

**GENERAL AGENT CONTRACT  
AND SCHEDULE OF COMMISSION**

This contract effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, is by and between NATIONAL WESTERN LIFE INSURANCE COMPANY, Austin, Texas, and \_\_\_\_\_, General Agent. In this contract the General Agent will be referred to as "you" or "your" and National Western Life Insurance Company will be referred to as "NWL<sup>®</sup>," "us," "we," or "our." It is agreed by the parties as follows:

**1. PRIOR CONTRACT.** The execution of this contract terminates and renders void all prior agency contracts for life insurance (not annuities) made between you and us, except that it shall not be construed to affect or impair (a) any claim by you against us for compensation provided for in such contracts on business heretofore written and (b) any debts, claims, or liens of any kind, whether for money or otherwise, by us against you under any such contract.

**2. INDEPENDENT CONTRACTOR.** You are an independent contractor and nothing in this contract shall be construed to create the relationship of principal and agent or master and servant or employer and employee.

**3. APPOINTMENT.** We appoint you personally and through your agents to procure applications for life insurance contracts as are issued by us subject to our Ratebook and our Rules and Regulations. You and your agents agree to abide by our Rules and Regulations now or hereinafter in force, which Rules and Regulations shall constitute a part of this contract.

**4. AGENTS.** Your agents include: (a) agents and brokers assigned to you by us and (b) agents and brokers appointed by you and subject to the terms of this contract, provided you maintain a valid license and appointment as our agent in each state in which you appoint any such agents. Each agent whom you appoint must execute a written contract directly with us, and such contract shall be effective only when also executed by us. You have no authority to modify or amend any part of such contract. Although we may be required to appoint a person on our behalf in a particular state, such appointment shall not affect the fact that he/she is actually your agent.

We reserve the following rights at our discretion without liability to you: (a) to refuse to contract with any proposed agent and (b) to terminate the contract of any of your agents with or without cause.

**5. TERRITORY.** You are authorized to do business under the conditions of this contract in any territory in which we are authorized to do business provided you are properly licensed in such territory. No territory is exclusively assigned. We reserve the right to withdraw from all or any portion of any territory at our discretion without liability to you.

**6. AUTHORITY.** Your right, power, or authority on our behalf shall exist only as expressly stated in this contract. No right, power, or authority shall be implied either from the grant or denial of powers specifically mentioned herein or the failure to mention any right or power herein.

You agree that you and your agents are without authority to do or perform and expressly agree not to do or perform the following acts on our behalf: (a) incur any indebtedness or liability; (b) make, alter, or discharge contracts; (c) waive forfeitures; (d) quote rates other than as quoted by us; (e) extend the time for payment of any premium; (f) waive payment in cash; (g) guarantee dividends; (h) deliver any policy more than thirty (30) days after issuance by us; or (i) deliver any policy unless the applicant is in the health described in the application and in good health.

Further, you agree that you and your agents shall not: (j) violate the insurance laws of any state in which you may be soliciting applications for insurance; (k) withhold any of our, the policyholder's, prospective policyholder's, or applicant's monies or property; (l) rebate or offer to rebate all or any part of a premium on our insurance policies or annuities; (m) induce or attempt to induce any of our policyholders to discontinue payment of premiums or to relinquish any insurance policy or annuity; (n) induce or attempt to induce any of our agents or brokers to leave our service; (o) perpetrate any fraud against us, our policyholders, prospective policyholders, or applicants; or (p) violate our Rules and Regulations which are incorporated herein. In the event unauthorized act (j), (k), (l), (m), (n), (o), or (p) shall occur, whether before or after termination of this contract, our obligation to pay commissions and any other compensation under this contract and any other contract with you shall cease and terminate immediately, it being agreed that our actual damages resulting from such violations will be difficult to calculate or measure.

**7. MONIES AND SECURITIES.** All monies or securities collected, received, or which otherwise come into your control or the control of your agents, which belong to us, our policyholders, prospective policyholders, or applicants shall be securely held in a fiduciary trust, and shall not be used for any personal or other purposes whatsoever, but shall be immediately paid over to us. You guarantee the payment to us of all monies or securities intended for or owing to us, our policyholders, prospective policyholders, or applicants that are collected, received, or otherwise come into the control of you or your agents.

**8. COMMISSIONS.** You shall be paid commissions on premiums paid to and received by us, as set out in the Schedule of Commission accompanying and forming a part of this contract. The Company may, at any time, terminate or amend any Schedule of Commission, or issue a new Schedule of Commission. Any new or amended Schedule of Commission will be subject to the terms and conditions of this contract, and will apply only to policies for which applications are written on or after the effective date of said new or amended Schedule of Commission. The Company will make available to you any new or amended Schedule of Commission by posting it on your agent website.

Your commissions shall be reduced by the amount of any commissions to which your agents are entitled whether we pay such commissions to the agents or to third parties. Commissions shall be payable hereunder only in accordance with our Rules and Regulations and shall not be allowed on premiums waived or commuted by reason of death, disability, or exercise of policy options. Commissions that become payable shall be paid to you, your executors, administrators, or assigns; however, neither this contract nor any benefits to accrue hereunder shall be assigned nor transferred, either in whole or in part, without our written consent. We agree to

pay to you the commissions that your agents would have received from us under their contracts except for their failure to satisfy the terms of their contracts. In no event will you be entitled to receive commissions that revert to you from your terminated agents in excess of the amount such terminated agents would have received under the vesting provisions of their contracts.

**9. JOINT COMMISSIONS.** In case any agent or any other person acting for us shall secure an application for insurance jointly with you, the credit for such business shall be equally divided (unless otherwise shown on the application) among those whose names appear on the application, and you shall be paid commissions on your share of the business only.

**10. DISPUTED COMMISSIONS.** In all cases where your claim to commissions is disputed for any reason, we shall have the right to decide and settle the dispute, and our decision shall be binding and conclusive.

**11. FIRST YEAR AND RENEWAL COMMISSIONS.** First year and renewal commissions are subject to the following modifications: (a) no commissions shall be paid on premiums for short term insurance or flat extra premiums (substandard); (b) first year commissions on policies with a face amount less than \$2,500 will be reduced by five percent (5%), except where the annualized premiums exceed \$120; (c) commissions shall not be paid on policies reinstated unless such reinstatement was accomplished by you; (d) (i) commissions on policy forms or riders not shown in the "Schedule of Commission," (ii) commissions for conversion of term policies or changes from one form of insurance to another (whether issued originally by this or a prior or predecessor company), or (iii) commissions for the rewriting or replacement of policies (whether issued originally by this or a prior or predecessor company), are not covered by this contract but may be quoted upon request to us and may be changed from time to time or eliminated by us in our sole discretion; and (e) if a policy is reinsured, we may modify the rate of first year and renewal commissions and the period for which renewals will be paid.

**12. STATEMENT OF ACCOUNT.** We will furnish you a copy of your commission account once a month, provided transactions occur in your account during the month. Unless you notify us in writing within sixty (60) days of the issue date of each statement of any differences between such statement and your account, you shall have waived the right to contest the accuracy, correctness, and basis of the statement. Such statement shall be competent and conclusive evidence of the status of your account.

**13. TERMINATION.** Either party may terminate this contract by giving the other party fifteen (15) days' written notice to such party's last known address. This contract shall terminate immediately in the event of (a) your death, (b) your becoming totally or permanently disabled (as determined by us), (c) your breach of any provision of this contract, or (d) our withdrawal from the territories where you are licensed. Such termination shall not impair your right to receive commissions on policies previously procured except as provided in this contract. After termination of this contract, all debts hereunder are due and payable immediately without further notice or demand.

In addition, if we terminate this contract because of your breach of any provision of this contract, such termination will be a termination for cause.

**14. COMMISSIONS AFTER TERMINATION.** After termination of this contract you shall not be entitled to receive commissions hereunder unless all debts are fully repaid by you to us within thirty (30) days from the date such debts are due. Commissions payable hereunder after the termination of this contract shall be payable only so long as such commissions exceed \$300. If such commissions are less than \$300 during any calendar year, no further commissions will be paid to you after the end of the calendar year.

**15. RESERVATIONS.** We reserve the following rights at our discretion without liability to you: (a) to change commissions on any policy form or rider upon furnishing notice to you, but such change shall not affect applications received by us prior to such notice, (b) to withdraw any policy forms, (c) to change our premium rates, (d) to reject applications for insurance without specifying cause, and (e) to adopt rules and practices from time to time relating to any matter not otherwise covered in this contract.

**16. ADVERTISING.** You and your agents shall not issue or authorize any advertisement, circular, news release, or other communication using our name or our product names (whether written, oral, audio, or visual) without prior written approval by us.

**17. LEGAL ACTION AND INDEMNITY.** You agree to defend, indemnify, and hold harmless NWL<sup>®</sup>, its directors, employees, officers, shareholders, parents, subsidiaries, affiliated companies, predecessors, successors, assigns, agents, servants, and all others associated with its interests (collectively referred to in this paragraph as "COMPANY"), for any claim, lawsuit, regulatory, administrative, or legal action or proceeding brought against COMPANY arising from or relating to your activity or status as an agent for NWL<sup>®</sup>. You agree that your defense obligation under this paragraph includes your agreement to pay for all expenses of any regulatory, administrative, or legal action, or any combination thereof, initiated by or against us and arising from or relating to your status as an agent for NWL<sup>®</sup>. **YOU AGREE THAT YOUR DUTY TO DEFEND AND INDEMNIFY COMPANY IS WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF, INCLUDING, IN WHOLE OR IN PART, PREEXISTING CONDITIONS, STRICT LIABILITY, REGULATORY LIABILITY, STATUTORY LIABILITY, BREACH OF WARRANTY (EXPRESS OR IMPLIED), ANY THEORY OF TORT, ANY THEORY OF BREACH OF CONTRACT, ANY THEORY OF DECEPTIVE TRADE PRACTICES, ANY AGENCY THEORY, OR ANY THEORY OF NEGLIGENCE OF ANY PARTY, INCLUDING THE NEGLIGENCE OF COMPANY AND/OR YOUR NEGLIGENCE, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR MALICE RELATING TO YOUR ACTIVITY OR STATUS AS AN AGENT FOR NWL<sup>®</sup>.** You further agree that all expenses of COMPANY'S defense will be borne by you, but that COMPANY will have the right to choose its own counsel and direct its own defense at your expense. You agree not to institute any regulatory, administrative, or legal proceeding on our behalf without our written approval. You further agree that this defense and indemnity agreement complies with Texas law, and that you will never contend that this agreement does not satisfy Texas law concerning indemnity agreements. You further agree that this defense and indemnity agreement shall be construed under the laws of the state of Texas. Notwithstanding anything to the contrary in this paragraph, COMPANY shall not demand from you any amount that may be recovered against COMPANY in any action, and any attorney's fees and other expenses that may have been paid by COMPANY therein, in any case where COMPANY determines you were not at fault and should not be held responsible.

**18. FUNDS AND SUPPLIES.** All books, documents, vouchers, receipts, lists, notices, or other papers of any kind used by you in any transaction involving us and any other personal property furnished by us shall remain our property, shall be open to inspection by us at

all times, and shall be returned to us at termination of this contract. All uncollected premium receipts and undelivered policies sent to you for delivery and collection shall be promptly returned to us.

**19. REIMBURSEMENT.** You agree to pay directly or reimburse us for the following expenses: (a) all agent taxes, municipal license fees, and local and state taxes for the territory covered by this contract, (b) all charges provided in our Rules and Regulations, including charges for not taken policies, for applications not completed, for policies reissued for a reduced amount, or a change in dating or a change of plan, and (c) the premium for an indemnity bond in a satisfactory amount to secure your fidelity and faithful performance under this contract, if such bond is requested by us.

**20. ADVANCEMENTS, COMMISSION FORFEITURE, AND DEBTS.** Any sums that may be advanced to you or your agents by reason of our practice to advance against future commission earnings or for any other reason shall be and become a debt from you to us, due and payable on demand. You shall also be liable for any claims we may have against you or your agents, or both, and such claims shall be considered a debt payable on demand. All debts shall bear interest at the highest rate permitted by law. We shall have a first lien on all compensation payable hereunder or any supplement or amendment hereto for any debt due us from you, and we may at any time deduct from any monies due you under this contract, or from any other source, any debts due from you to us. We have the right to demand that any debts be paid by you at any time. In the event we shall, either during the continuance of this agreement or after its termination, refund premiums under any policy for any reason, you shall forfeit all right to compensation on said policy and immediately repay us on demand the amount of commissions received on the premiums so refunded. You agree to pay any collection fees that we may incur in collecting all debts due from you to us, including reasonable attorney's fees and court costs.

**21. NON-WAIVER.** Forbearance or negligence by us to insist upon compliance by you with the terms and provisions in this contract shall not be construed as or constitute a waiver thereof.

**22. CONSTRUCTION, MODIFICATION, AND VENUE.** This contract shall be governed by and construed in accordance with the laws of the state of Texas. All parties agree that any possible ambiguity found in the terms, provisions, and/or construction of this contract shall not be construed against the drafter of this contract. All agreements between the parties are contained in this contract, and no modification of this contract shall be binding on either party unless made in writing in accordance with our policy. Any suit arising out of this contract shall be instituted in Travis County, Texas and tried under Texas law. Unless otherwise provided, all matters to be performed under this contract shall be performable at our offices in Austin, Texas. Any amount due to either party under this contract shall be payable at our offices in Austin, Texas.

**23. SEVERABILITY AND SURVIVAL.** In the event that any court of competent jurisdiction shall hold any provision or clause of this contract to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The terms and provisions of Sections 7, 14, 17, 20, 21, 22, and 23 shall survive the termination or expiration of this Contract.

**EXECUTED** as of the date first written above.

Acknowledged, Accepted, and Agreed to:

**NATIONAL WESTERN LIFE INSURANCE COMPANY**

★ \_\_\_\_\_  
GENERAL AGENT

By: \_\_\_\_\_

If signing on behalf of a corporation or partnership, please type or print the name of the entity and your title:

★ \_\_\_\_\_  
GENERAL AGENT                      NWL® AGENT NUMBER

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