

**TRANSAMERICA FAMILY  
MARKET**



**New Agent Name:** \_\_\_\_\_

**States to be appointed in:** \_\_\_\_\_

**Anti-Money Laundering (AML) Training Requirements:**

**AML training was completed through LIMRA on:**      \_\_\_\_/\_\_\_\_/\_\_\_\_

**AML training was completed through an independent program on:**      \_\_\_\_/\_\_\_\_/\_\_\_\_

*(Certificate Attached)*

**AUTHORIZATION FOR RELEASE OF INFORMATION**

I hereby authorize Oak Tree Financial, Inc. to obtain a consumer report or investigative consumer report about me. I further authorize any employer, insurance company, general or managing agent, school, financial institution, consumer reporting agency, criminal justice agency, regulatory authority or individual having information about myself- including without limitation information regarding my past and present employment, academic record, record of arrest, conviction and regulatory sanctions, credit worthiness, credit standing, credit capacity, character, general reputation, person characteristics and mode of living – to release such information to Oak Tree Financial, Inc. or any consumer reporting agency that is preparing a consumer report of investigative consumer report about myself for Oak Tree Financial, Inc.

I HAVE READ AND UNDERSTAND THE REPORTING AND DISCLOSURE AUTHORIZATION FOR RELEASE OF INFORMATION SET FORTH ABOVE.

I AUTHORIZE THE RELEASE OF INFORMATION ACCORDING TO THE TERMS OF THE AUTHORIZATION FOR RELEASE OF INFORMATION SET FORTH ABOVE.

Signature of Agent: \_\_\_\_\_ Date: \_\_\_\_\_

**Appointment Requirements:**

- \_\_\_\_\_ Complete Application for Appointment
- \_\_\_\_\_ Read and Sign Appointment Agreement
- \_\_\_\_\_ Read and Sign Promissory Note
- \_\_\_\_\_ Read and Sign Fair Credit Disclosure
- \_\_\_\_\_ **REQUIRED:** Complete EFT form and attached a voided check copy
- \_\_\_\_\_ **REQUIRED:** Attach current copy of Resident State Life License

**Pre-Appointment States: LA, KS, MT, NM and PA**

***Please return to:***

***OAKTREE Brokerage***

***4227 Lafayette Center Drive, Ste. A***

***Chantilly, VA 20151***

***Ph.: 800-842-9124***

***Fax: 800-586-7905***

***www.oaktreus.com***

## Commitment to Quality of Business

I understand that Transamerica Family Markets has made certain assumptions pertaining to the quality of business that is submitted to the insurance company for underwriting. These assumptions, including but not limited to the ratio of submitted applications to the placed applications, all factor in to the company's ability to price products. It is my role as a field underwriter to make sure that applicants submitted to the company are pre-qualified and that I place at least 70% of the applicants that are submitted to the company. I understand that failure to maintain a 70% placement ratio may result in the termination of my appointment with the company.

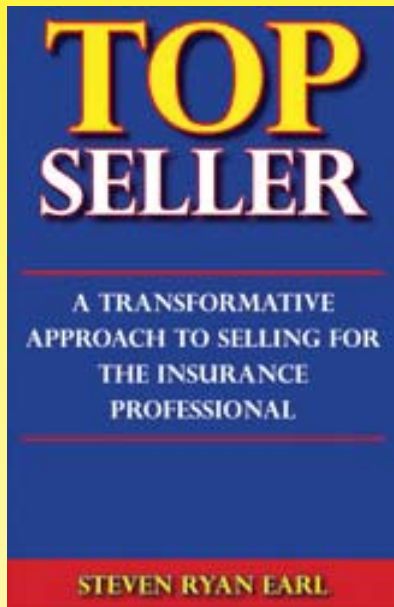
\_\_\_\_\_

Agent Signature

\_\_\_\_/\_\_\_\_/\_\_\_\_

Date

Get your **FREE** copy of the *TOP SELLER* book by sending us your contracting packet today!



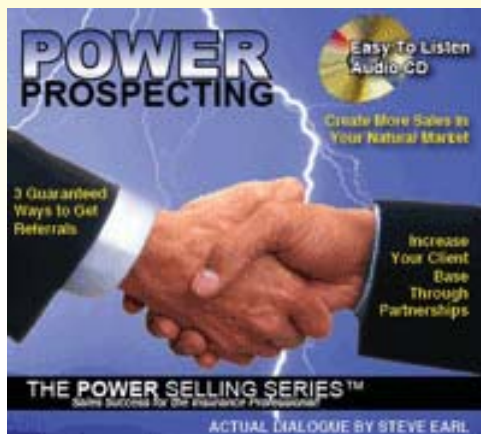
This book is the unequivocal guide for the insurance professionals who want to take their sales to the next level. Steven Earl, creator of The Power Selling Series, leads you on a path of sales discovery, with his unique perspective on the sales process. Top Seller will transform your selling into an unlimited sales business by showing you how to:

- **Develop your "You Product"**
- **Prospect with guaranteed referral systems**
- **Create money-making sales partnerships**
- **Develop unlimited sales leads**
- **Avoid the pitfalls every insurance agent makes**

## THE POWER SELLING SERIES™

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Brokerage **OAKTREE** Call us today for more information!  
**800-842-9124**  
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## INSTRUCTIONS

### THIS BOOKLET INCLUDES

- Application for Appointment Agreement
- Appointment Agreement
- Promissory Note, Guaranty and Security Agreement
- Assignment of Commissions
- Fair Credit Reporting Act Disclosure

### HOW TO COMPLETE

#### Application for Appointment Agreement

1. If you are applying as a *Natural Person*, DO complete the “Applicant is a Natural Person” section, but DO NOT complete the “Applicant is a Business Entity” section.
2. If you are applying as a *Business Entity*, DO complete the “Applicant is a Natural Person” section, and the “Applicant is a Business Entity” section. *You cannot apply as a Business Entity unless the Business Entity is licensed as an insurance agent in all states where agents associated with the Business Entity expect to sell.*
3. DO provide ALL other information requested by the Application for Appointment Agreement.

### HOW TO SIGN

#### Appointment Agreement Promissory Note, Guaranty and Security Agreement Assignment of Commissions

1. READ all of the agreements.
2. SIGN the Appointment Agreement and Promissory Note, Guaranty and Security Agreement.
3. SIGN the Assignment of Commissions ONLY IF you want to irrevocably assign commissions. Have your assignee SIGN the Assignment of Commissions.
4. For each agreement, provide the DATE on which each person signs.
5. If you or your assignee is a business entity, the person who signs MUST BE AUTHORIZED to sign for that business entity.
6. PRINT the name of the person who signs beneath that person’s signature, UNLESS the person signs for a business entity. *If the person signs for a business entity, PRINT the FULL LEGAL NAME of the business entity beneath the person’s signature.*

### DID YOU SUBMIT:

- For states where you want to be appointed, submit:
  - Resident and Non-Resident state LICENSING FORMS, if you are *Not* already licensed there
  - Resident and Non-Resident state LICENSES, if you *Are* already licensed there
  - CHECK made payable to Transamerica Life Insurance Company, to pay Non-Resident state appointment fees.
- Submit Errors and Omissions Insurance, submit a CERTIFICATE OF COVERAGE.
- Submit a SIGNED EXPLANATION of any “yes” answers you give to the questions in the “Other Information” section of the Application for Appointment Agreement.
- Submit the COMPLETED Application for Appointment Agreement, SIGNED Appointment Agreement, SIGNED Promissory Note, Guaranty and Security Agreement.
- Submit the SIGNED Assignment of Commissions ONLY IF you want to assign your commissions.
- Submit the SIGNED Fair Credit Reporting Act Disclosure and Authorization for Release of Information.

**Please retain a copy of this Agreement for your records.**

## APPLICATION FOR APPOINTMENT AGREEMENT

### APPLICANT IS NATURAL PERSON

Name: Last		First		Middle	Social Security Number
Home Address: Street		City		State	Zip
Home Phone: (Area Code)Number		Home Fax: (Area Code)Number		Home E-mail	
Date of Birth	Place of Birth (optional)		Spouse Name	How long in community?	
Business Address (Mailing): Street		City		State	Zip
Business Phone: (Area Code)Number		Business Fax: (Area Code)Number		Business E-mail	

### APPLICANT IS BUSINESS ENTITY

Full Legal Name of Entity			Taxpayer Identification Number		
Business Address (Mailing): Street			City		State Zip
Business Phone: (Area Code)Number		Business Fax: (Area Code)Number		Business E-mail	
State where Entity organized		Date Entity organized		How long doing business in community?	

### LICENSING DATA: You must be licensed and appointed in each state where you expect to earn commissions.

You want to be appointed in which Resident State?	What licenses do you have there?
	<input type="checkbox"/> Life <input type="checkbox"/> Health <input type="checkbox"/> Variable
You want to be appointed in which Non-Resident States? _____	<input type="checkbox"/> Life <input type="checkbox"/> Health <input type="checkbox"/> Variable
	<input type="checkbox"/> Life <input type="checkbox"/> Health <input type="checkbox"/> Variable
	<input type="checkbox"/> Life <input type="checkbox"/> Health <input type="checkbox"/> Variable

### INSURANCE BACKGROUND

Number years in insurance: _____	Number years qualified for MDRT: _____	Current member of NALU? <input type="checkbox"/> Yes <input type="checkbox"/> No
Other insurance companies you currently represent: _____		
Have you previously represented a Member of the AEGON Companies? _____		<input type="checkbox"/> Yes <input type="checkbox"/> No
Company(s): _____		Agent Number(s): _____

### APPLICANT WILL REPORT TO

Name: _____	Agent Number: _____	Bus. Phone: (Area Code)Number _____
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### COMMISSION % OR RANK, PAY PLAN, AND BANK INFORMATION FOR EFT (Electronic Funds Transfer)

Commission Level or Rank: _____	Financial Institution _____
_____ Earned only	Bank Account Number _____ Transit Number _____
_____ % placed advance (max 75%)	_____ Checking    _____ Savings

**COPY OF VOID CHECK REQUIRED**

## THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994

The Violent Crime Control and Law Enforcement Act of 1994 (the "1994 Crime Act") makes it a federal crime to: (1) knowingly make false material statements in financial reports submitted to insurance regulators; (2) embezzle or misappropriate monies or funds of an insurance company; (3) make material false entries in the records of an insurance company in an effort to deceive officials of the company or regulators regarding the financial condition of the company; or (4) obstruct an investigation by an insurance regulator. THE 1994 CRIME ACT ALSO MAKES IT A FEDERAL CRIME FOR INDIVIDUALS WHO HAVE BEEN CONVICTED OF A FELONY INVOLVING DISHONESTY, BREACH OF TRUST, OR ANY OF THE OFFENSES LISTED ABOVE TO WILLFULLY PARTICIPATE IN THE BUSINESS OF INSURANCE. WILLFULLY PARTICIPATING IN THE BUSINESS OF INSURANCE INCLUDES ACTING AS AN INSURANCE AGENT. Penalties for violating the 1994 Crime Act include civil fines up to \$50,000 and imprisonment for up to 15 years.

Will you be in violation of the 1994 Crime Act if you act as an insurance agent?  Yes  No

### OTHER INFORMATION: In this section, "you" means yourself and any business in which you are or were an owner, partner, director, officer or manager.

1. Are there any criminal proceedings currently pending against you for any felony or misdemeanor other than a minor traffic violation?  Yes  No
2. Have you ever been arrested, convicted of, pled guilty, nolo contendere or no contest to, or received a deferred or suspended judgment or sentence for, any felony or misdemeanor other than a minor traffic violation?  Yes  No
3. Has a complaint against you involving insurance or securities ever been filed with any legal authority, insurance regulator, the NASD/FINRA or SEC?  Yes  No
4. Are you currently being investigated, or have you ever been investigated, by any legal authority, insurance regulator, the NASD/FINRA or SEC regarding any matter involving insurance or securities?  Yes  No
5. Has any legal authority, insurance regulator, the NASD/FINRA or SEC ever suspended or revoked your insurance license or securities registration or taken other disciplinary action against you regarding any matter involving insurance or securities?  Yes  No
6. Have you ever been discharged or requested to resign from any employment, or have you ever been barred or suspended from any employment by any legal authority, insurance regulator, the NASD/FINRA or SEC?  Yes  No
7. Has any bonding company or errors and omissions liability insurance company ever denied your application for coverage, rescinded or terminated your coverage or paid a claim on your behalf?  Yes  No
8. Has any insurance company, insurance agency or broker-dealer ever terminated, or permitted you to resign rather than terminate, its relationship with you for cause or due to your alleged wrongful act or omission?  Yes  No
9. Are you now or have you ever been involved in any lawsuit, arbitration or mediation of a dispute or bankruptcy? Please provide the "Schedule F" for a Chapter 7 Bankruptcy.  Yes  No
10. Is there now any unsatisfied judgment against you or any lien, including any tax lien, against any of your property?  Yes  No

**If the answer is "yes" to any of the above questions, please write details and include all applicable court documentation.**

### 5 YEAR RESIDENTIAL HISTORY: Begin with most recent residence. Attach extra sheet if necessary.

Home Address: Street	City	State	Zip	From/To
Home Address: Street	City	State	Zip	From/To
Home Address: Street	City	State	Zip	From/To

### 5 YEAR EMPLOYMENT HISTORY: Begin with most recent employment. Attach extra sheet if necessary.

Employer name, (area code) number	From/To	Position held	Net \$/mo.	Reason for leaving

# APPOINTMENT AGREEMENT

1. This Appointment Agreement is between the natural person or business entity that signs below (“**you**,” “**your**” or “**yourself**”) and the Member of the AEGON Companies (the “**Company**”) that signs a schedule to this Appointment Agreement (a “**Schedule**”). If one Company signs one Schedule and another Company signs another Schedule, this Appointment Agreement and one Schedule shall be deemed a separate agreement from this Appointment Agreement and the other Schedule.

2. You are an independent contractor and not an employee of the Company. You may solicit applications for the Company only for: (a) those of the Company’s non-securities products that are listed in a Schedule; and/or (b) those of the Company’s securities products that are listed in an agreement regarding the sale of the Company’s securities products which is in force between the Company and a broker-dealer of which you are a registered representative (“**Your Broker-Dealer**”). You may not sell the Company’s securities products if such an agreement is not in force between the Company and Your Broker-Dealer, or if you are not a registered representative of, and in good standing with, Your Broker Dealer. (After this paragraph “**Product**” refers to a non-securities or a securities product of the Company unless otherwise indicated, and refers to a non-securities or securities product of an affiliate of the Company where indicated.)

You must comply with all applicable federal, state and local laws, including without limitation any law requiring that you protect the privacy of nonpublic information that you have about an applicant, owner, insured, annuitant, beneficiary or other person who seeks to obtain, obtains or has obtained a Product or service from the Company that is to be used primarily for personal, family or household purposes, and any law regarding the suitability of products sold by insurance agents. If you receive any such nonpublic information from the Company, you will use the information only in connection with your performance under this Appointment Agreement and as permitted by law. You must comply with all applicable anti-money laundering laws, rules and government guidance, including the reporting, recordkeeping and compliance requirements of the Bank Secrecy Act (“**BSA**”), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2002, Title III of the USA Patriot Act of 2001 (“**The Act**”), its implementing regulations, and related SEC and Self Regulatory Organization rules. These requirements include requirements to identify and report currency transactions and suspicious activity, to verify customer identity and to conduct customer due diligence. As required by the Act, the Company certifies that it maintains, and you certify that you have access to, a comprehensive anti-money laundering compliance program that includes policies, procedures and internal controls for complying with the BSA; policies, procedures and internal controls for identifying, evaluating and reporting suspicious activity; a designated compliance officer or officers; training for appropriate employees; and an independent audit function. You must comply with all written rules that the Company communicates to you from time to time including the Company’s Principles and Code of Ethical Market Conduct.

You may collect initial premiums for Products, but you may not collect other premiums for Products. You must keep initial premiums that you collect separate from your own funds, and you must promptly send initial premiums that you collect to the Company. You must promptly deliver Products to the appropriate applicants, and you must promptly return to the Company any Product that an applicant does not accept.

You may not: bind the Company by any promise or agreement; accept a promissory note for, or incur any obligation on behalf of, the Company; waive any of the Company’s rights or requirements regarding, or any provision of, a Product; use any of the Company’s names, logos or trademarks without the Company’s prior written consent; advertise any Product or the Company unless the Company provides the advertisement to you or has previously given you its written approval of the advertisement; or begin any legal proceeding on behalf of the Company without the Company’s prior written consent.

You may recommend that the Company enter into Appointment Agreements with other natural persons and entities, but the Company is not obligated to do so. Any such person or entity that the Company does enter into an Appointment Agreement with shall be referred to as “**Your Agent**”. Your Agents may recommend that the Company enter into Appointment Agreements with other persons or entities, and if the Company does so, those persons and entities will also be considered Your Agents. You are responsible for ensuring the training and supervision of Your Agents and encouraging Your Agents to comply with their Appointment Agreements. You are responsible for all expenses and debts to the Company that you and Your Agent(s) incur.

3. After giving you reasonable notice, the Company may visit your office, examine your files and records and accompany you while you represent the Company, all at reasonable times. The Company may require you to maintain errors and omissions insurance on yourself with an insurance company, and in form and amount, satisfactory to the Company. The Company may at any time stop doing business in any state or area within a state, stop offering any Product for sale, or change any term of a Product or any condition under which the Company may offer a Product.

4. The Company will pay commissions to you while this Appointment Agreement is in force and after it terminates, according to a Schedule, on commissionable premiums which the Company earns from non-securities Products that are shown on the Schedule and are sold by you or Your Agents who report directly or indirectly to you. However, the Company will reduce commissions payable to you by the total of commissions paid by the Company to Your Agents who report directly or indirectly to you, and by the total of commissions forfeited by Your Agents if the Company terminates its agreement with Your Agent pursuant to (d) through (f) of section 6 of this Appointment Agreement. The Company will pay service fees to you while this Appointment Agreement is in force, according to a Schedule, on commissionable premiums which the Company earns from non-securities Products, shown on the Schedule, that you sell, so long as you personally service the owners of the non-securities Products. Premiums may include fees or charges that are not commissionable. The Company will not pay commissions to you for selling the Company’s securities Products, except that the Company may do so if the Company is an affiliate of Your Broker-Dealer. Otherwise, you must look to Your Broker-Dealer, and not to the Company, for any commission that may be payable to you for selling the Company’s securities Products. You may assign your right to receive commissions and service fees under this Appointment Agreement, but only with the Company’s prior written consent, which the Company may give in its sole discretion.

The Company may pay commissions and service fees on the conversion of term life insurance, at the insured’s attained age, to another Product as it would pay commissions and service fees on the other Product without regard to the conversion. The Company may pay commissions and service fees on a reinstated Product to the insurance agent responsible for the reinstatement, and commissions to the insurance agents to whom the responsible insurance agent directly or indirectly reports.

The Company will determine the commissions and service fees, if any, that the Company may pay to you in respect of a Product that the Company issues on an insured or annuitant within 12 months after a halt in the payment of premiums on a Product previously issued by the Company or one of its affiliates on the same insured or annuitant, or within 12 months after the previously issued Product of the Company or its affiliate lapses or is surrendered in whole or in part. The Company will determine whether or not to debit your commission and service fee account (“**Your Account**”) for part or all of the commissions and service fees that the Company credited to Your Account in respect of a Product that the Company issued on an insured or annuitant within 12 months prior to a halt in the payment of premiums on, or within 12 months prior to the lapse or surrender in whole or in part of, another Product that the Company or one of its affiliates had previously issued on the same insured or annuitant.

If the Company refunds premiums or determines that it should not have paid commissions or service fees to you, the Company will debit Your Account by an amount equal to the commissions and service fees previously credited to Your Account in respect of the refunded premiums or the commissions and services fees determined by the Company not to have been payable. The Company may also debit Your Account from time to time for the debts of Your Agents and for miscellaneous expenses that you incur, such as fees charged by states for renewal of your appointments with the Company. The Company will send you periodic statements of Your Account.

5. While this Appointment Agreement is in force and after its termination you may not convey or disclose to any person or entity any of the Company's property, for any reason. The Company's property includes, without limitation, all information or supplies provided by the Company to you regarding: Products; the selling of Products; applicants for, owners and beneficiaries of, persons insured by, and annuitants of, Products; and the recruiting, training and compensation of insurance agents. On termination of this Appointment Agreement, you must promptly return to the Company all of its property.

While this Appointment Agreement is in force and for two (2) years after its termination, you may not: induce an employee or insurance agent of the Company or one of its affiliates to end his or her association with the Company or the affiliate; or induce an owner of a Product of the Company or one of its affiliates to halt the payment of premiums on the Product, allow the Product to lapse, or surrender the Product in whole or in part.

If you breach or threaten to breach this section 5, the Company will be entitled to an injunction restraining you from the breach or threatened breach, as well as to other appropriate relief, including without limitation money damages and reimbursement of attorney fees and other expenses incurred by the Company in seeking the injunction or other relief. If you breach this section you forfeit your right to receive commissions and service fees from the Company. This section will survive the termination of this Appointment Agreement.

6. This Appointment Agreement will terminate on the earliest occurrence of the following events:

- (a) your failure to obtain or renew any license that, by law, you are required to have in order to sell Products (“**Your License**”);
- (b) your death or, if you are a business entity, your dissolution;
- (c) the 30th day after the date of a written notice of termination (a “**Termination Notice**”) that Company may send to you by first class U.S. mail, postage prepaid, or on the 30th day after the date of a Termination Notice that you may send to the Company, in either case for a reason other than one described elsewhere in this section 6 or for no reason;
- (d) the 30th day after the date of a Termination Notice that the Company may send to you, if you commit a material breach of this Appointment Agreement, or you commit a material violation of applicable law;
- (e) the suspension or revocation of Your License, or on the refusal of a lawful authority to renew Your License; and
- (f) your conviction of a crime that, according to the The Violent Crime Control and Law Enforcement Act of 1994, makes it a crime for you to willfully participate in the business of insurance.

7. This Appointment Agreement and a Schedule form the entire agreement between the Company and yourself concerning matters covered by this Appointment Agreement. This Appointment Agreement terminates and replaces any prior agreement between the Company and yourself concerning matters covered by this Appointment Agreement. One Company's Schedule terminates and replaces any prior Schedule of the same Company. This Appointment Agreement can be amended only by a document signed by the Company and you. From time to time the Company may amend a Schedule by giving you prior notice. Such amendments to a Schedule shall take effect as provided in such notice.

8. Any failure by the Company to enforce any part of this Appointment Agreement will not be deemed a waiver by the Company of its right to enforce this Appointment Agreement according to its terms and applicable law. This Appointment Agreement is governed by Iowa law.

**9. BY SIGNING BELOW, YOU CERTIFY TO THE COMPANY THAT: THE INFORMATION YOU HAVE GIVEN IN THE APPLICATION FOR APPOINTMENT AGREEMENT IS TRUE AND COMPLETE; THE SOCIAL SECURITY NUMBER OR TAXPAYER IDENTIFICATION NUMBER ON THE APPLICATION FOR APPOINTMENT AGREEMENT IS CORRECT, AND YOU ARE NOT CURRENTLY SUBJECT TO BACKUP WITHHOLDING; YOU AGREE TO COMPLY WITH THE COMPANY'S ANTI-MONEY LAUNDERING PROGRAM; AND YOU HAVE READ AND UNDERSTAND THIS APPOINTMENT AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.**

- 
- Signature of Applicant, if Applicant is a natural person.
  - Signature of Applicant's authorized representative, if Applicant is a corporation, partnership, limited liability company or other business entity.

---

Date signed

- 
- Print Applicant's name as signed, if Applicant is a natural person.
  - If Applicant is a business entity, print the full legal name of the business entity, NOT the name of the person who signed on behalf of the business entity.

# PROMISSORY NOTE, GUARANTY AND SECURITY AGREEMENT

For value received, the natural person or business entity that signs below (“**you**,” “**your**” or “**yourself**”) promises to repay in full, on the date when your Appointment Agreement with a member of the AEGON Companies (the “**Company**”) terminates, the following indebtedness to the Company that you may incur, plus interest accrued thereon to the date of repayment: unearned commissions advanced by the Company to you and debited to your commission and service fee account (“**Your Account**”), special advances made by the Company to you and debited to Your Account, any amount debited to Your Account equal to commissions and service fees previously paid by the Company to you in respect of premiums later refunded by the Company or commissions and services fees determined by the Company not to have been payable to you, and any amount debited to Your Account for miscellaneous expenses that you incur which the Company pays on your behalf. This Promissory Note, Guaranty and Security Agreement (this “**Agreement**”) shall be deemed a separate Agreement between yourself and each Company with which you have an Appointment Agreement, except that any terms which are defined in your Appointment Agreement shall have the same meaning in this Agreement.

You guarantee to repay in full, on the date of the Company’s demand for repayment, any like indebtedness to the Company incurred by Your Agent, plus interest accrued thereon to the date of repayment; provided, however, that the Company may not make such a demand prior to the 90th day after the date when Your Agent’s Appointment Agreement with the Company terminates. The Company may collect repayment from you pursuant to this paragraph by debiting Your Account for the amount of Your Agent’s indebtedness to the Company, and by thereafter treating such debit as part of your indebtedness to the Company.

Interest shall accrue on the debits in Your Account, and such interest shall in turn be debited to Your Account, at a rate equal to three quarters of one percent (3/4 of 1.0%) per month. After the calendar year in which your Appointment Agreement with the Company begins, the interest rate shall increase to one percent (1.0%) per month for any month in which the debits in Your Account exceed ten times the total of earned first year commissions that are payable by the Company to you for that month. In no case shall interest accrue at a rate in excess of the maximum interest rate permitted by applicable law. The Company may increase the rate at which interest accrues on debits in Your Account, after giving you 30 days prior notice.

You authorize the Company to prepay your indebtedness to the Company, in full or in part at any time, by offsetting earned commissions, service fees, bonuses and any other cash compensation payable by the Company to you against debits in Your Account.

You hereby grant the Company a continuing security interest in the following collateral, as security for indebtedness that you may incur to the Company and any of its affiliates, and as security for your guarantee of any Debtor Insurance Agent’s indebtedness to the Company: cash value and benefits of any product of the Company or any of its affiliates that you own now or hereafter; any other property that you own which the Company or any of its affiliates holds for you; any money and any other thing of value as it becomes due and payable or transferable by the Company or any of its affiliates, whether now or hereafter, to you, including without limitation commissions, service fees, bonuses, stock options, stock, and amounts payable under qualified and nonqualified deferred compensation plans; and any proceeds of the foregoing. You hereby authorize the Company to take possession of, and to sell or otherwise liquidate, any and all of the collateral, and to apply the collateral and the proceeds thereof to the repayment of your indebtedness to the Company and any of its affiliates and to the payment of your guarantee of any Debtor Insurance Agent’s indebtedness to the Company.

This Agreement shall survive termination of your Appointment Agreement or any other agreement you may have with the Company. This Agreement forms the entire agreement between the Company and yourself concerning matters covered by this Agreement. This Agreement can only be amended by a document signed by the Company and yourself. Any amendment to this Agreement will take effect when signed by the Company at its home office. You agree to pay the Company’s reasonable expenses of enforcing this Agreement, including attorney fees. Any failure by the Company to enforce any part of this Agreement shall not be deemed a waiver by the Company of its right to enforce this Agreement according to its terms and applicable law. This Agreement is governed by Iowa law.

- 
- Your signature, if you are a natural person.
  - The signature of your authorized representative, if you are a corporation, partnership, limited liability company or other business entity.

---

Date Signed

- 
- Print your name as signed, if you are a natural person.
  - If you are a business entity, print the full legal name of the business entity, NOT the name of the person who signed on behalf of the business entity.

## GUARANTY

The natural person who signs below (“**Guarantor**”) guarantees to pay in full, on the date of a demand for repayment by a member of the AEGON Companies (the “**Company**”) any indebtedness to the Company incurred by the natural person or business entity (“**Debtor Insurance Agent**”) under the Promissory Note and Security Agreement above, plus interest accrued thereon to the date of payment; provided, however, that the Company may not make such a demand prior to the 90th day after the date when the Debtor Insurance Agent’s Appointment Agreement with the Company terminates.

This Guaranty shall survive termination of Guarantor’s Appointment Agreement or any other agreement Guarantor may have with the Company. This Guaranty forms the entire agreement between the Company and Guarantor concerning matters covered by this Guaranty. This Guaranty can only be amended by a document signed by the Company and Guarantor. Any amendment to this Guaranty will take effect when signed by the Company at its home office. Guarantor agrees to pay the Company’s reasonable expenses of enforcing this Guaranty, including attorney fees. Any failure by the Company to enforce any part of this Guaranty shall not be deemed a waiver by the Company of its right to enforce this Guaranty according to its terms and applicable law. This Guaranty is governed by Iowa law.

- 
- Guarantor’s signature (Guarantor MUST be a natural person).
- 
- Print Guarantor’s name as signed.

---

Date Signed

# ASSIGNMENT OF COMMISSIONS

In consideration of mutual covenants between them, the Assignor and Assignee named below hereby agree as follows: Assignor irrevocably assigns, conveys and transfers to Assignee, and Assignee accepts the assignment of, all of Assignor's right, title and interest in advanced and earned commissions, service fees, bonuses and any other cash compensation payable to Assignor by each Member of the AEGON Companies with which Assignor has an Appointment Agreement (the "Company") in respect of the Company's non-securities Products ("Compensation"). Assignor irrevocably instructs the Company to pay Compensation directly to Assignee. Assignor acknowledges that this assignment: does not amend, modify or waive any part of Assignor's Appointment Agreement with the Company; is complete and irrevocable; and will remain in effect unless and until Assignee reassigns to Assignor, and Assignor accepts the reassignment of, the right, title and interest in Compensation that Assignee has hereby acquired. ASSIGNOR FURTHER ACKNOWLEDGES THAT THE COMPANY WILL REPORT THE ASSIGNED COMPENSATION IN A 1099 TAX FORM THAT IT SENDS TO ASSIGNOR. Assignor and Assignee respectively acknowledge that the Company is not obligated to honor this assignment or any later reassignment, unless the Company gives its prior written consent to this assignment or later reassignment, which the Company may give in its sole discretion.

## ASSIGNOR

## ASSIGNEE

- 
- Signature of Assignor, if Assignor is a natural person.
  - Signature of Assignor's authorized representative, if Assignor is a corporation, partnership, limited liability company or other business entity.

- 
- Signature of Assignee, if Assignee is a natural person.
  - Signature of Assignee's authorized representative, if Assignee is a corporation, partnership, limited liability company or other business entity.

- 
- Print Assignor's name as signed, if Assignor is a natural person.
  - If Assignor is a business entity, print the full legal name of the business entity, NOT the name of the person who signed on behalf of the business entity.

- 
- Print Assignee's name as signed, if Assignee is a natural person.
  - If Assignee is a business entity, print the full legal name of the business entity, NOT the name of the person who signed on behalf of the business entity.

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Date Signed

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Date Signed

Transamerica Life Insurance Company  
Transamerica Financial Life Insurance Company  
Western Reserve Life Assurance Co. of Ohio  
Monumental Life Insurance Company  
Stonebridge Life Insurance Company

4333 Edgewood Road NE  
Cedar Rapids, IA 52499

**FAIR CREDIT REPORTING ACT DISCLOSURE  
to applicants for Appointment Agreements**

A consumer report or investigative consumer report about yourself from a consumer reporting agency may be requested by one of the above-referenced companies (“the Company”) as part of its procedure for processing your Application for Appointment Agreement. A consumer report may contain information regarding your credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living. An investigative consumer report may contain information regarding your character, general reputation, personal characteristics or mode of living. Information for an investigative consumer report may be obtained through personal interviews with your neighbors, friends and associates or with others with whom you are acquainted or who may have knowledge of such information. You have the right, within a reasonable period of time after submitting your Application for Appointment Agreement, to make a written request for a complete and accurate disclosure of the nature and scope of an investigative consumer report that the Company may have requested about yourself. Send your written request for such a disclosure to Contract Administration, 4333 Edgewood Road, Cedar Rapids, Iowa 52499.

**AUTHORIZATION FOR RELEASE OF INFORMATION**

I hereby authorize the Company to obtain a consumer report or investigative consumer report about me. I further authorize any employer, insurance company, general or managing agent, school, financial institution, consumer reporting agency, criminal justice agency, regulatory authority or individual having any information about myself – including without limitation information regarding my past and present employment, academic record, record of arrest, conviction and regulatory sanctions, credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics and mode of living – to release such information to the Company or any consumer reporting agency that is preparing a consumer report or investigative consumer report about myself for the Company.

**I HAVE READ AND UNDERSTAND THE FAIR CREDIT REPORTING ACT DISCLOSURE AND  
AUTHORIZATION FOR RELEASE OF INFORMATION SET FORTH ABOVE.**

**I AUTHORIZE THE RELEASE OF INFORMATION ACCORDING TO THE TERMS OF THE  
AUTHORIZATION FOR RELEASE OF INFORMATION SET FORTH ABOVE.**

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date signed

\_\_\_\_\_  
Print Applicant’s name as signed

\_\_\_\_\_  
SS#



AMENDMENT TO APPOINTMENT AGREEMENT

I, the undersigned Representative, am licensed to sell insurance and annuity products. I want the undersigned insurance company (“Insurer”) to appoint me as its representative for selling insurance and annuity products. Insurer is willing to do so, by entering into a Appointment Agreement with me, as amended by this Amendment.

I understand that, if Insurer and I entered into a appointment agreement without entering into this Amendment, I would have the right under the appointment agreement to receive commissions or compensation from Insurer for selling its insurance and annuity products. I also understand that Insurer is not willing to enter into a appointment agreement with me, unless at the same time Insurer and I also enter into this Amendment.

Therefore, Insurer and I agree to amend the Appointment Agreement between Insurer and me as follows.

Insurer will not pay commissions or compensation of any kind to me for selling its insurance and annuity products.

Insurer will pay commissions or compensation to

\_\_\_\_\_ (“General Agent”) in respect of insurance and annuity products that I sell for Insurer, according to a separate agreement between Insurer and General Agent. General Agent is solely responsible for compensating me for selling Insurer’s insurance and annuity products. General Agent cannot, under any set of circumstances, create any obligation on the part of Insurer to pay commissions or compensation of any kind to me for selling any insurance or annuity product of Insurer.

I agree to indemnify Insurer and hold it harmless for any and all liability, loss, damage, claim or expense of any kind, including without limitation attorney’s fees and expenses, that may result from General Agent’s payment of, or failure to pay, any commission or compensation to me for selling any insurance or annuity product of Insurer.

Except as expressly modified by this Amendment, the Appointment Agreement between Insurer and me is hereby ratified and shall be and remain in full force and effect. If there is any inconsistency between the terms of the Appointment Agreement between Insurer and me and the terms of this Amendment, the terms of this Amendment shall control.

\_\_\_\_\_  
Signature of Representative

\_\_\_\_\_  
Print name of Insurer

\_\_\_\_\_  
Print name of Representative

\_\_\_\_\_  
Signature of Officer of Insurer

\_\_\_\_\_  
Date signed by Representative

\_\_\_\_\_  
Print name of Officer

\_\_\_\_\_  
Date signed by Officer

## ANTI-MONEY LAUNDERING TRAINING ACKNOWLEDGEMENT

I, \_\_\_\_\_ acknowledge that I have read the Anti-Money Laundering Training for Agents materials provided in this contracting kit and understand the content. I agree to report any suspicious activity to my manager or directly to the Company.

\_\_\_\_\_  
(Agent Name – please print)

\_\_\_\_\_  
(Signature of Agent)

\_\_\_\_\_  
(Date)

XXX - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
(Social Security Number – last six digits only)

**PLEASE RETURN THIS FORM WITH YOUR CONTRACTING PAPERWORK**

## TRANSAMERICA LIFE & PROTECTION

**Division of the following Statutory Companies:**

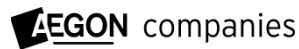
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY  
TRANSAMERICA LIFE INSURANCE COMPANY  
WESTERN RESERVE LIFE ASSURANCE CO. OF OHIO  
STONEBRIDGE LIFE INSURANCE COMPANY  
MONUMENTAL LIFE INSURANCE COMPANY

# **ANTI-MONEY LAUNDERING TRAINING FOR NEW AGENTS**

## **TRANSAMERICA LIFE & PROTECTION**

**Division of the following Statutory Companies:**

TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY  
TRANSAMERICA LIFE INSURANCE COMPANY  
WESTERN RESERVE LIFE ASSURANCE CO. OF OHIO  
STONEBRIDGE LIFE INSURANCE COMPANY  
MONUMENTAL LIFE INSURANCE COMPANY













Note: This training is intended for agents who are not employees of the listed statutory companies.

## Anti-Money Laundering Policies and Procedures

**If you have any questions about the Anti-Money Laundering Policy and Procedures or any concerns regarding suspicious activity please contact your AML Compliance Officer.**

### EXAMPLES OF SUSPICIOUS ACTIVITY

When working with prospective clients you should be on the alert for any signs of unusual activity which might indicate intent to launder money. Here are examples of “red flags” that you should report:

-  Customers exhibiting unusual concern with the Company’s obligations to file reports of certain transactions with U.S. government agencies, or refusal to provide information required to prepare such reports.
-  Customers who request that a transaction be processed in such a manner so as to avoid the Company’s normal documentation requirements.
-  Customers who provide suspect or unverifiable identification or are hesitant to supply identifying information.
-  Customers who provide incomplete or confusing descriptions of the nature of their business.
-  Customers who wish to purchase multiple policies or who indicate funds will be deposited from multiple sources.
-  Large overpayment of premiums not consistent with the customer’s past payments. This is particularly suspicious if the customer requests a disbursement shortly after the payment.
-  Customers who make multiple payments, followed shortly thereafter by a request to surrender the policy.
-  Customer policy purchased in amounts considered beyond customer’s apparent means.
-  Payments submitted by an unrelated third-party.
-  Customers who have an association with, or have accounts in, a country identified as a haven for money laundering require extra due diligence.

### WHERE TO REPORT SUSPICIOUS ACTIVITY

You may report suspicious activity to your Manager or directly to the Anti-Money Laundering Compliance Officer. For independent agents contact Steve Buhr either by phone: 319-355-8755 or by email: [steve.buhr@transamerica.com](mailto:steve.buhr@transamerica.com). For Monumental MSA agents, please contact Stacey Boyer through Monumental Life Insurance Company’s AML Hotline phone number: (877) 273-4781.

# Overview

## BACKGROUND

The USA PATRIOT Act (the "Act") was enacted by U.S. Congress and signed into law by President George W. Bush on October 26, 2001. The Act is an acronym for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism. This law, enacted in response to the terrorist attacks of September 11, 2001, strengthens our nation's ability to combat terrorism and prevent and detect money-laundering activities.

In 2006, the U.S. Treasury Department mandated that all insurance companies implement an AML Compliance program for the company's "covered products," which includes any permanent life insurance policy (other than group), any annuity contract (other than group), or any other insurance product with features of cash value or investment.

In addition to the AML program, insurers are required to file Suspicious Activity Reports (SAR). The purpose of reporting a SAR is to assist law enforcement in the detection and prevention of money laundering and terrorist financing. The type of transactions this rule pertains to are those transactions that an insurance company knows, suspects or has reason to suspect involve funds that are derived from an illegal activity. Other transactions may include those designed to evade reporting requirements, or has no business or apparent lawful purpose and involves the use of the insurance company to facilitate criminal activity, including terrorist financing.

It is the Company's policy to comply with all laws and regulations designed to prevent the laundering of proceeds from illegal or criminal activity through legitimate financial institutions. The Company has established policies and procedures designed to reasonably prevent the laundering or facilitating of laundering of money from criminal activity. The Company monitors transactions for suspicious activity, which may indicate the existence of a crime. The Company must file reports to assist the government in investigating and prosecuting money laundering and terrorist financing activities.

As our sales agents, you play an important role in our prevention efforts by ensuring that we secure the proper information from applicants and by remaining alert for any signs that the applicants are engaging in money laundering or terrorist financing activities. Failure to comply with laws prohibiting money laundering or terrorist financing may result in significant criminal, civil or regulatory penalties or reputation harm that could ensue from any association with money laundering or terrorist financing activities.

## MONEY LAUNDERING AND TERRORIST FINANCING DEFINED

**Money laundering** is a process through which the proceeds from illegal activity are 'washed' to legitimize them or disguise their true source. There are two basic definitions of money laundering within the federal government and the IRS:

- Taking the proceeds from an illegal activity and making them appear to be from a legal activity.
- Taking the proceeds from an illegal activity and hiding them or placing them beyond the reach of the government.

**Terrorist financing** involves the use of money, which may be lawfully obtained, to fund illegal activities. Because the transactions often have a legitimate origin and can often involve small amounts of money, terrorist financing can be more difficult to identify than money-laundering activities. However, an effective anti-money laundering program can help prevent the use of legal funds for terrorism activities.

## THREE STAGES OF MONEY LAUNDERING

The basic money laundering process is accomplished via a three-stage method. These stages are known as placement, layering, and integration.

### 1. Placement Stage

During the placement stage of money laundering, the proceeds from illegal activity are first introduced into the financial system. The criminal or accomplice may make a single deposit, perhaps into a single premium life insurance policy or single premium deferred annuity, may pay premiums for a policy a year or more in advance, or break up large amounts of cash into less conspicuous smaller sums, typically less than \$10,000. A series of

monetary instruments (cashier checks, money orders, etc.) or a combination of cash and monetary instruments may also be deposited into an account at a financial institution or used to purchase a policy.

### 2. Layering Stage

The layering stage takes place after the funds have entered the financial system. In this stage the criminal or his accomplice tries to separate or distance the proceeds of the criminal activity from their origin through the use of complex financial transactions, such as converting cash into traveler's checks, money orders, wire transfers, letters of credit, stocks, bonds or by purchasing valuable assets, such as art or jewelry.

### 3. Integration Stage

The integration stage involves the use of apparently legitimate transactions to disguise the illicit proceeds, allowing the laundered funds to be disbursed back to the criminal. At this stage, the funds are moved back into mainstream economic activities. Following are three types of transactions typically used to accomplish integration:

- Loans or withdrawals from a life insurance or annuity;
- Surrendering of a life insurance or annuity;
- Cancellation of a life insurance policy during the free look period, especially where the policy was paid for with cash or a cash equivalent (money order, cashier's check, travelers check, or credit card).

## **MONEY LAUNDERING AND TERRORIST FINANCING EXAMPLES**

Insurance companies can be used in all phases of money laundering schemes. The following are examples of money laundering and terrorist financing.

### Example 1

A successful businessman contacted an insurance agent and stated that he owned a restaurant and had recently inherited a large sum of money from his grandmother. The businessman did not express a particular interest in the product features, but promised the agent substantial future business. Communication with the businessman was difficult because he was not available on the cell phone number he provided and he always had to return the agent's call. When pressed, the businessman was reluctant to provide information such as his personal address. To open the account the businessman stated that he would have the funds wired to the insurance company. The insurance company received a wire for \$2,200,000 to fund a life insurance policy and three variable annuities. Two weeks later the insurance company received a request for a full surrender of the life insurance and annuities with the funds to be wired to another bank.

### Example 2

Local police authorities were investigating the placement of cash by an illegal drug trafficker. The funds were deposited into several bank accounts and then transferred to an offshore account. The drug trafficker then purchased a \$75,000 life insurance policy. Two separate wire transfer payments were made into the policy from the offshore accounts. The funds used for payment were purportedly the proceeds of overseas investments. At the time of the drug trafficker's arrest, the insurance company had received instructions for an early surrender of the policy.

### Example 3

A terrorist group may establish a charity as a front for financing terrorist activity and open an annuity or key employee life contract with the charity as the owner. Funds can be moved in and out of the contracts under the guise of an investment for the charity, while funds are really being channeled towards a terrorist operation.

## **ANTI-MONEY LAUNDERING PROGRAM REQUIREMENTS**

The AML compliance program, at a minimum, must include the following:

1. Incorporate policies, procedures, and internal controls based upon AFP's assessment of the money laundering and terrorist financing risks associated with its covered products;
2. The designation of an AML Compliance Officer who will be responsible for ensuring that the AML program is being implemented effectively, including monitoring compliance of its agents and brokers, that the AML program is updated and appropriate persons are educated and trained regarding AML issues;
3. Provide for ongoing training of appropriate persons (including employees and independent agents/brokers) concerning their responsibilities under the program; and
4. Provide for independent testing to monitor and maintain an adequate program.

## **CASH AND CASH EQUIVALENT TRACKING, MONITORING AND REPORTING**

Cash and cash equivalents can be used to launder money from illegal activities. The government can often trace this laundered money through the reports of cash and cash equivalent required of businesses. Cash is defined as U.S. coin or currency. Cash equivalents are defined as cashier's check, bank draft, traveler's check, or money order having a face amount of \$10,000 or less, that is received either in a "designated reporting transaction" or in any transaction in which the recipient knows that the instrument is being used to avoid reporting of the transaction.

The Company maintains a database where payment by cash equivalents are entered and monitored for suspicious activity and reported to FinCEN via a SAR if appropriate.

## **KNOW YOUR CUSTOMER**

One of the best defenses in any AML program is to "Know Your Customer". The full identification of our customer's and their business entities is important. Obtaining information of the source of funds used in a transaction and the source of a customer's wealth will help determine whether the customer transactions are within the scope of his/her capabilities or if they are suspicious. Identifying a customer's needs to determine the appropriateness of a product can help in this process. At this point, the application will be used to obtain the necessary information. If a customer attempts to circumvent any of the rules, the case should be evaluated with a more cautious eye.

## **OFFICE OF FOREIGN ASSETS CONTROL**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations and international narcotics traffickers based on U.S. foreign policy and national security goals.

All U.S. persons or "persons subject to the jurisdiction of the U.S." must comply with OFAC regulations. This includes: 1) U.S. citizens and lawful permanent residents, wherever they are located; 2) people, companies, and other entities located in the U.S. (including foreign branches, agencies and offices of overseas companies located in the U.S.); and 3) all US companies (including insurance companies, broker-dealers, reinsurers, investment companies and other financial institutions), including their foreign branches. Some of the existing sanctions (such as those pertaining to Trading with the Enemy Act), also require compliance by all foreign subsidiaries of US companies.

OFAC regulations provide that all insurance contracts, securities accounts or assets in which there is a direct/indirect interest by Specially Designated Nationals ("SDN"), blocked persons, or individuals/entities from countries covered by applicable sanctions must be "blocked" or "frozen" against further withdrawals, transfers, changes in beneficiary, etc. "Blocked" accounts must be segregated by the broker-dealer or held in a separate account from the general account of an insurer, reported to Treasury within 10 days of discovery and, going forward, credited interest at a rate comparable to an interest bearing account at a bank with a similar deposit and duration. Rights in these policies may not be transferred without authorization from OFAC this includes changes in beneficiaries, assignments or pledges of an insured's interest under a blocked policy.