MANAGING AGENCY - ADVANCE COMMISSIONS ADDENDUM

This document is an ADDENDUM to the MANAGING AGENCY CONTRACT entered between MONUMENTAL LIFE INSURANCE COMPANY, a Maryland corporation located at 2 East Chase Street, Baltimore, MD 21202 (hereinafter referred to as "Company") and the below named Managing Agency (hereinafter referred to as "Managing Agency" or "Up-Line Producer"). Other than as specifically stated in this ADDENDUM, all other provisions of the MANAGING AGENCY CONTRACT shall remain unaffected by the execution of this ADDENDUM.

It is hereby understood and agreed regarding the **payment of advance commissions** (the advance payment by Company of up to eight (8) months of first-year commissions):

1. Subject to the terms and provisions of this Addendum, and approval by Company, Up-Line Producer's advance commission period shall be set as follows (check one):

   ☐ **As Earned** ☐ **3 Months** ☐ **6 Months** ☐ **8 Months**

   Advance commission period may be changed at any time by Company or any further up-line producer with Company approval.

2. First-year commission advances will be paid to Up-Line Producer on issued and paid business on monthly bank draft only. Company retains the right to decline to pay advance commissions on any policy for which the financial risk of recovery is deemed too high. A maximum of $10,000 will be advanced on any one policy.

3. Company may, at its discretion, place a maximum on the amount of commission to be advanced on an insured, owner/payor or household.

4. Up-Line Producer will not be eligible for advance commission payments on policies covering the life of Up-Line Producer, any relative of Up-Line Producer, or any other contracted producer of Company.

5. Any unearned portion of advance commissions will be deducted from the next advance(s) and/or any earned first-year or renewal commission due to any policy termination. At Company's discretion, any indebtedness due to any policy termination will require Up-Line Producer to immediately remit payment in full in order to clear such indebtedness.

6. Up-Line Producer shall become indebted to Company through his or her receipt of commission advances under this Addendum and the terms of any applicable Commission Schedule Addendum. Company will retain a first priority security interest and right of offset against any commission payable to Up-Line Producer.

7. In the event this Addendum and/or the Managing Agency Contract is terminated for any reason, Company may retain all first-year and renewal commissions in order to offset any future losses. The security interest created hereunder, and Up-Line Producer's obligation to repay any indebtedness, shall survive the termination of this Addendum and/or the Managing Agency Contract.

8. Upon termination of this Addendum, Company shall retain the right to charge a ten percent (10%) annual effective rate of interest on any indebtedness. Thereafter, Company reserves the right to set a new rate which will not exceed an annual effective rate of one and one-half percent (1½%) per month, or the maximum legal rate under applicable Maryland and federal law, upon ten (10) days notice to Up-Line Producer.

9. This Addendum supersedes and replaces any Advance Commissions Addendum previously entered into between Up-Line Producer and Company.

MANAGING AGENCY/UP-LINE PRODUCER
I understand and agree to the terms of this Addendum.

_____ _____
Name of Managing Agency/Up-Line Producer Signature

_____ _____ _____
Company Name (if not an individual) Date Agent ID#

AUTHORIZING MANAGING AGENCY
I recommend that Company advance commissions to the named Managing Agency/Up-Line Producer according to the terms of this Addendum. I acknowledge my responsibilities and obligations with regard to such Managing Agency/Up-Line Producer as set forth herein, at Paragraph 6 of my Managing Agency Contract and within the most current Commission Schedule Addendum.

_____ _____
Name of Authorizing Managing Agency Signature

_____ _____
Company Name (if not an individual) Date

MONUMENTAL LIFE INSURANCE CO.
As an authorized Company representative, I hereby approve this Addendum.

_____ _____
Company's Authorized Representative Date