



American General Life Insurance Company

A member of American International Group, Inc. (AIG)

This Supplement is made, entered into, and effective the date hereinafter specified by and between American General Life Insurance Company, a Texas-domiciled, stock life insurance company (hereinafter called the Company) and the Agent signing this agreement (hereinafter called the Agent), and the Agency signing this agreement (hereinafter called the Agency).

It is agreed by and between the parties as follows:

1. This Supplement shall be an endorsement to the Appointment Application and Agency Agreement entered into between the Agent, Agency and the Company.
2. This Supplement supersedes and cancels all previous annualization agreements and/or supplemental agreements.
3. Subject to the limitations outlined in Paragraph No. 6, the Company will prepay up to seventy-five percent (75%) of first year commissions due on life policies, with the exception of Universal Life policies, issued after the effective date of this Supplement. Annualization on Universal Life policies is limited to seventy-five (75%) of the annualized plan premium collected, but will in no event exceed seventy-five percent (75%) of target premium. The remainder of the first year commission will be paid on an as-earned basis upon receipt of the tenth month premium.
4. Excluding any replacement contracts, Annualization of first year commissions (hereinafter "Annualization") is available on individual life insurance, single premium life insurance, controlled business (all family members and business partners) and additional deposits received in conjunction with the sale of individual life insurance policies (hereinafter called "New Business"), payable on premiums paid under a monthly/quarterly preauthorized check plan. All advances will be made upon full payment of the first modal premium.
5. List Bill premiums are not eligible for Annualization.
6. Annualization payment is limited to \$5,000 per New Business policy, up to a monthly maximum of \$25,000 per Agent, and the total unearned balance paid under the Supplement shall not exceed \$50,000 per Agent at any time.
7. It is understood that any prepayment of monies or commissions advanced by Annualization shall create indebtedness by the Agent to the Company. If payment in full is demanded, or if a repayment schedule is implemented under any provision above, the Agent agrees to pay interest on the unpaid balance of the advance at a rate of two percent (2%) annually, calculated from the date the funds were originally advanced to the date the balance is repaid, provided repayment shall not exceed duration of twelve (12) months, with a minimum repayment of \$250 per month.
 - (A) It is understood that any unearned advance balance will be charged back at 100% if the policy lapses or is surrendered within the first 12 months of the contract issue date. Repayment will be expected immediately.
8. If repayment is not made as provided in Paragraph No. 7 of this Supplement, the Agent acknowledges that the Company can accelerate the debt owed without notice and authorizes an attorney, selected at the Company's discretion, to appear before any court of record in the United States, which has subject matter and personal jurisdiction over this matter, and confess judgment against said Agent in favor of the Company for the unpaid balance due under this Supplement and the underlying Agency Agreement, including interest, costs and attorney's fees.
9. The Agent specifically recognizes that the confession of judgment provision in the Paragraph No. 8 of this Supplement will constitute an assignment against his personal assets and earnings from any source whatsoever.
10. The Company shall have the right, with or without cause, to terminate this Supplement at any time by written notice to the last known address of the Agent. Should this Supplement or the Agreement to which it is endorsed be cancelled, and then an amount equal to any and all unearned prepaid commissions will be immediately, and on demand, payable to the Company.

11. Only policies paid after the date of Home Office approval of this Supplement are eligible for Annualization payments.
12. The Agent, by this Supplement, agrees that the Company shall have first lien on the Agent's commission account and that the Company has prior right of offset to the extent of any and all unearned prepaid commissions.
13. The Company retains the right to modify this Supplement and its procedures from time to time, by written or electronic notice to the Agent. Both the Agent and the undersigned Agency agree to comply with the modifications.
14. Termination of this Supplement does not of itself terminate the Agreement to which it supplements. However, termination of the Agreement terminates this Supplement and notice is specifically not required, provided that Paragraph Nos. 8 and 9 of this Supplement shall survive such termination of this Supplement.
15. Policies for which the Company receives insufficient premium payment and reissued policies are not eligible for annualization and any commissions will be credited on an earned basis.
16. This Supplement shall not be effective until it is approved, signed and dated by the Company.
17. Forbearance or failure of the Company to insist upon performance of this supplement or to enforce its rights hereunder, shall not constitute a waiver of its rights or privileges hereunder or of its subsequent right to insist upon such performance.
18. This Supplement shall be governed by and construed in accordance with the laws of the State of Texas.

Agent

_____ Code # _____
 Print name of Agent Signature of Agent

Agency

The Agency agrees to assume any and all responsibility for its request to place Agent on this Supplement, including all financial responsibility with respect to any annualization repayment pursuant to Paragraph No. 7 of this Supplement which is not made by the Agent. To the extent that this Supplement conflicts with any provision of the Agency Agreement with the Company, this Supplement is intended to supersede or replace those terms and obligations.

_____ Code # _____
 Print name of Agency Signature of Agency

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Effective Date _____

Authorized Signature _____