purposes and reasons stated in it. You have signed it with the intention that it shall be fully binding upon you, your heirs, executors, administrators and assigns.

No one other than our President can modify this agreement or waive any of the provisions. Any modification or waiver must be in writing and signed by such officer.

EFFECTIVE DATE

This agreement shall take effect on the date shown below when signed by all parties. This agreement shall be governed by the laws of the State of Illinois.

PRINT NAME AS IT APPEARS ON AGENT'S CONTRACT

ROYAL NEIGHBORS OF AMERICA

SIGNATURE

BY: _____

TITLE: _____

DATE

EFFECTIVE DATE OF AGREEMENT

_____ OF _____

I recommend the above agent be considered for payment of annualized commissions.

SIGNATURE OF UPLINE RECRUITER

AGENT NUMBER



PRODUCER CONTRACTING APPLICATION

I. Personal Information (authorized officer or partner if corporation or partnership)

First name _____ MI _____ Last name _____ Suffix _____ Social Security no. _____ - _____ - _____
(*Jr., III, etc.*)
 Male Female Date of birth ____/____/____ Driver's license no./State _____
National Producer Number (NPN) _____ Resident Insurance License no./State _____ / _____

II. Addresses (mailing address for all correspondence and supplies)

Send ALL mail (correspondence, commissions, supplies, etc.) to: Business Home

Business: Street _____ Apt./Suite _____ Telephone no. (____) _____
City _____ State _____ ZIP _____
Home: Street _____ Apt./Suite _____ Telephone no. (____) _____
City _____ County _____ State _____ -Zip _____
E-mail address _____ Cell phone no. _____ FAX _____

III. Corporation, LLC or Partnership Information

(If commissions are to be paid to a corporation, LLC or partnership and income reported to the Federal Tax ID no. below).

Name of Corporation, LLC or Partnership _____ Federal Tax ID no. _____ - _____
Resident Insurance License no./State _____ / _____ Resident state does not require a corporate license

IV. Insurance Licenses

I have attached a copy of the Resident Insurance License(s) shown above.
 I also wish to be appointed in the following states, and all corresponding non-resident licenses and fees for such licenses are attached.
_____, _____, _____, _____, _____, _____, _____, _____

V. Exam Ordering

Underwriting automatically orders and schedules all exam requirements. Exams are ordered within one business day of receiving an application. If you prefer to order your own exams, Royal Neighbors of America has four approved paramedical exam vendors: APPS, Portamedic, Exam One, and EMSI.
 I would like Royal Neighbors to order my paramedical exams.
 I would like to order my own paramedical exams.

VI. Background Information

Have you ever represented, or are you currently representing Royal Neighbors of America? If "YES", Producer Code # _____ YES NO
Have you ever had your insurance license or securities license suspended or revoked, or have you ever had an application for an insurance license denied or revoked by an insurance department? YES NO
Have you ever had a complaint filed against you with an insurance department or other regulatory agency? YES NO
Has any claim ever been made against you, your surety company, or errors & omissions insurer arising out of insurance sales or practices, or have you been refused surety bonding or errors & omission coverage? YES NO
Are you at present involved in any litigation or are there any unsatisfied judgments or liens (including tax liens) against you?..... YES NO
Do you currently have a pending bankruptcy or have you declared bankruptcy within the past seven years? YES NO
Have you pled guilty or nolo contendere to, or been found guilty of, a felony or a crime involving dishonesty or breach of trust? YES NO
Does any insurer, insured, or other person claim any indebtedness from you as a result of any insurance transactions or business? YES NO

LETTER OF EXPLANATION IS REQUIRED FOR ANY "YES" ANSWER(S)



Notice of Vector One Report

Royal Neighbors of America is a participant in the Vector One Program. Vector One is a cooperative service which provides member insurance companies information about agent debit account balances.

Fair Credit Reporting Act Disclosure

This notice is provided to you pursuant to 15 U.S.C.A. §1681b(b) of the Fair Credit Reporting Act. Please be advised that Royal Neighbors of America may obtain your consumer report for use in evaluating you as an applicant and prospective producer. A consumer report is any written, oral, or other communication of any information by a consumer reporting agency bearing on your credit worthiness, credit standing, credit capacity, previous employment, character, general reputation, personal characteristics, mode of living, criminal records, or education records. Information obtained from a credit reporting agency will not be used for any impermissible purpose or in violation of any federal or state equal protection law or regulation.

By your signature below, you acknowledge that you have received and understand the contents of this notice, and authorize Royal Neighbors of America to obtain your consumer report from any credit reporting agency. You further release any employer, former employer, and each other person from any and all liability of whatever nature by reason of furnishing any of the above information. You recognize that you may be the subject of an investigative consumer report and to the extent permitted by law you waive any requirements of notification with respect to this investigation. You understand that you have the right to request a complete and accurate disclosure regarding the nature and scope of any consumer investigative report prepared on you. You further authorize Royal Neighbors of America to provide any report or information obtained in connection herewith to any other insurance company with whom you request appointment.

Check here if you wish to receive a copy of your consumer report.

Certification of Taxpayer Identification Number

By my signature below and under penalties of perjury, I certify that the number(s) shown on this form is/are the correct taxpayer identification number(s), and 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 I am a U.S. person (including a U.S. resident alien).

Application for General Membership

By my signature below, I am applying for general membership in the Society, Royal Neighbors of America. I support the purposes of the Society and will comply with its laws.

VII. DIRECT DEPOSIT AUTHORIZATION AGREEMENT

I hereby authorize Royal Neighbors of America to initiate credit entries and to initiate, if necessary, debit entries and adjustments for credit entries made in error to my:

Void check or letter from banking institution is required for verification.

- Checking
- Savings account

Bank name _____ Branch _____

Mailing address _____

City _____ State _____ ZIP _____

Account number _____ Routing transit number _____

This authority is to remain in full force and effect until terminated with written notification by me.

Signature _____ Date _____

Printed name _____

Conditions and Agreements

By my signature below, I hereby acknowledge I have read a specimen copy of the proposed contract and all applicable supplements and addendums thereto to be entered into between myself and Royal Neighbors of America. I agree to be bound by all of the terms and conditions of such contract, supplements, and addendums, a personalized copy of which will be subsequently forwarded to me by Royal Neighbors of America. I agree not to solicit business until I have been notified by Royal Neighbors of America that I am authorized to do so.

I represent and warrant that all information and answers to questions are true and complete. Any marketing materials which have not been provided by Royal Neighbors of America must be approved by the Home Office prior to their use. I understand that any specimen sales brochures and material I have received are provided only for my personal examination of product provisions and rates.

I further acknowledge that I am familiar with and will adhere to the Royal Neighbors of America Agent's Code of Ethics and that I have been trained and understand Royal Neighbors of America products.

Signature _____ Date _____

Printed name _____





PRODUCER CONTRACTING CHECKLIST

Attach the following forms and supporting documents:

CONTRACTING

- Producer Application
 - Voided Check or Bank Letter
 - Documentation for Corporation or Partnership (i.e., Certified Articles of Incorporation)
- Contract to Represent (with Authority to Recruit) - Place check mark in box if allowed to recruit
- Commission Addendum
- Annualized Financial Agreement
- W9

LICENSING

- Copy of current Resident Insurance License
 - Individual license (contracting as an individual or partnership)
 - Corporate license (contracting as an agency)
 - Individual license of the Corporation's Principal (Authorized Officer who signed the Contract to Represent)

If you are requesting any Non-Resident appointments:

- Copy of current Non-Resident License(s)
- Non-Resident appointment fees for each requested appointment

ANTI-MONEY LAUNDERING (AML) TRAINING REQUIREMENT

- Certificate of Completion

Return ALL Forms to your Recruiting Agent →