

Although some items of compensation are fully earned when credited by the Company to the Agent's account, others only become so at the end of a premium payment period of up to nine (9) months. Consequently, the Company offers the Agent a compensation system based on advances that become refundable to the Company in case of early policy or premium termination.

It is important to note and it shall be agreed that an advance constitutes a debt from the Agent to the Company and is unconditionally payable to the Company on demand. Upon lapse or termination of a policy for which unearned commissions have been paid, the Company has the right to charge the Agent an amount equal to the outstanding unearned commission.

a) Calculation of Commission Advances.

The advance on a fixed premium contract is determined by multiplying the first year premium of the policy according to the annual mode of payment times the advance percentage times the commission percentage defined in the Commission Schedule.

The advance on a flexible premium product is determined by multiplying the planned annual first year premium expected to the next policy anniversary (to a maximum of the Target premium) times the advance percentage times the commission percentage defined in the Commission Schedule.

The advance percentage is the percentage of annual premium against which the first year commission rate from the Commission Schedule will be multiplied to determine the amount of advance to credit the Agent's account.

The Company will credit the Agent's account with a first year commission advance when a new life insurance or annuity contract comes into force. "Comes into force" means when the policy has been activated with premium.

b) Limitations.

The Company does not advance commissions on insurance or annuity contracts when the frequency of premium payment is Quarterly, Semi-Annual or Annual.

The Company does not advance commissions on excess, unscheduled or renewal premiums.

The Company does not advance commissions on insurance or annuity contracts when the owner of the policy contract or the insured is an immediate family member or a business partner of the Agent.

The advance allowed the Agent on any individual policy or group of related insurance or annuity contracts shall not exceed the Company rules then in force.

The advance exposure allowed the Agent shall be subject to the Company rules then in force. Exposure is the total of all advances credited to the Agent's account on insurance and annuity contracts less earned commission on paid premiums for the same contracts.

An advance shall first be applied to any financial obligation due by the Agent to the Company.

The Company reserves the right to charge a fee for the convenience of offering advanced commissions.

The Company has the right to stop offering advanced commissions at any time.

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Notwithstanding the above, it is understood and agreed that the decision to advance commissions is solely at the discretion of the Company, and nothing herein derogates from the right of the Company, in its sole discretion, to withhold any advance if it is of the view that the advance or advances would not be in its best interest or that of its stakeholders.

This Advances Addendum will be attached to and made a part of the Agent Contract dated _____ between IA American Life Insurance and the agent listed below.

The advance percentage shall be ___ 50% or ___ 75%.

IA AMERICAN LIFE INSURANCE COMPANY

AGENT

By Marv Reber

Print Name of Individual or Organization

Director, Underwriting & New Business
Title _____

Print Name and Title of Signor if Organization

Signature

Signature

Date

Date

**NEXT AGENT ABOVE IN HIERARCHY
(If not Managing General Agent)**

MANAGING GENERAL AGENT

Print Name and Title of Signor

Print Name and Title of Signor

Signature

Signature

Date

Date

Facsimile and scanned signatures are to be considered as valid as originals.