

Agency and the policy subsequently charges back when the agency is an Established Agency, the chargeback will be at the initial rate paid when the agency was a Start-up.

For Start-up Agencies with affiliation dates of April 1, 2017 and later who become an Established Agency by graduating from or losing their eligibility to participate in the Enhanced Compensation Plan (ECP)⁵, Personal Property Table 1 is applicable beginning with business that is effective and processed in the month they become an Established Agency. Business that is effective or processed prior to the month they become an Established Agency will be paid at these rates upon the next renewal of each property policy in the agent's account. Prior to each renewal, any policy activity will be recorded at the applicable amount from the Personal Property Table 2 schedule in Section 0. Chargebacks will be recorded at the initial rate paid. For example, in situations where an agency writes a policy as a Start-up Agency and the policy subsequently charges back when the agency is an Established Agency, the chargeback will be at the initial rate paid when the agency was a Start-up.

4.0 Tables

The following table contains the current commission amounts for R3001 Agents applicable to the various lines in the Personal Property category, except policies bound by the Customer Contact Center (CCC)/Internet, unless identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41) and Plus Policies⁶. Refer to subsections 2.0 and 3.0 to determine which table is applicable.

4.1 Personal Property Table 1

Policies paid based on the commission amounts in the following table are eligible for variable compensation. Refer to the Variable Compensation page on Gateway for information regarding variable compensation.

Line of Insurance	Commission Amounts		
	New ⁷ %	Add Coverage %	Renewal %

⁵ Refer to the New Agency Program page for details on an Enhanced Compensation Plan (ECP) eligible agency becoming an established agency.

⁶ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

⁷ Refer to subsection 4.3 for information regarding policies bound through an agent's home page on the Internet or bound by the CCC as resulting from an agent forwarded phone.

Personal Property Homeowners (including Condominium and Renters ⁸) Mobilehome Boatowners ⁸ (including Recreational Package Policy) Residential Fire (including CPL) Landlords Package Policy Personal Umbrella Policy	9	9	9
Workers' Comp Residence Employees	9	9	4

4.2 Personal Property Table 2

Line of Insurance	Commission Amounts		
	New ⁷ %	Add Coverage %	Renewal %
Personal Property Homeowners (including Condominium and Renters ⁸) Mobilehome Boatowners ⁸ (including Recreational Package Policy) Residential Fire (including CPL) Landlords Package Policy Personal Umbrella Policy	10 ⁹	10 ⁹	10
Workers' Comp Residence Employees First \$500 Over \$500	10 7.5	10 7.5	5 5

4.3 Policies Bound through an Agent's Home Page on the Internet or Bound by the Customer Contact Center (CCC)/Internet as Resulting from an Agent Forwarded Phone

Personal property business bound through an agent's home page on the Internet will receive:

- 0% new business (effective October 4, 2004 through December 31, 2008)
- Full new business (effective January 1, 2009 and subsequent)
- Full renewal (effective October 4, 2004 and subsequent)

Personal property business bound in the CCC/Internet that has been identified as resulting from an agent forwarded phone¹⁰ will receive:

- 0% new business (effective October 4, 2004 and subsequent)
- Full renewal (effective October 4, 2004 and subsequent)

⁸ Commission rates for products sold under the Emerging Business Pilot are located in Section 1f.

⁹ This amount applies to premium issued from January 2003 and subsequent on policies with effective dates of January 1, 2003 and subsequent.

¹⁰ Policies bound through the Extra Hands Call Forward program will receive full new business and full renewal.

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If the software used to determine whether the call is from an agent forwarded phone or a direct call to the CCC is not operating, then business bound by the CCC on a new to Allstate customer who does not request an agent will be coded to the CCC house account number, and any existing customers and new Allstate customers that request an agent will be assigned to the agent as an agent type 41.

5.0 Allstate Flood Insurance

R3001 Agents are permitted to sell flood insurance through Allstate under Allstate's agreement to write through the NFIP Write Your Own Flood Program.¹¹ The current commission amount on agency written business is 17% new and 14% renewal.

The flood insurance commission schedule has been enhanced on agency written business to 18% new business and 16% renewal for agents achieving \$300,000¹² or more in total flood insurance written premium as of December of each year. This enhancement is applicable to agents regardless of which commission schedule, Allstate or NFIP, has been selected.

6.0 California Earthquake Authority

Allstate agents are permitted to sell California Earthquake Authority business through a state regulated program for customers with companion personal property policies. The current commission amount on agency bound business is 10% on both new business and renewal.

¹¹ Flood insurance cannot be written directly through the National Flood Insurance Program (NFIP).

¹² Total new and renewal written premium based on prior year end results as reported to Allstate by an authorized third-party supplier. Results will be re-evaluated each year end.

Section 1c: Commercial

1.0 General

The Company may from time to time enter into joint marketing agreements ("marketing agreements") with certain national trade associations or other organizations. These marketing agreements may generate marketing leads in specific industry vertical markets ("leads"). It is the desire of the Company to provide such leads to certain R3001 agents in order to assist those agents to penetrate certain vertical markets. It is the desire of such agents to obtain such leads.

The participating agencies understand that there exists a cost associated with lead generation. In order to offset such costs, any agent participating in the designated national trade association joint marketing program, agrees to a reduced commission for all policies sold on leads generated by such program. The amount of the reduction in commission will be set forth for each specific marketing program. By voluntarily participating in the program, the agency agrees to the new business and renewal premium reduction set forth for that specific marketing program.

Commission for Commercial policies issued as the result of a lead forwarded to a Business Insurance Specialist (BIS) may result in a reduced commission to the agent. The reduced commission is described in Chapter 3, Section 5.0, Subsection 0.

2.0 Established Agencies

Voluntary Commercial Table 1 (subsection 4.1) is applicable to business that is effective and processed on or after January 1, 2013 for Established Agencies. Policy activity on business that is effective or processed prior to January 1, 2013 will be recorded at the applicable amount from Voluntary Commercial Table 3 (subsection 4.3 – Prior to New Product Implementation) or Voluntary Commercial Table 4 (subsection 4.4 – After New Product Implementation).

3.0 Start-up Agencies

Voluntary Commercial Table 2 (subsection 4.2) is applicable to Start-up Agencies.

For Start-up Agencies with affiliation dates prior to April 1, 2017 who become an Established Agency by achieving 37 full months of affiliation in the calendar year, the Voluntary Commercial Table 1 is applicable to business that is effective and processed on or after January 1 of that calendar year. Business that is effective or processed prior to January 1 of the calendar year Established Agency status is attained will be paid at these rates upon the next renewal of each commercial policy in the agent's account. Prior to each renewal, any policy activity will be recorded at the applicable amount from Voluntary Commercial Table 3 (subsection 4.3 – Prior to New Product Implementation) or Voluntary Commercial Table 4 (subsection 4.4 – After New Product Implementation). Chargebacks will be recorded at the initial rate paid. For example, in situations where an agency writes a policy as a Start-up Agency and the policy subsequently

charges back when the agency is an Established Agency, the chargeback will be at the initial rate paid when the agency was a Start-up.

For Start-up Agencies with affiliation dates prior to April 1, 2017 who become an Established Agency by purchasing the economic interest in over 750 Total Personal Lines policies with a combined total of more than \$800,000 in Total Property and Casualty 12mm Earned Premium, the Voluntary Commercial Table 1 is applicable to business that is effective and processed on or after the month following the purchase. Business that is effective or processed during and prior to the month of purchase, will be paid at these rates upon the next renewal of each commercial policy in the agent's account. Prior to each renewal, any policy activity will be recorded at the applicable amount from Voluntary Commercial Table 3 (subsection 4.3 – Prior to New Product Implementation) or Voluntary Commercial Table 4 (subsection 4.4 – After New Product Implementation). Chargebacks will be recorded at the initial rate paid. For example, in situations where an agency writes a policy as a Start-up Agency and the policy subsequently charges back when the agency is an Established Agency, the chargeback will be at the initial rate paid when the agency was a Start-up.

For Start-up Agencies with affiliation dates of April 1, 2017 and later who become an Established Agency by graduating from or losing their eligibility to participate in the Enhanced Compensation Plan (ECP)¹, Voluntary Commercial Table 1 is applicable beginning with business that is effective and processed in the month they become an Established Agency. Business that is effective or processed prior to the month they become an Established Agency, will be paid at these rates upon the next renewal of each commercial policy in the agent's account. Prior to each renewal, any policy activity will be recorded at the applicable amount from Voluntary Commercial Table 3 (subsection 4.3 – Prior to New Product Implementation) or Voluntary Commercial Table 4 (subsection 4.4 – After New Product Implementation). Chargebacks will be recorded at the initial rate paid. For example, in situations where an agency writes a policy as a Start-up Agency and the policy subsequently charges back when the agency is an Established Agency, the chargeback will be at the initial rate paid when the agency was a Start-up.

4.0 Tables

The following tables contain the current commission amounts for R3001 Agents applicable to Commercial insurance written in Allstate Insurance Company, Allstate Indemnity Company, Allstate Texas Lloyds Inc., Allstate County Mutual Insurance Company and Allstate New Jersey Insurance Company. Refer to subsections 2.0 and 3.0 to determine which table is applicable. Refer to Chapter 3, Section 5.0, Subsection 0, for information regarding commissions on policies issued as a result of leads forwarded to a Business Insurance Specialist (BIS).

¹ Refer to the New Agency Program page for details on an Enhanced Compensation Plan (ECP) eligible agency becoming an established agency.

**4.1 Voluntary Commercial Table 1 effective on or after 1/1/2013
(Rates in effect Prior to and After New Product
Implementation)**

Policies paid based on the commission amounts in the following table are eligible for variable compensation. Refer to the Variable Compensation page on Gateway for information regarding variable compensation.

Line	Commission Amounts	
	New %	Renewal %
All Allstate Companies excluding Allstate New Jersey All Commercial Lines	9	9
Allstate New Jersey All Commercial Lines	6.5	6.5

**4.2 Voluntary Commercial Table 2 effective on or after 1/1/2013
(Rates in effect Prior to and After New Product
Implementation)**

Line	Commission Amounts	
	New %	Renewal %
All Allstate Companies excluding Allstate New Jersey All Commercial Lines	10	10
Allstate New Jersey All Commercial Lines	6.5	6.5

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**4.3 Voluntary Commercial Table 3 effective prior to 1/1/2013
(Rates in Effect Prior to New Product Implementation)**

Line	Commission Amounts	
	New %	Renewal %
All Allstate Companies excluding Allstate New Jersey Commercial Casualty - Auto	10	10
All Allstate Companies excluding Allstate New Jersey Commercial Casualty - All Other ² Commercial Fire Business Package Policy Texas Commercial Package Policy Customizer First \$2,500 Over \$2,500	20 12	10 10
Allstate New Jersey All Commercial Lines	6.5	6.5

**4.4 Voluntary Commercial Table 4 effective prior to 1/1/2013 (Rates
in Effect After New Product Implementation)**

Line	Commission Amounts	
	New %	Renewal %
All Allstate Companies excluding Allstate New Jersey Commercial Casualty - Fleet	10	10
All Allstate Companies excluding Allstate New Jersey Commercial Casualty - All Other ² Businessowners Policy Commercial Package Policy Texas Commercial Package Policy	20	10
Allstate New Jersey All Commercial Lines	6.5	6.5

4.4.1 Reinsurance Facility

State	Commission Amounts	
	New %	Renewal %
North Carolina	10	10

4.4.2 Underwriting Association

State	Commission Amounts	
	New %	Renewal %
Hawaii	8	5

Section 1d: Allstate Financial

The information and rules in this section apply to all R3001 Agents except where otherwise indicated. Any reference to Exclusive Financial Specialists includes New York Financial Specialists unless otherwise indicated. For information regarding partnerships, refer to Chapter 3, Section 4.

1.0 Basis of Commissions

Refer to Exhibit A for the countrywide (excluding New York) basis of commissions by product and NY Exhibit A for the New York basis of commissions by product.

New business commissions are paid as follows:

- Life - when the policy is issued and credit released
- Annuities – when the deposit is applied to the contract and received from the carrier
- Excess Universal Life premiums – when additional premium is applied to the policy

Renewal commissions are paid as follows:

- Universal Life – as premium is applied to the policy
- Fixed Premium Life – later of the policy anniversary or the first payment for the policy year
- Excess Universal Life premiums – when additional premium is applied to the policy

Renewal commissions for fixed Life (non UL) policies are paid when the renewal payment is applied and when the policy has reached its anniversary (both conditions must be met).

2.0 Commissions on Annuitization

Effective May 23, 2011, the writing agent of record will receive production credit and commissions on annuitization of certain Allstate Life Insurance Company (ALIC) and Lincoln Benefit Life (LBL) deferred annuities.

Eligible policies must:

- Be in force for at least five years prior to annuitization
- Have payout plans that include a life contingency or have guaranteed payments for 10 years or longer.
- Excludes the ALIC FLEXI 82, the ALIC FLEXI 83, the ALIC FLEXI 86, and all variable annuities.

Compensation for flexible premium products will be paid on the annuitized value less premium deposits made within the last five years.

3.0 Commissions Based on Deposit Age

On certain products, commissions are differentiated on deposit age. The deposit age is based on the attained age of the owner when the commission on the deposit is paid. For policies with multiple owners, deposit age is based on the oldest owner. For policies with non-natural owners, deposit age is based on the oldest annuitant's age.

4.0 Commission Schedules

- Refer to Exhibit C for the countrywide (excluding New York) commission schedules
- Refer to NY Exhibit C New York commission schedules
- Refer to Exhibit D for the countrywide commission schedules for discontinued products (excluding New York) and NY Exhibit D for the New York commission schedules for discontinued products

4.1 General

Allstate Financial products may be sold through one, or a combination, of three ways:

- R3001 Agents can write the business **solo**. "Solo business" is used with respect to a new policy or major coverage that is written on an application secured by the agency through the agency's own marketing and lead generation efforts and no other producer is listed on the application.
- R3001 Agents can **split** business with another properly licensed and appointed **agent**. The agents choose the split commission ratios of 60/40, 70/30, 80/20, 90/10 on a policy by policy basis¹. The production credit and commissionable premiums will be split based on the ratio selected. If the split commission ratio is not specified on the application, a 60/40 split will be defaulted. Both EAs will receive life persistency credit, however, the IPS count will be given to the agent with the highest split percentage. Split commission arrangements are classified as solo business for production credit and commission purposes. Commission rates are based on the individual EA's commission scale.
- R3001 Agents can **partner** on business with an Exclusive Financial Specialist (EFS).

4.2 Commission Scales

4.2.1 Commission Scale Eligibility

An R3001 agent (including an Enhanced Satellite Agency) is eligible to earn commission scales based on the production credit level achieved.

¹ Split commission is not allowed on add-ons or increases.

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Satellite Agencies

Satellite locations and primary locations are combined for production credit qualification as long as the Satellite location and primary location are within the same state and still have active agreements at the end of the qualification period. For those Satellite Agencies and primary agency locations crossing state lines, measurements and results are separate.

Enhanced Satellite Agencies (ESAs)

ESA locations and primary locations are combined for production credit qualification as long as the ESA location and primary location are within the same state and still have active agreements at the end of the qualification period. For those ESAs and primary agency locations crossing state lines, measurements and results are separate.

4.2.2 Commission Scale Qualification

Commission scales are set at the beginning of each calendar year based on the prior year's achievement of the production credit qualifier. The commission scale is applied to applications written in the calendar year and is paid when the policy is issued and placed. For annuity deposits, the commission scale is determined based on the effective date of the deposit. Commission chargebacks will be recovered at the commission scale used to calculate the original commission payment.

The commission scales are based on the following production credit levels:

Production Credit Requirement²

Countrywide (excludes New York)

Commission Scale	Qualification Periods Ending 12/31/2018 & 12/31/2019
	Total Production Credit
A	Under 100,000
B	100,000 – 224,999
C	225,000+

New York only

Commission Scale	Qualification Periods Ending 12/31/2018 & 12/31/2019
	Total Production Credit
A	Under 40,000
B	40,000 – 74,999
C	75,000+

² Commission scale qualification requirements will be reviewed each year and are subject to change.

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4.2.3 Commission Scales for Exclusive Agents with Less than Twenty-Four Months of Affiliation

During the initial 24 months of a new affiliation, a new Start-up Agent is guaranteed Scale B commission rates for business written through the first 24 full months following the month of affiliation.

If a Start-up Agent purchases another agency within their first calendar year and changes from a Start-up to an Established agent, Scale B scales will still apply for the remainder of the first calendar year. In the second and subsequent calendar years, the scale qualification rules in subsection 4.2.2 will apply.

The Commission Scale for an outside buyer who purchases the economic interest in a book of business and becomes an Established Agency will be set at the seller's Commission Scale level (which could be Scale A, B, or C) for the remainder of the calendar year in which the agency was purchased. After the first calendar year, the outside buyer will follow the scale qualification rules outlined in Section 4.2.2.

4.2.3.1 Commission Scale Qualification Requirements for Exclusive Agents with Less than Twenty-Four Months of Affiliation

Regardless of month of affiliation, a new agent is guaranteed a minimum of commission scale B through the year-end in which they complete their 24th month of affiliation [appointment month is always "month 0" (zero)]

An agent can achieve scale C during this period if the following requirements are met:

- At the 1st calendar year-end, setting commission scale for the 2nd calendar year:
 - Qualification will be based on prorated production credit requirement from the grid below
- At the 2nd calendar year-end, setting commission scale for the 3rd calendar year:
 - Full scale C production credit requirement of 225,000 (75,000 for New York EAs)
- At the 3rd and subsequent calendar years:
 - Full scale C production credit requirement of 225,000 (75,000 for New York EAs)

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**Prorated Scale C Production Credit Requirements for
1st Calendar Year-End Qualification Period**

Elapsed Months at 1 st Year End Qualification	Countrywide (Excludes NY) Production Credit	New York Production Credit
0	8,000	3,000
1	15,000	5,000
2	27,000	9,000
3	42,000	14,000
4	60,000	21,000
5	81,000	27,000
6	102,000	34,000
7	122,000	41,000
8	143,000	48,000
9	163,000	54,000
10	184,000	62,000
11	204,000	69,000
12+	225,000	75,000

Example (countrywide excluding New York)

A new agent with an affiliation date of April 1, 2017, will receive scale B for business written through December 31, 2017. Please see example below for scale qualification in subsequent calendar years:

<u>Period Ending</u>	<u>Elapsed Months at Year End</u>	<u>Current Year Issued Production Credit</u>	<u>Commission Scale</u>	<u>Applies to year</u>
December 31, 2017	Month 8	155,000	Scale C	2018
December 31, 2018	20	220,000	Scale B	2019
December 31, 2019	32	255,000	Scale C	2020

4.2.4 Commission Scales for Partnered Business

Effective January 1, 2017, 100% of commissions on partnered business will be paid to the writing agent. The agent partner will receive 100% production credit and IPS counts on eligible issued business written with an EFS. Issued production credit on partnered business applies to the agent's Commission Scales. The agent must be listed on the application to receive credit.

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Agents writing business can direct commissions to an EFS by designating the highest percentage on the application to the EFS. For example, when an agent writes the business and allocates 60% to the EFS and 40% to the agency, the EFS receives 100% of the commissions.

4.3 Persistency

The 48-month Life Persistency Factor (LPF) is determined by dividing the total in force life insurance policies issued and placed during the previous 48-months by the total life insurance policies issued for the same period (i.e. exposed policies).

The 24-month Life Persistency Factor (LPF) is determined by dividing the total in force life insurance policies issued and placed during the previous 24-months by the total life insurance policies issued for the same period (i.e. exposed policies). The 24-month LPF includes policies issued and placed 1/1/2019 and later. Policies issued and placed prior to 1/1/2019 are excluded from the 24-month LPF.

The following products are excluded from persistency:

- Allstate Basic Term policies written prior to 1/1/2019
- Non-proprietary life, long term care, and disability income products
- Allstate Benefits
- Annuities
- Mutual Funds

The following summary of common policy transactions shows the impact to the in force and exposed policy count totals.

- Only policy transactions processed within 48 months from the date the policy issued and credit released will impact the 48-month persistency ratio.
- Only policy transactions processed within 24 months from the date the policy issued and credit released will impact the 24-month persistency ratio.

Transaction Examples	Inforce	Exposed	Comment
New Business	+1	+1	
Termination	-1	N/A	No impact to exposed count
Reinstatement	+1	N/A	No impact to exposed count
Freelook	-1	-1	Policy is removed from LPF
Term Conversion			
New Policy	+1	+1	Net impact is zero; new policy included in 24MM or 48MM LPF
Converted Term Policy (If less than 24 months for 24MM LPF; if less than 48 months for 48MM LPF)	-1	-1	
Replacements			
New Policy	+1	+1	Net impact is zero; new policy included in 24MM or 48MM LPF
Terminated Policy (If less than 24 months for 24MM LPF; if less than 48 months for 48MM LPF)	-1	-1	
Non-Forfeiture Option (Reduced paid up/Extended Term)	-1	N/A	No change to exposed count
Death Claim (If less than 24 months for 24MM LPF; if less than 48 months for 48MM LPF)	-1	-1	Policy is removed from LPF

Example: 24 month LPF as of 12/31/2020

24-month mover for policies issued and credit released from 1/1/2019 through 12/31/2010

# of policies in force	135
# of policies issued	<u>150</u>
LPF (in force/exposed)	90%

Note: Unless otherwise specified in the rules for the qualifying requirement, LPF will be calculated to the nearest whole percent. For example, 69.50% will round up to 70% while 69.49% will round down to 69%.

The Life Persistency Factor Detail report provides the policy level detail and persistency measurement.

4.4 Insurance Policies Sold (IPS)³

Insurance Policies Sold (IPS) includes the following:

- Life products (proprietary and non-proprietary) - new sales of term, UL, VUL, whole life, CRUMP impaired life; term conversions (including CRUMP third party term conversions) and approved exchanges from LBL to Allstate
- Annuity products (qualified or non-qualified) new accounts prior to April 10, 2017, regardless of the deposit amount
- Annuity products (qualified or non-qualified) new accounts effective April 10, 2017 and later with an aggregate premium deposit of \$5,000 or more where the transaction effective date of the deposit is April 10, 2017 or later.
- New qualified mutual funds and new qualified managed asset accounts opened April 10, 2017 and later with a net cumulative purchase amount of \$5,000 or more where the transaction effective date of the purchase is April 10, 2017 or later
- Effective April 10, 2017, there is a limit of one IPS count per customer account type and product class (i.e., multiple IPS counts will no longer be given when the same customer buys more than one of the same or similar products)
- Long Term Care and Disability – new sales of all Long Term Care and Disability Income policies sold through CRUMP
- Worksite – new sales of Allstate Benefit worksite cases (one count per case)
- Partnered business may generate an IPS count for both the EA and the EFS

IPS counts will not be given for:

- Juvenile business written October 1, 2018 and later (this includes life insurance policies written for children age 17 and under)
- New qualified mutual fund accounts, qualified managed asset accounts and qualified or non-qualified annuity products effective April 10, 2017 and later with a net premium deposit less than \$5,000
- Annuity beneficiary continuation contracts
- Mutual funds in non-qualified accounts
- Equity investments (stock/bond trades/REITs/ETFs)
- Allstate Benefits individual policies
- Health Plan Service (HPS)

Insurance Policies Sold (IPS) may be measured on a 12 month-mover (12MM) or year-to-date basis. The IPS 12MM represents the prior 12 months of IPS counts as of the measurement period date. For example, the 12MM for December 31, 2017 includes IPS counts from January 1, 2017 through December 31, 2017.

The Insurance Policies Sold (IPS) count reflects net new business which is any new business offset by any chargebacks. A new business IPS count is generated when a policy issues and credit releases.

³ The Insurance Policies Sold (IPS) 12 month-mover definition will expand effective April 10, 2017 and later. Counts for months prior to April 10, 2017 will reflect a narrower definition of Insurance Policies Sold (IPS) counts for April 10, 2017 and later will reflect the expanded definition of Insurance Policies Sold (IPS).

The Company reserves the right to limit IPS counts when multiple policies/contracts are issued for the same customer. Examples include:

- On controlled business policies, we may limit IPS counts to one per life or annuitant, regardless of the product type
- On non-controlled business policies, we may limit IPS counts to one per life product group (permanent versus term) or one per annuity product type (index annuity, variable annuity, etc.)

IPS Chargebacks

IPS chargebacks can occur:

- In the 12 month mover (or) year-to-date measurement period when policies:
 - Issue and then free-look or are not taken
 - Lapse or surrender in the first year when the effective date of the termination is within 12 months of the issue/credit release date
- On rescinded life or annuity policies (e.g. contested Death Claim). There is no chargeback on a Death Claim, however, if the Death Claim is not paid and the policy is rescinded, the IPS count will be charged back.⁴
- When the net deposit on qualified mutual funds, qualified managed assets and/or annuities falls below \$5,000 within 12 months from the date the IPS count was generated.

Note: The negative IPS count will occur in the month it is processed, even if the IPS credit was given prior to the measurement period.

Submission Method	Submit Date	Issue / Credit Release Date	Chargeback Effective Date	Chargeback Processed Date	IPS Month Credited
App-on-line or Paper App	10/1/2015	11/20/2015	Sur 8/17/2016	Sur 8/20/2016	+1 in Nov 2015 - 1 in Aug 2016
App-on-line or Paper App	11/3/2015	12/15/2015	FL 3/10/2016	FL 3/10/2016	+1 in Dec 2015 - 1 in Mar 2016
App-on-line or Paper App	1/14/2016	NA	NI 3/19/2014	NI 3/19/2016	No IPS count applied
App-on-line or Paper App	2/11/2016	3/13/2016	LP 9/13/2016	LP 11/15/2016	+1 in Mar 2016 - 1 in Nov 2016
App-on-line or* Paper App	1/15/2015	2/10/2015	Sur 4/20/2016	Sur 4/20/2016	+1 in Feb 2015 - 0 in Apr 2016

NI = Non Issued FL = Free Looked Sur = Surrender LP = Lapse

*Note: In these examples, the policy surrendered after the first policy year, therefore it is not subject to an IPS chargeback.

⁴ Carriers participating in the expanded market program may have different rules regarding chargebacks due to death. Contact the carrier for their specific rules. Any chargeback assessed by the carrier will also be assessed to production credit, commissions, and IPS if in the first year.

4.5 Production Credit Calculation

Refer to Exhibit B for the countrywide (excluding New York) production credit calculation by product and refer to NY Exhibit B for the New York production credit calculation by product.

Commission Scales are based on production credit from policies or policy changes that have been issued and credit released and deposits on existing policies. In order to earn production credits for a specific period, the policy and/or policy change must be issued and credit released no later than the end of a calendar quarter.

4.6 Lesser of Commission Target and Planned Annual Premium

The following rules apply to products that are paid based on the lesser of the commission target and the planned annual premium and adjusted based on the actual premium paid within the first policy year. Refer to Exhibit A, Exhibit B, NY Exhibit A and NY Exhibit B for a list of the impacted products.

At issue, production credit and commissions will be advanced based on the lesser of the commission target and the planned annual premium. Production credit and commissions will be adjusted based on the actual premium applied to the policy within the first policy year. New business production credit and commission will be paid up to the commission target and excess will be given on the premium paid over the commission target. Excess is always paid as premiums are received. Production credit and commissions will be charged back if the actual premium paid by the policyholder is less than the commission target and the planned annual premium.

Planned Annual Premium represents the payments that will be applied to the policy in the first policy year. It includes any upfront payments plus anticipated subsequent payments in the first year. Upfront payments include down payment and premium credits. Anticipated subsequent payments will be based on the modal premium.

Example 1:	Commission Target	\$5,000
	Modal Premium	\$ 200/month
	Total premium received prior to issue	\$ 500
	Remaining modes to be billed in the first year	11

Production credit and commission will be advanced based on the planned annual premium of \$2,700 [500 + (\$200 x 11)].

If the total premium paid by the policyholder in the first year is \$5200, additional production credit and commissions will be paid on \$2300 in premium (\$5000 commission target - \$2700 already paid). Excess will be paid on \$200 in premium (premium paid in over the commission target).

Example 2:	Commission Target	\$5,000
	Modal Premium	\$ 500/month
	Total premium received prior to issue	\$ 500
	Remaining modes to be billed in the first year	11

Since the planned annual premium $\{[500 + (\$500 \times 11)] = \$6000\}$ is greater than the commission target, production credit and commission will be advanced on the commission target of \$5000.

If the total premium paid by the policyholder in the first year is \$4800, commissions will be charged back on the premium of \$200 that was not paid in by the policyholder.

4.7 Plus Policies (excluding New York)⁵

Commissions for Plus Policies, excluding Allstate Benefits products and UL excess and renewals, will be paid at 50% of the current commission amounts. Commissions for Allstate Benefits products and UL excess and renewals will be paid at the personally secured commission amounts.

4.8 Plus Policies (New York Only)⁵

Commissions for Plus Policies, excluding UL excess and renewals, will be paid at 50% of the current commission amounts. Commissions for UL excess and renewals will be paid at the personally secured commission amounts.

5.0 Large Commission Payments

The following rule applies to agents with less than three years of affiliation.

Policy commissions in excess of \$20,000 will be paid out in three equal installments. This applies to annual in advance life new business commissions on new or term conversion policies, add-ons, and increases. The agent must be affiliated with the Company at the time of payment in order to receive commissions. Single policy commissions exceeding \$20,000 will be recorded as follows:

<u>Commission Amount</u>	<u>Date Recorded</u>
\$20,000	Issued and Placed Date
1/3 of amount over \$20,000	Policy Date plus 3 months
1/3 of amount over \$20,000	Policy Date plus 6 months
1/3 of amount over \$20,000	Policy Date plus 9 months

⁵ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

Example:

Policy Date: 7/15/2017
 Issued & Placed Date: 8/12/2017
 UL Minimum Premium: \$40,000
 Base Commission: \$40,000 x 65% = \$26,000
 Commissions will be recorded as follows:

<u>Date</u>	<u>Amount</u>
08/12/2017	\$20,000
10/15/2017	\$2,000
01/15/2018	\$2,000
04/15/2018	\$2,000

6.0 Chargebacks

6.1 Commission

Full commissions will be charged back on the following activities:

- Free look
- Deposit reversal
- Rescinded life or annuity policy (e.g. contested Death Claim)⁶
- Universal Life increase reversal
- Annuity terminations or annuity withdrawals within the first year after deposit. This also includes terminations or withdrawals within 12 months of a window period renewal for a Tactician Plus or Treasury Linked annuity. Chargeback is limited to the deposit amount net of any previous withdrawals. Scheduled annuitizations are excluded. Also excluded is the free withdrawal portion of a SureHorizon FPDA and SureHorizon Annuity II. These rules will also apply in the first year after re-deposits made into the Saver's Index Annuity I, the Revised Saver's Index Annuity I, and the Elite Index Annuity during each seven year renewal period.
- Annuity terminations or annuity withdrawals within the first two years after deposit on Saver's Index Annuity III contracts that contain a Return of Premium Rider (ROP). Will apply to new business effective January 1, 2010 and after. First year rules still apply on contracts that do not contain the rider.
- Universal Life withdrawals within one year of an excess payment. Any outstanding loans will be considered a withdrawal when the policy terminates.
- Decrease of insurance amount or termination within the first three years after an add-on or increase written 1/1/02 or later. Chargeback is reduced to 50% in year three.

⁶ There is no chargeback on a Death Claim, however, if the Death Claim is not paid and the policy is rescinded, full commissions will be charged back. Carriers participating in the expanded market program may have different rules regarding chargebacks due to death. Contact the carrier for their specific rules. Any chargeback assessed by the carrier will also be assessed to production credit, commissions, and IPS if in the first year.

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- Controlled business⁷ that terminates or has a decrease of insurance amount within three years of issue date of new business or policy increase written 1/1/02 or later. This chargeback will apply to both the Writing and Partnering Agents, regardless of the controlled business relationship.⁸

Pro-rata annual in advance commission will be charged back on the following activities:

- Policy/Contract Terminations
- Conversion to Non-Forfeiture Option
- Deletions within the first 12 months
- Non-Universal life deletions after the first 12 months

For universal life, the chargeback will be the difference between the commissions advanced and the commissions based on the actual premium paid into the policy, when the commissions advanced are higher than the commissions on the actual premium paid within the first twelve months of the policy. For other fixed premium life and long term care, commissions will be prorated based on the period between the policy anniversary and the termination or deletion effective date.

Example (fixed premium life policy):

A whole life policy sold in January generates a \$2,000.00 commission payment. The policy lapses in October. The policy has been in force 9 months, so 3 months, or 1/4 of the commissions paid to the agent was unearned. On the commission statement for October production, \$500.00 (\$2,000.00 X 1/4) will be charged back against the agent's monthly commissions. Any deficiency will be carried forward to the next commission period.

Annual in advance commissions will be adjusted using the old and new commission basis on the following activities:

- Reissues/Corrections
- Replacements
- Policy changes – pro-rata based on the effective date

Annuity commissions will be partially charged back on the following activities:

- Deposits made 13-18 months prior to a Treasury Linked Annuity termination will result in a 50% chargeback
- Annuitization in months 13-24 of an ALNY Preferred Performance or ALNY Performance Plus annuity, will result in a chargeback of 1.00% of premium paid less any withdrawals in excess of the free amount (for deposit ages 0-80 only).

⁷ Controlled business is defined as business written on self, spouse, child, father, mother, or member of their household. Business written on another Allstate producer or staff (including sales producer) or their spouse, child, father, mother, or member of their household is also considered controlled business. Business is also controlled when the Allstate producer is the owner or payer, regardless of the relationship to the insured on the policy or contract. Any chargeback under this provision will apply to both the Writing and Partnering Agents on the policy, regardless of the controlled business relationship.

⁸ In addition to the full commission chargeback, full production credit and IPS counts will be charged back. The controlled business will also be subject to a reclaim of any bonus or incentive payment that it may have generated.

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Any commission charge backs will be netted against current and future commission earnings. If the net of all transactions processed in a month is negative, the negative amount will be considered unearned commission. When commission is calculated in each subsequent month, total regular commission, awards, and bonuses will be reduced until the full unearned commission amount is recovered. Allstate may reduce the amount we pay you by any amount you owe us or any of our affiliate(s). Any unrecovered negative commission balance at termination of the Agreement will constitute an indebtedness owed to the Company and will be charged to the Agency immediately or recovered from Agency.

6.2 Production Credit

Full production credit will be charged back on the following activities:

- Free look
- Deposit reversal
- Rescinded life or annuity policy (e.g. contested Death Claim)⁹
- UL increase reversal
- Annuity terminations or annuity withdrawals within the first year after deposit. This also includes terminations or withdrawals within 12 months of a window period renewal for a Tactician Plus or Treasury Linked annuity. Chargeback is limited to the deposit amount net of any previous withdrawals. Scheduled annuitizations are excluded.
- Annuity terminations or annuity withdrawals within the first two years after deposit on Saver's Index Annuity III contracts that contain a Return of Premium Rider (ROP). Will apply to new business effective January 1, 2010 and after. First year rules still apply on contracts that do not contain the rider.
- Universal Life withdrawals within one year of an excess payment. Any outstanding loans will be considered a withdrawal when the policy terminates.
- Decrease of insurance amount or termination within the first three years after an add-on or increase written 1/1/02 or later. Chargeback is reduced to 50% in year three.
- Controlled business¹⁰ that terminates or has a decrease of insurance amount within three years of issue date of new business or policy increase written 1/1/02 or later. This chargeback will apply to both the Writing and Partnering Agents, regardless of the controlled business relationship.¹¹

⁹ There is no chargeback on a Death Claim, however, if the Death Claim is not paid and the policy is rescinded, full production credit will be charged back. Carriers participating in the expanded market program may have different rules regarding chargebacks due to death. Contact the carrier for their specific rules. Any chargeback assessed by the carrier will also be assessed to production credit, commissions, and IPS if in the first year.

¹⁰ Controlled business is defined as business written on self, spouse, child, father, mother, or member of their household. Business written on another Allstate producer or staff (including sales producer) or their spouse, child, father, mother, or member of their household is also considered controlled business. Business is also controlled when the Allstate producer is the owner or payer, regardless of the relationship to the insured on the policy or contract. Any chargeback under this provision will apply to both the Writing and Partnering Agents on the policy, regardless of the controlled business relationship.

¹¹ In addition to the full production credit chargeback, full commissions and IPS counts will be charged back. The controlled business will also be subject to a reclaim of any bonus or incentive payment that it may have generated.

Pro-rata annual in advance production credit will be charged back on the following activities:

- Terminations in the first policy year
- Conversion to Non-Forfeiture Option in the first policy year

Annuity production credit will be partially charged back on the following activities:

- Deposits made 13-18 months prior to a Treasury Linked Annuity termination will result in a 50% chargeback

7.0 Commission on Large Cases

7.1 Life

Commissions and production credit may be reduced or capped on new life business in excess of five million dollars in coverage on the insured (includes existing insurance). Reductions are typically based on higher than expected reinsurance costs or special reinsurance arrangements.

7.2 Annuities

Special commission arrangements may be required by expanded market annuity carriers for large premium deposit amounts, subject to the specific carrier's compensation rules.

8.0 Commission Payments on Policies with the Full Surrender Charge Adjustment Rider (excludes New York) (Rider discontinued effective December 1, 2013)

If this rider is added, first year commissions (target and excess) will be calculated as specified in Exhibit A, but will be spread evenly over 5 years (first year commission will be divided by 5 and paid over the first 5 years as long as the policy is still in force). Payments for years two (2) through five (5) will be advanced at the beginning of each policy year.

- Example: policy issues in May 2003, 2nd payment is advanced in May 2004, 3rd payment is advanced in May 2005, etc.

If a policy with this rider terminates in years one (1) through five (5), prorata annual in advance commissions will be charged back for the policy year in which the termination occurred.

- Example: If the policy terminates in year three (3) (after the commissions for year three (3) have been paid), the chargeback will be for the number of months the policy is not in force for year three (3). Commissions for years four (4) and five (5) will not be paid out.

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9.0 Window Period Renewals¹²

9.1 T-Link, T-Link 2, and Tactician Plus (5&6 Year Guarantee Periods)

Fixed Element

For window period renewals, the following rules will apply:

Writing Agent	Partnering Agent (if applicable)
50% of commission rates on renewals ¹³	No commission
50% of new Production Credit rates on renewals	50% of new Production Credit rates on renewals

General Guidelines

- Withdrawals taken in the window or deemed to have been taken during the window period do not qualify for renewal commissions
- Commission reductions at older attained ages during the window will be consistent with new business
- Commission scales apply on renewals during the window
- Contracts beyond the surrender charge period are not eligible for renewal commissions

¹² Window Period Renewal refers to money that enters into the window and remains within the same T-Link or Tactician Plus contract upon the closing of the window.

¹³ For Allstate Treasury Linked Annuity, a renewal commission will be paid no sooner than 16 days after the close of the Window Period at a rate of 50% of the current new business commission. Commission is paid on the Sub Account Value as of the beginning of the Window Period, less any withdrawals during the Window Period.

Section 1e: Motor Club

1.0 Motor Club Commissions

1.1 Current Commission Schedule for Business Effective and Processed On or After January 1, 2005¹

The following table contains the current commission amounts, for R3001 Agents, applicable to Motor Club business (effective and processed on or after January 1, 2005¹), except policies bound by the Customer Contact Center (CCC)/Internet.

Membership Type	Commission Amounts	
	New %	Renewal %
Roadside Advantage	20	10
RV Roadhelp	20	10
Deluxe	20	10
Commercial	20	10

1.2 Commission Schedule for Business Effective and Processed Prior to January 1, 2005²

The following table contains the commission amounts, for R3001 Agents, applicable to Motor Club business (effective and processed prior to January 1, 2005²), except policies bound by the Customer Contact Center (CCC)/Internet.

Membership Type	Percent Of New Membership Charge
Roadside Advantage	45
RV Roadhelp	45
Deluxe	45
Commercial	45

No commission will be paid on renewals

¹ In Minnesota, these commission amounts will go into effect on business effective and processed on or after April 1, 2005.

² In Minnesota, these commission amounts are applicable on business effective and processed prior to April 1, 2005.

Section 1f: Emerging Businesses Pilot (applies to Texas, Florida, Pennsylvania and Colorado)

1.0 Emerging Businesses Commissions

The following table contains the commission amounts, for R3001 Agents, applicable to Emerging Businesses with an effective date from 02/01/2008 through 12/31/2008.

State	Lines of Insurance	Commission Amounts		
		New ¹ %	Add Coverage %	Renewal %
Florida	Company 65 – Line 16	30	30	6
Texas	Company 65 – Line 16	20	20	8
Texas	Company 65 – Line 90	20	20	8
Pennsylvania	Company 65 – Line 71	30	30	2
Colorado	Company 60 – Line 71	25	25	4

Emerging Businesses Commission Notes:

- The Add Coverage commission amounts outlined in the table above apply to added coverage activity on policies written under the Emerging Businesses Pilot only. Added coverage activity on policies with an effective date prior to 02/01/2008, will be paid at the rates outlined in Sections 1a and 1b.
- The Renewal commission amounts outlined in the table above apply only to policies written effective 2/1/2008 through 12/31/2008. Policies issued during the pilot will continue to receive the renewal commission amounts outlined above for the life of the policy.
- Agents will receive the new business commission amounts outlined above on endorsements processed on existing policies only if the policy has renewed after 2/1/2008.

¹ Agents will receive 0% new business on renters business bound in the CCC/Internet that has been identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent. If the software used to determine whether the call is from an agent forwarded phone or a direct call to the CCC is not operating, then business bound by the CCC on a new to Allstate customer who does not request an agent will be coded to the CCC house account number, and any existing customers and new Allstate customers that request an agent will be assigned to the agent as an agent type 41.

Chapter 3: Commission Interest

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Section 1: Introduction

1.0 General

This chapter sets forth the rules governing special situations and other determinations relative to commission interest with respect to an agency bound policy, e.g., conflicting commission interest involving more than one agent, substitution or conversion of policies or lines, etc. Definitions of "line group" and "like lines" appear in the Glossary.

As respects the premium for any coverage, it is the Company's intent that, unless otherwise specified in this chapter, only one agent shall receive commission with regard to the period covered by such premium.

Except as otherwise provided in this Supplement, Allstate will own all business produced under the terms of the R3001 Agreement. The agent's commission interest will continue while the agent's R3001 Agreement remains in effect, the business continues in force, and the Company has not removed the policy from the R3001 Agent's account at the request of a policyholder. Business shall be regarded as continuing in force while it continues effective:

- in the state(s) for which the agent is licensed and approved (not applicable to Allstate Financial lines of business), and
- for the named insured on the policy or resident spouse, except that

commission interest in a line group or like lines is not affected by an agent's conversion to the R3001 Agreement. An R3001 Agent assigned to service an unrepresented policy on a service fee or relationship fee basis will not have a commission interest in that policy. Additionally, an R3001 Agent will not have a commission interest in policies bound by the Customer Contact Center (CCC) in Assigned Agency status.

When it is determined that duplicate coverage exists for the same named insured, the last policy bound will be the policy cancelled.

2.0 Commission Applicable to Policies Bound by Different Access Points

With respect to binding a new policy, the commission amount paid to an agency on that policy will be determined by the commission schedule and rules applicable to the access point and the agent type that bound the new policy, except as noted in Chapter 1 and 3 in the Supplement.

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With respect to policies with an original policy effective date of August 1, 2019¹ and later, if a policy is cancelled and rewritten for the same named insured in the same line of insurance by another access point, the commission amount applicable on the rewritten policy will be determined by the access point that bound the rewritten policy.²

With respect to policies with an original policy effective date prior to August 1, 2019¹, if a policy is cancelled and rewritten for the same named insured in the same line of insurance by another access point,

- the commission amount applicable on the rewritten policy will be determined by the access point on the rewritten policy, if the cancelled policy is in its new business period
- the commission amount applicable on the rewritten policy will be determined by the access point on the original policy, if the cancelled policy is in its renewal period.²

With respect to adding coverage to an existing policy other than an unrepresented policy, the commission amount recorded to an agency on that endorsement will be determined by the commission schedule and rules described in Chapters 2 and 3 in the Supplement.

3.0 Added Coverages Commission Handling

3.1 General

Added Coverage³ may be written in an endorsement to an existing policy or as a separate policy. As a general rule, the Added Coverage will be written in an endorsement. A separate policy may be written for the same insured when it is in accordance with Company practice.

When the Added Coverage is written:

1. in an **endorsement** to an existing policy, the period for which commissions will be received is from the effective date of the endorsement to the next anniversary (or off-anniversary, if applicable) of the policy to which the coverage is added; or
2. in a **separate policy**, the period during which new policy commission will be received is the first 12 months of the newly issued policy.

Only those policy changes identified as Added Coverages by line of insurance are to be treated as such for purposes of commission. If a policy change is not so identified, any premium increase or decrease resulting from the change will be recorded in the account of the Agent of Record, Designated Agency or Assigned Agency (if any) at the new or renewal commission amount then applicable to the policy being changed.

¹ Effective September 1, 2019 and subsequent in Rhode Island and Minnesota.
² For agent type 01, the commission rate will be determined by the agent type, not the access point, that rewrote the policy.
³ Excludes Commercial.

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3.2 Added Coverages

When the coverage is added to an Auto or Personal Property policy, the agent writing the Added Coverage will receive new policy commission prorated for the remainder of the term. When added to the second term of a six month auto policy, the First Renewal commission amount applies. The Writing Agent (if other than the Agent of Record, Designated Agency or Assigned Agency) relinquishes commission on the Added Coverage for subsequent periods.

The Agent of Record, Designated Agency or Assigned Agency on the policy on which the Added Coverage is written (if other than the agent writing the Added Coverage) relinquishes commission on the Added Coverage for the period for which the Writing Agent receives commission.

4.0 Spin off or Split off

In instances where an existing insured person must obtain a new policy such as marital "split off" or young driver "spin off," the person obtaining the new policy is a new named insured. The agent type on the new policy will be determined by the access point⁴ that bound the new policy. The agent will receive new and renewal commissions on the new policy. There may be cases when the new policy is initially issued for a policy term of less than six or twelve months. In such cases, the new business commission amount for the new policy will be based on the net written premium for the shorter time period.

5.0 Policies Replaced in Another Company

If a policy written in Allstate Insurance Company, Allstate Indemnity Company, Allstate County Mutual Insurance Company, Allstate Fire and Casualty Insurance Company, Allstate Property and Casualty, Castle Key, Castle Key Indemnity or Allstate New Jersey is replaced in the same company or one of the other companies by a policy for the same named insured, commission thereon shall be calculated at the renewal amount applicable to the replacement (new) policy based on the agent type on the replaced (old) policy, except as noted in this chapter.

6.0 Plus Policies⁵

If a Plus Policy or an unrepresented Plus Policy is canceled-rewritten, or is replaced in another company, or is reinstated (and the policy was out of force for less than 120 days), then the newly written or reinstated policy will remain a Plus Policy. Any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written or reinstated policy.

⁴ If the access point is the CCC or the Internet (Allstate.com), then the origin of the call, i.e. direct to the CCC or agent forwarded phone, will determine the agent type.

⁵ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

7.0 Market Assistance Plan (MAP)

7.1 General

A Market Assistance Plan (MAP) is a voluntary association of insurance companies created by a state's insurance department to provide a source for customers to obtain coverage for various lines of business or classes of business they are otherwise unable to purchase.

7.2 Allstate/Agent Relationship

The R3001 Agent is authorized under the provisions of this Supplement to write applications for insurance under a Market Assistance Plan.

7.3 Commission

MAP commission is calculated in accordance with the Market Assistance Plan of the particular state. In some states, the MAP does not require the voluntary carrier to pay commission to the writing agent. However, if the carrier chooses to compensate the writing agent and if the writing agent is an Allstate agent, the Company will allow the agent to receive the commission if the carrier is admitted in the state. Agents cannot represent or receive commission on business written by excess and surplus carriers, except as authorized by the Company.

MAP business written by R3001 Agents and insured by Allstate will be included in the agent's total authorized gross commission. Any MAP commission overpayments resulting from premium reductions or cancellations will be deducted from the total authorized gross commission for the month.

7.4 Appointments/Brokering

Some states require that the agent be appointed by the voluntary carrier who is issuing the business. In these situations, an Allstate agent can be appointed by the other carrier for MAP placed business only. However, if the agent uses such appointments to place business other than through the MAP, it will result in the Company withdrawing its permission to allow the agent to receive commission on such business and it may jeopardize the agent's agency relationship with the Company.

Section 2: Auto

1.0 General

The Auto line group is comprised of coverage for Private Passenger vehicles which are voluntarily acceptable by the Risk Management department or which are ceded to a Reinsurance Facility (in applicable states). This includes coverages written as Special Auto, Allstate Indemnity, Allstate New Jersey, Allstate County Mutual (TX), Allstate Fire and Casualty (TX), and Allstate Property and Casualty. In addition, coverages written as Allstate Indemnity, Allstate New Jersey, Allstate County Mutual (TX), Allstate Fire and Casualty (TX), and Allstate Property and Casualty are defined as like lines.¹ Like lines includes the statistical lines of 10 and 19.²

The following table provides an overview of the commission rules for policies in the Auto line group.

Former Allstate policyholder³ whose policy lapsed, expired, or was terminated less than 120 days⁴ prior to effective date of new policy

Former Policy	Current Policy	New Business Commission for New and/or Added Coverage*	Renewal Commissions	Economic Interest in the Current Policy
Line 10	Line 10	Writing Agent of the current Line 10 policy	Agent of Record on the former Line 10 policy	Agent of Record on the former Line 10 policy
Line 10	Line 19	Writing Agent of Line 19 policy	Agent of Record on the Line 10 Policy	Agent of Record on the Line 10 Policy
Line 19	Line 19	Writing Agent of the current Line 19 policy	Agent of Record on the former Line 19 policy	Agent of Record on the former Line 19 policy
Line 19	Line 10	Writing Agent of Line 10 policy	Agent of Record on the Line 19 Policy	Agent of Record on the Line 19 Policy

*Writing agent is entitled to new business commission if an additional item and/or new coverage was added with the rewrite. New business commission will only be paid on the additional item and/or new coverage.

¹ Special Auto coverages written with an effective date prior to April 1, 2008 are considered a like line.

² Business written under line 16 prior to April 1, 2008, is considered a like line.

³ Policyholder, as defined in the Glossary, means the named insured on the policy declaration, or resident spouse.

⁴ 60 days, if the former Agent of Record's agreement so specifies

Former Allstate policyholder³ whose policy lapsed, expired, or was terminated 120 days⁴ or more prior to the effective date of the newly issued policy

Former Policy	Current Policy	New Business Commission	Renewal Commissions	Economic Interest in the Current Policy
Line 10	Line 10	Writing Agent of the current Line 10 Policy	Writing Agent of the current Line 10 Policy	Writing Agent of the current Line 10 Policy
Line 10	Line 19	Writing Agent of Line 19 Policy	Writing Agent of Line 19 Policy	Writing Agent of Line 19 Policy
Line 19	Line 19	Writing Agent of the current Line 19 Policy	Writing Agent of the current Line 19 Policy	Writing Agent of the current Line 19 Policy
Line 19	Line 10	Writing Agent of Line 10 policy	Writing Agent of Line 10 Policy	Writing Agent of Line 10 Policy

Agents are also permitted to sell other business insuring automobiles, subject to the Company's rules and procedures (e.g., Assigned Risk, etc.). Such transactions are not subject to the Auto commission rules.

2.0 Special Commission Rules

2.1 Added Coverage

The R3001 Agent writing an Added Coverage to a six month or annual Auto policy receives commission in such coverage, but prorated to the next renewal date of the policy. The Agent of Record, Designated Agency or Assigned Agency if other than the Writing Agent, relinquishes commission on the premium for the Added Coverage to such renewal date.

On six month policies, the Agent of Record, Designated Agency or Assigned Agency (unless the policy has been captured by another agency) will receive commission on the net written premium for such coverage for the ensuing six months at the applicable Added Coverage amount for that term.

On annual policies, the Agent of Record, Designated Agency or Assigned Agency (unless the policy has been captured by another agency) will receive renewal commission on the net written premium for such coverage at the next policy renewal

When coverage for an Additional Automobile is sold, coverage for the auto already insured must remain in effect for at least 120 days after the additional auto becomes covered, or the premium will be regarded as premium for insuring a replacement auto. When coverage for an Additional Automobile is sold, coverage for the auto previously insured must have been canceled more than 120 days prior to the additional auto becoming covered, or the premium will be regarded as premium for insuring a replacement auto, unless there was a replacement auto in the last 120 days.

2.1.1 List of Added Coverages

- Coverage For An Additional Automobile
- Bodily Injury and Property Damage Liability
- Collision
- Drive Other Cars
- House-Car Trailer
- Uninsured Motorist
- Uninsured Motorist/Bodily Injury (Rhode Island)
- Uninsured Motorist/Property Damage (Rhode Island and Ohio)
- Underinsured Motorist
- Medical Payments (in Kansas only when VA1 not contained in policy)
- Death Indemnity
- Disability Income
- Towing
- Comprehensive
- Vendor's Single Interest (California)
- Extraordinary Medical Benefits (Pennsylvania)
- Rental Reimbursement
- Lease Loan Gap (Ohio and Maryland)

2.1.2 No Fault Added Coverage Determinations

Because of differences in the handling of Auto coverage in No Fault states, which coverages are "Added Coverages" and which are not will be determined on a state-by-state basis. These determinations are shown in exhibit 1 at the end of this section (3-2).

2.2 Agent Type and Agent Number on a Cancel-Rewrite Due to an Effective Date Change on the Policy

If a policy is cancelled and rewritten for the same named insured in the same line of insurance, due to an effective date change on the policy, the agent type and agent number on the rewritten (new) policy will be the same as the agent type and agent number on the cancelled (old) policy, unless the agent is not licensed and appointed in that state. If the agent is not licensed and appointed in that state, then the agent type on the rewritten policy will be the agent type of the access point that bound the new policy.⁵

⁵ If the access point is the CCC then the origin of the call, i.e. direct to the CCC or agent forwarded phone, will determine the agent type. If the access point is the Internet, then the accessed website, Allstate.com or the agent's home page, will determine the agent type.

This rule also applies to Plus Policies⁶ and unrepresented Plus Policies. The newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

2.3 Agent Type on a Policy Replaced in Accordance with the Company's Customer Move Process on Alliance Involving Out-of-State Moves

If a policy is replaced in accordance with the Company's Customer Move Process on Alliance with a policy for the same named insured, the agent type on the replacement (new) policy will be the same as the agent type on the replaced (old) policy, provided the agent is licensed and appointed in that state. If the agent is not licensed and appointed in that state, then the agent type on the rewritten policy will be the agent type of the access point that bound the new policy.⁷

This rule also applies to Plus Policies⁶ and unrepresented Plus Policies. The newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

2.4 Agent Type and Agent Number on Reinstatements Other than Reinstatements of Suspended Coverages

If a policy is reinstated for the same named insured in the same line of insurance, the agent type and agent number on the reinstated policy will be the same as the agent type and agent number on the original policy provided the policy was not out of force for a period of 120 days or more.

This rule also applies to Plus Policies⁶ and unrepresented Plus Policies. The newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

2.5 Reinstatement of Suspended Coverages

2.5.1 Reinstatement by an Agent Other than Agent of Record

An agent other than the Agent of Record may not receive commission for the reinstatement of a suspended coverage unless the agent originally added the suspended coverage and the reinstatement occurs in the same policy term in which the coverage was added. New business commission is then prorated for the period for which the coverage was in force.

⁶ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

⁷ If the access point is the CCC then the origin of the call, i.e. direct to the CCC or agent forwarded phone, will determine the agent type. If the access point is the Internet, then the accessed website, Allstate.com or the agent's home page, will determine the agent type.

2.5.2 Reinstatement by the Agent of Record

A suspended coverage reinstated by the Agent of Record during the policy's first term or the coverage's initial term, as applicable, will have commission calculated on a prorata basis for the period for which the coverage was in force. If the reinstated coverage was written in the same term, the Writing Agent will receive the prorated commission - not necessarily the Agent of Record.

For coverage reinstated after being suspended in a prior policy term, the Agent of Record will receive commission in all cases. In a six month auto policy state, if the reinstatement occurs during the second term of the policy or the second term of an Added Coverage, the first renewal amount will apply. Otherwise, the coverage will be reinstated at the renewal commission amount.

2.6 Voluntary Auto Policy Issued to Former Assigned Risk, Underwriting Association or Facility Plan Insured

2.6.1 Assigned Risk – Voluntary Take-Out

An Allstate agent who is the Agent of Record on an Assigned Risk policy (on which Allstate is the insurer) which is voluntarily taken out of the plan and written as a regular Allstate policy, will receive commission on the net written premium for the initial term of the policy, as though for a new policy, and in the ensuing six months of a six month auto policy, as though for a first renewal policy.

2.6.2 Assigned Risk – Involuntary Take-Out

The law in some states requires that regular insurance be offered to Assigned Risk insureds who are accident and conviction free for a specified period.

Transactions for regular insurance issued as a result of a mandatory take out offer may appear, at the Company's discretion, in the R3001 Writing Agent's account at the current renewal amount.

2.6.3 Underwriting Association

An Allstate agent who is the Agent of Record on an Underwriting Association policy which is voluntarily taken out of the plan and written as a regular Allstate policy will receive commission on the net written premium for the initial term of the policy, as though for a new policy, and in the ensuing six months of a six month auto policy, as though for a first renewal policy.

2.6.4 Reinsurance Facility

The agent writing an Auto line policy initially ceded at new business issue to the Reinsurance Facility or the Agent of Record on an active Auto policy which was in "ceded" status as of December 2, 1985, will receive New Business commission once that policy is "taken out" of the Facility.

Subsequent movement of the policy to or from the Reinsurance Facility in either of the above cases will always be at renewal commission.

2.7 Fleet Conversions

(See Chapter 3, Section 5a applicable to Commercial Casualty business.)

2.8 Commercially Rated Automobile – Replacement Policy

If a Commercially rated Non-Fleet Auto policy (on which commission is calculated according to Chapter 2, Section 1a) is replaced with a non-fleet policy in the Allstate Insurance Company, Allstate Indemnity Company, Allstate County Mutual Insurance Company, Allstate Fire and Casualty Insurance Company or Allstate New Jersey Insurance Company with no lapse of coverage at the time of replacement, the agent who held renewal policy commission interest in the replaced policy should receive renewal policy commission interest in the replacement policy beginning at its effective date.

2.9 Allstate County Mutual Insurance Company – Membership Fees

For purposes of agent commission, membership fees for Allstate County Mutual business will be included with the new net written premium for this business.

2.10 New Business Policy Fee – Allstate Indemnity Company

For purposes of agent commission, the New Business Policy Fee applicable to Allstate Indemnity Company auto business will be included with the new net written premium for this business.

3.0 Residual Market

Involuntary auto insurance may be written under an Assigned Risk or Automobile Insurance Plan, through an Underwriting Association or Plan, or with a Reinsurance Facility, whichever is available in the particular state, subject to the Company's rules and procedures. The Allstate Agent is authorized, under the provisions of this manual to write applications for insurance under these plans.

"Plan Business" shall mean policies and coverages placed through or reinsured with a plan, association or organization established to afford coverage for risks not generally acceptable for insurance.

Commission on Plan Business will be included with the commission otherwise payable under the agent's R3001 Agreement in accordance with the provisions which follow.

3.1 Assigned Risk

Assigned Risk commission is paid in accordance with the amounts listed in Chapter 2 of this manual. The Net Commission System will calculate and pay agents for Assigned Risk business twice a month based on the balance in their Assigned Risk account. A statement of all transactions for the month will be issued to each agent.

Each month any Assigned Risk overpayments (resulting from premium reductions or cancellations) will be netted against commission amounts.

All Assigned Risk policies will remain on an annual term, even though voluntary business may be written for a six month term.

3.2 Underwriting Association Business

In several states Automobile residual market business is insured through an Underwriting Association. In Hawaii the association is called the Joint Underwriting Plan (JUP) and in Michigan the Automobile Insurance Placement Facility (AIPF). This section pertains to Underwriting Association business in these states except where noted below.

The Underwriting Association in each applicable state will dictate (with proper state approval) whether each Auto policy term will be for six or 12 months.

Allstate is not the insurer for Underwriting Association business: It acts instead as a "servicing carrier."

Commission on Underwriting Association business written through Allstate will be recorded on the agent's Monthly Producer Commission Statement.

3.2.1 Representation of Policy

Only one agent (Agent of Record) may represent an Underwriting Association policy. This will be the Writing Agent as long as the agent remains licensed.

No new policies or renewal policies will be recorded in the Underwriting Association account of a former Allstate Agent whose Underwriting Association business is being discontinued by Allstate; unless Allstate has been selected by the agent (Designated Agent) to be the servicing carrier.

If the agent wants to retain Underwriting Association policies, the agent will have to secure another sponsor for a license (thereby meeting the Underwriting Association requirement).

The agent will then rewrite the Underwriting Association business through the new sponsor only after the Underwriting Association policies serviced by Allstate are non-renewed.

3.3 Reinsurance Facility Plans

Reinsurance facilities are effective in New Hampshire and North Carolina.

Facility commission will be recorded on the agent's monthly statements in the same manner as voluntary auto business, but will be identified on the Agent Monthly Production Statement under a separate heading. In cases of ceding existing policies to the Facility, the agent representing the policy prior to its having been ceded will represent the Facility policy. If an R3001 Agent's agreement terminates, Facility policies will become unrepresented in the same way as all other policies.

Commission for premium unearned due to cancellation of a policy or coverage will be deducted from the commission to be paid for the month in which the cancellation is processed. Voluntary policies ceded at renewal will be recorded at the applicable renewal commission amount.

EXHIBIT 1

No Fault Coverages

(Y = Added Coverage N = Replacement)

State	VA	VB	BT, BV, DA	VA7, VA8, VA9, CC				VC, VM, VW	
				No VA1 or CC	VA1 or CC	No VA1	VA1	No CC, CM, CW, VA	CC, CM, CW, VA
AR								Y	N
CO	N	Y							
CT	N	Y							
DE	N								
FL	N								
GA	N	N							
HI	N	Y							
KS	N					Y	N		
KY	N ⁸			Y	N				
MD	Y								
MI	N		N						
MN	N								
NJ	N	Y							
NY	N	Y							
ND	N	Y							
OR	N								
SC	Y ⁹								
TX	Y ³							Y	N
UT	N								
VA	N							Y	N
WA	Y ³								

⁸ Applies to VA1 only.

⁹ Added Coverage only if not replacement for Medical Payments.

Section 3: Personal Property

1.0 General

The line groups which comprise the Personal Property category are listed below. Special commission rules applicable to these line groups are contained in the indicated sections.

Section 3a	Homeowners (like lines including Homeowners, Renters, Condominium and Deluxe Country)
Section 3b	Mobilehome
Section 3c	Boatowners - Recreational Package Policy
Section 3d	Residential Fire
Section 3e	Landlords Package Policy
Section 3f	Workers' Compensation - Residence Employees
Section 3g	Personal Umbrella Policy

Each of the line groups and like lines stated above is a separate line of insurance for commission purposes. Special commission rules applicable to conversions within the Personal Property category are contained in this chapter.

2.0 Residual Market

2.1 FAIR plans

FAIR Plans (Fair Access to Insurance Requirements) provide property insurance to those who are unable to secure it through the voluntary market. Insurance companies share these risks proportionately based upon their market share.

2.2 Allstate Flood Insurance (AFI)

Allstate Flood Insurance covers losses from flooding and is written in cooperation with the National Flood Insurance Program (NFIP).¹ The commission amounts applicable to agency written Allstate Flood Insurance are contained in Chapter 2, section 1b, subsection 0.

A terminated R3001 Agent will be paid for Allstate Flood Insurance business in process at the time of termination of the agent's R3001 Agreement. Unless sold, the agent maintains a commission interest in agency bound Flood policies produced until the first policy renewal after the agent's termination date. Accordingly, all subsequent endorsement and cancellation transactions occurring after the termination date, but before the next policy renewal, will also be recorded in the terminated agent's account.

¹ Flood insurance cannot be written directly with the NFIP, it must be written through Allstate.

2.3 California Earthquake Authority (CEA)

Allstate agents are permitted to sell California Earthquake Authority business through a state regulated program for customers with companion Allstate policies in the homeowners, mobilehome, residential fire and landlords package lines. The Allstate companion policy and the CEA policy must have the same expiration date.

Allstate is not the insurer for California Earthquake Authority business; it acts instead as a "servicing carrier".

2.3.1 Representation of Policy

Only one agent may represent a CEA policy. This agent will be the same as the Agent of Record on the companion personal property policy.

2.3.2 Ownership of California Earthquake Authority Business

Allstate owns, but is not the underwriter of, California Earthquake Authority business. If a customer requests service by another agent, both the CEA and companion policy will go through the normal change of agent process.

3.0 Mine Subsidence Coverage

3.1 General

Mine Subsidence coverage is available in the following states and lines:

Line	IL	IN	WV	KY	OH
Mobilehome/Manufactured Home	Yes	No	Yes	No	Yes
Homeowners (Allstate and Allstate Indemnity)	Yes	Yes	Yes	Yes	Yes
Landlords Package	Yes	Yes	Yes	Yes	Yes
Condominium	Yes	Yes	No	No	Yes

Mine Subsidence coverage insures losses related to collapse due to mining operations. Mine Subsidence is written in accordance with state-administered plans and will therefore be treated as "Plan Business" for commission purposes.

3.2 Commissions

The current commission amounts for agency bound business applicable to Mine Subsidence coverage are:

New Business	15%
Renewal	6.5%

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3.3 Statements

Mine Subsidence coverage transactions will be recorded on the R3001 Agent's monthly production statements similar to other property coverages, but under separate headings.

4.0 Citizens Property Insurance Corporation

In July 2002, the Florida Residential Property and Casualty Joint Underwriting Association and the Florida Windstorm Underwriting Association were combined to create Citizens Property Insurance Corporation (Citizens). Allstate agents in Florida may submit property residual market applications to Citizens through a service company and may submit wind only applications directly to Citizens.

5.0 Castle Key

5.1 General

All Florida Personal Property business will be written in Castle Key Insurance Company or Castle Key Indemnity Company.

Property Line	Castle Key Insurance	Castle Key Indemnity
Homeowners	Yes	Yes
Renters	Yes	Yes
Condominium	Yes	No
Deluxe Country	Yes	No
Residential Fire	Yes	No
Landlords Package	Yes	No
Mobilehome	Yes	No
Boatowners	Yes	No
Scheduled Personal Property	Yes	No

Section 3a: Homeowners

1.0 General

The following lines are all in the Homeowners line group for purposes of commission and are defined as like lines:

Line	Allstate Insurance Castle Key	Allstate Indemnity Allstate Texas Lloyds' Castle Key Indemnity
Homeowners	Yes	Yes
Renters	Yes	Yes
Condominium Owners	Yes	Yes ¹
Deluxe Country Homeowners	Yes	Not Sold

The following table provides an overview of the commission rules for policies in the Homeowners line group.

Former Allstate policyholder² whose policy lapsed, expired, or was terminated less than 120 days³ prior to effective date of new policy

Former Policy	Current Policy	New Business Commission	Renewal Commissions	Economic Interest in the Current Policy
Homeowners	Homeowners	Writing Agent of current Homeowners policy (only if new property)	Agent of Record on the former Homeowners policy	Agent of Record on the former Homeowners policy
	Deluxe Country Homeowners	Writing Agent of current Deluxe Country Homeowners policy (only if new property)		
	Renters	No new business commission		
	Condo	No new business commission		
Deluxe Country Homeowners	Homeowners	Writing agent of current Homeowners policy (only if new property)	Agent of Record on the former Deluxe Country Homeowners policy	Agent of Record on the former Deluxe Country Homeowners policy
	Deluxe Country Homeowners	Writing agent of the current Deluxe Country Homeowners policy (only if new property)		
	Renters	No new business commission		
	Condo	No new business commission		

¹ Condominium is available through Allstate Indemnity in California only.

² Policyholder, as defined in the Glossary, means the named insured on the policy declaration, or resident spouse.

³ 60 days, if the former Agent of Record's agreement so specifies.

Former Allstate policyholder² whose policy lapsed, expired, or was terminated less than 120 days³ prior to effective date of new policy

Former Policy	Current Policy	New Business Commission	Renewal Commissions	Economic Interest in the Current Policy
Renters	Homeowners	Writing agent of current Homeowner policy	Agent of Record on the former Renters policy	Agent of Record on the former Renters policy
	Deluxe Country Homeowners	Writing agent of current Deluxe Country Homeowner		
	Renters	No new business commission		
	Condo	Writing agent of current Condo policy		
Condo	Homeowners	Writing Agent of current Homeowner	Agent of Record on the former Condo policy	Agent of Record on the former Condo policy
	Deluxe Country Homeowners	Writing agent of current Deluxe Country Homeowner		
	Renters	No new business commission		
	Condo	No new business commission		
Existing Policy Remains Active	Additional Policy (Different Property)	New Business Commission	Renewal Commissions	Economic Interest in the Current Policy
Homeowners Condo Renters	Homeowners	Writing Agent of new policy	Agent of Record on the original active policy	Agent of Record on the original active policy
	Deluxe Country Homeowners	Writing Agent of new policy		
	Renters	Writing Agent of new policy		
	Condo	Writing Agent of new policy		

For a former Allstate policyholder² whose policy lapsed, expired, or was terminated 120 days⁴ or more prior to the effective date of the newly issued policy, the writing agent of the current policy will receive new business commission, renewal commission, and economic interest in the current policy.

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2.0 Added Coverages

2.1 Countrywide

- Scheduled Personal Property
- Coverage for an Additional Class of Scheduled Personal Property
- Earthquake Coverage
- Increase in Limits (Amount) of Any Section I Coverage - Excluding Any Automatic Increases and Increase of Contents Coverage Limit to Replacement Cost
- Fire Department Charges
- Loss Assessments
- Increased Coverage for Theft of Silverware
- Extended Coverage on Jewelry, Watches and Furs Coverage
- Incidental Office
- Increased Limits on Money
- Business Pursuits
- Additional Residence - Premises Rented to Others
- Increased Limits on Securities
- Additional Dwelling Occupied by Named Insured
- Other Structures Protection (Deluxe Country)
- Livestock Protection (Deluxe Country)
- Additional Coverage on Livestock (Deluxe Country)
- Increased Coverage on Other Structures
- Electronic Data Processing Equipment
- Building Codes
- Increased Coverage on Business Property
- Coverage on Farm Tractors (Deluxe Country)
- Coverage on Building Improvements
- Incidental Office, Private School or Studio
- Lock Replacement
- Satellite Dish Antennas
- Cellular Communication Systems
- Golf Cart
- Extended Coverage Cameras
- Extended Coverage Musical Instruments
- Extended Coverage Sports Equipment

2.2 Specific States

- Attorney's Fees Coverage (Alaska)
- Windstorm and Hail Loss Assumption Coverage (Florida)
- Watercraft Liability and Medical Payments Coverage (Louisiana, New York, North Carolina, Texas, Virginia)
- Sewer Back Up Coverage (Maryland, Virginia)
- O.L. & T Coverage (Missouri)
- Credit Card and Depositors Forgery Coverage (North Carolina, Texas)
- Extended Theft (North Carolina, Texas)
- Additional Residence Employee Liability (Texas)
- Residence Glass Coverage (Texas)
- Additional Insured Occupant - Non-Relative Coverage (Texas)
- Workers' Compensation Coverage WC (California, New Hampshire)
- Contingent Workers' Compensation - Coverage WC (Indiana)
- Mine Subsidence (See Chapter 3, Section 3, Subsection 3.0)
- Additional Insured (North Carolina)
- Office, Professional, Private School or Studio (North Carolina)
- Increase in Coverage Resulting from Value Quote (California)

3.0 Agent Type and Agent Number on a Cancel-Rewrite Due to an Effective Date Change on the Policy or Change in Policy Form

If a policy is cancelled and rewritten for the same named insured in the same line of insurance due to an effective date change on the policy or a change in the policy form for the same property, the agent type and agent number on the rewritten (new) policy will be the same as the agent type and agent number on the cancelled (old) policy, unless the agent is not licensed and appointed in that state. If the agent is not licensed and appointed in that state, then the agent type on the rewritten policy will be the agent type of the access point that bound the policy.⁴

This rule also applies to Plus Policies⁵ and unrepresented Plus Policies. The newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

⁴ If the access point is the CCC then the origin of the call, i.e. direct to the CCC or agent forwarded phone, will determine the agent type. If the access point is the Internet, then the accessed website, Allstate.com or the agent's home page, will determine the agent type.

⁵ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

3.1 Agent Type on a Policy Replaced in Accordance with the Company's Customer Move Process on Alliance

If a policy is replaced in accordance with the Company's Customer Move Process on Alliance with a policy for the same named insured, the agent type on the replacement (new) policy will be the same as the agent type on the replaced (old) policy, unless the agent is not licensed and appointed in that state. If the agent is not licensed and appointed in that state, then the agent type on the rewritten policy will be the agent type of the access point that bound the new policy.⁴

This rule also applies to Plus Policies⁶ and unrepresented Plus Policies. The newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

3.2 Agent Type and Agent Number on Reinstatements

If a policy is reinstated for the same named insured in the same line of insurance, the agent type and agent number on the reinstated policy will be the same as the agent type and agent number on the original policy provided the policy was not out of force for a period of 120 days or more.

This rule also applies to Plus Policies⁶ and unrepresented Plus Policies. The newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

4.0 Homeowners or Deluxe Country Replacement Policies

4.1 Commission

The R3001 Agent writing a Homeowners or Deluxe Country policy which replaces a Renters policy, Condominium Owners policy, or another Homeowners or Deluxe Country policy on different property will receive new policy commission for the first 12 months in accordance with the rule stated in section 3a, subsection 3.0 of this Chapter.

The agent who would have received renewal policy commission on the replaced policy will receive renewal policy commission on the newly issued Homeowners policy for all periods subsequent to its first anniversary date.

If the replaced policy was unrepresented, in addition to receiving new commission, the Writing Agent will receive renewal commission on the newly issued Homeowners or Deluxe Country policy for all periods subsequent to its first anniversary date.

⁶ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

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4.2 Commission Deduction As Regards Canceled Policy Coverages

Any recorded but unearned premium applicable to each coverage written in the canceled policy will be recorded in the account of the agent who received commission on the particular coverage at the applicable new or renewal amount.

If the canceled policy was unrepresented, any unearned premium will not be recorded in any agent's account.

5.0 Condominium Owners Policy Replaces A Renters Policy

The R3001 Agent writing a Condominium Owners policy which replaces a Renters policy will receive new policy commission on the newly issued policy for the first 12 months in accordance with the rule stated in Section 3a, Subsection 3.0 of this Chapter.

The agent who would have received renewal policy commission on the replaced policy will receive renewal policy commission on the newly issued Condominium Owners policy for all renewal periods subsequent to its first anniversary date.

If the replaced policy was unrepresented, in addition to receiving new commission, the Writing Agent will receive renewal policy commission on the newly issued Condominium Owners policy for all renewal periods subsequent to its first anniversary date.

Any recorded but unearned premium applicable to each coverage written in a Renters policy (canceled as a result of having been replaced by a Condominium Owners policy) will be recorded as a commission deduction in the account of the agent who would have received commission on the particular coverage at the applicable new or renewal amount.

If no agent would have received commission on the canceled coverage, any unearned premium will not be recorded in any agent's account.

If the replaced policy was a Plus Policy⁷ or an unrepresented Plus Policy, the newly written policy will remain a Plus Policy, however, any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts are in effect, will apply to the newly written policy.

⁷ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

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6.0 Section I Homeowners Coverages for a Secondary Residence

The R3001 Agent who writes Section I coverage in a separate policy for a Secondary Residence (seasonal dwelling) located in the same state as the primary residence will receive new policy commission for the new coverage for the first 12 months. The Agent of Record on the Homeowners line group will receive renewal policy commission on the newly written policy for all periods subsequent to its first anniversary date.

The agent who writes Section I coverage in a separate policy on a Secondary Residence (seasonal dwelling) located in a state other than the state of the insured's primary residence will receive commission in such policy as though for a new policy provided the agent who writes the application is licensed in the state where the secondary residence is located.

7.0 Extended Coverage on Jewelry, Watches & Furs (JWF) Coverage

7.1 JWF Written in a New Homeowners or Renters Policy at Issuance

Commission on JWF coverage written in a new Homeowners or Renters policy at issuance will be the same commission as applies to the policy.

7.2 JWF Added – No Previous Similar Coverage

JWF coverage endorsed to an existing Homeowners or Renters policy which contains no JWF coverage or SPP coverage on any items of jewelry and/or furs will be treated as an Added Coverage for commission purposes.

7.3 JWF Added- Existing Similar Coverage

JWF coverage endorsed to an existing Homeowners or Renters policy which contains SPP coverage on items of jewelry and/or furs will be considered replacement coverage.

The Agent of Record on the replaced SPP coverage will receive commission on the newly-written JWF coverage at the same commission amount applicable to the replaced SPP coverage at the time of replacement.

Any recorded but unearned premium applicable to the SPP coverage canceled when a replacement coverage is written, will be recorded in the account of the agent who would have received commission on the particular canceled coverage at the applicable new or renewal commission amount.

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If the canceled SPP coverage was unrepresented, any unearned premium will not be recorded in any agent's account.

7.4 JWF Coverage Written in Homeowners Policy Which Replaces A Renter/Condo Policy

The R3001 Agent writing JWF coverage in a Homeowners policy which replaces a Renters/Condo policy will receive commission on the JWF coverage in accordance with the rules under 4.1.

8.0 Scheduled Personal Property (SPP) Coverage

If SPP Coverage is written on items of jewelry and/or furs to replace existing JWF coverage, the newly written SPP coverage will be considered a replacement coverage.

The Agent of Record will receive commission on the newly written SPP coverage in accordance with the commission held by the agent in the replaced JWF coverage.

SPP coverage on an additional class of personal property (other than Jewelry or Furs) endorsed to a Homeowners or Renters policy which contains JWF coverage will be treated as an Added Coverage for commission purposes.

Any recorded but unearned premium applicable to the JWF coverage, canceled when a replacement coverage is written, will be recorded in the account of the agent who received commission on the particular canceled coverage at the applicable new or renewal commission amount.

If the canceled JWF coverage was unrepresented, any unearned premium will not be recorded in any agent's account.

9.0 Conversion of Fire, Theft and/or CPL to a Homeowners or Deluxe Country Policy

9.1 Homeowners or Deluxe Country Policy Written by the Agent

The R3001 Agent writing a Homeowners or Deluxe Country policy that converts existing Fire, CPL and/or Theft coverage(s) will receive new policy commission for the Homeowners or Deluxe Country policy for the first 12 months.

The Agent of Record on the Fire line will receive renewal policy commission on the Homeowners or Deluxe Country policy at its first anniversary date.

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If such Fire line has no other agent receiving commission, the Writing Agent will receive renewal policy commission on the Homeowners or Deluxe Country policy at its first anniversary date even though the converted CPL and/or Theft coverages were represented by another agent.

9.2 Commission Deduction

Any recorded but unearned premium applicable to a converted Fire coverage will be recorded in the account of the agent who would have received commission on such canceled coverage at the applicable new or renewal commission amount.

If the canceled Fire Coverage was unrepresented, any unearned premium will not be recorded in any agent's account. Any recorded but unearned premium applicable to any canceled CPL or Theft coverage will not be recorded in any agent's account.

Section 3b: Mobilehome

1.0 Added Coverages

- Mobile Home
- Increased Personal Effects
- Scheduled Personal Property
- Coverage for an Additional Class of Scheduled Personal Property
- Vendor's Single Interest
- Trip Collision
- Business Pursuits
- Additional Premises Coverage
- Extended Coverage on Jewelry, Watches and Furs
- Additional Dwelling Rented to Others
- Fire Department Charges
- Increased Coverage on Radio or TV Antennas or Towers Improvements Coverage
- Earthquake and Flood (Alaska)
- Earthquake (North Carolina)
- Extended Theft (North Carolina, Kansas)
- Credit Card and Depositors Forgery (North Carolina)
- Office, Professional, Private School or Studio Occupancy Coverage (North Carolina)
- Increase in Coverage a Limit Stated Value Policies (FL, NE, MT, NH, SC, NC)
- Increase in Limits (Amount) of Any Section 1 Coverage - excluding any Automatic Increases
- Additional Residence Premises - Rented to Others (North Carolina)
- Workers' Compensation - Coverage WC (California, New Hampshire)
- Additional Class of Residence Employees (California, New Hampshire)
- Mine Subsidence (See Chapter 3, Section 3, Subsection 3.0)
- Other Structures (North Carolina)
- Lienholders Single Interest (North Carolina)
- Increases to Mobilehome Value (Texas)
- Increases to Contents Limit (Texas)
- Increases to Adjacent Structures (Texas)

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2.0 Extended Coverage on Jewelry, Watches and Furs (JWF) Coverage

Jewelry, Watches and Furs coverage endorsed to an existing Mobilehome policy will be treated in the same manner as when endorsed to an existing Homeowners policy. Refer to Chapter 3, Section 3a, subsection 7.0.

3.0 Scheduled Personal Property Coverage Endorsed to an Existing Mobilehome Policy

Scheduled Personal Property coverage endorsed to an existing Mobilehome policy will be treated in the same manner as when endorsed to an existing Homeowners policy. Refer to Chapter 3, Section 3a, subsection 8.0.

4.0 Allstate County Mutual Mobilehome Policies (Texas)

4.1 General

Mobilehome coverage in Texas may be supplemented by Allstate Theft and CPL coverage. The following rules apply to these coverages.

4.2 Commission Rules

Theft and Liability insurance sold to customers already insured under an Allstate County Mutual Physical Damage policy will be treated in the same manner as "Added Coverages" for commission purposes. Added Coverages written by Allstate include:

- Business Pursuits
- Loss Assessment Liability
- Additional Residences Rented to Others
- Additional Insured/Residences Premises

Mobilehome "Added Coverages" written by Allstate County Mutual are shown in subsection 1.0.

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Section 3c: Boatowners – Recreational Package Policy

1.0 Line Group Designation

For commission interest purposes, the Boatowners policy and the Recreational Package Policy will be treated as a single line group.

2.0 Commission for Items Written in a Separate Policy

The Agent of Record in the Boatowners/RPP line group will be the agent who first writes the Recreational Package Policy or Boatowners policy for the named insured.

The R3001 Agent who writes either a new Recreational Package Policy or new Boatowners policy, when the other policy is already in effect, will receive New Business commission for the first policy year of the new policy.

If the policy in effect is unrepresented and no other agent has qualified to capture it, the agent writing the new Recreational Package Policy or Boatowners policy will capture commission interest in the unrepresented policy when it next renews. When the policy in effect is represented or another agent has qualified to capture it and the new (second) policy renews, the Agent of Record on the original policy in the line will receive renewal commission for all subsequent periods on both policies.

Policies issued by the Company to existing Recreational Package Policy customers as a result of the introduction of the Boatowners policy which replaced coverage for their boats provided in their Recreational Package Policy are excluded from this rule.

3.0 Added Coverages

3.1 Boatowners Policy

- Watercraft Liability
- Watercraft Medical Payments
- Your Property (Coverage TT)
- Additional Boat
- Addition of New Associated Property (Motor, Trailer, or Increased Boat Equipment under Coverage TT)
- Personal Effects
- Emergency Service
- Foreign Coverage (California)

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3.2 Recreational Package Policy

- Bodily Injury and Property Damage Liability
- All Risk of Direct Physical Loss or Damage
- Additional Boat¹
- Additional Recreational Vehicle¹
- Medical Payments
- Addition of New Associated Property (boat motor, trailer or equipment and accessories added under All Risk of Direct Physical Loss or Damage Coverage)
- Machinery Damage Coverage (on inboard boats)
- Coverage on Sails (excluding Spinnakers), Spars and Rigging While Racing
- Uninsured Motorists
- Foreign Coverage (California)

¹ The boat or recreational vehicle (of like kind) already insured must remain insured for at least 120 days; otherwise, the premium shall be regarded as premium for insuring a replacement boat or recreational vehicle (not for an Added Coverage).

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Section 3d: Residential Fire (Including CPL Added Coverages)

1.0 Added Coverages

1.1 Residential Fire

- Fire and Lightning Coverage on Dwelling (including Additional Dwelling) Contents (including Additional Contents)
- Earthquake Coverage
- Extended Coverage
- Additional Extended Coverage
- Broad Form Coverage
- Special Form Coverage
- Mine Subsidence (See Chapter 3, Section 3, Subsection 3.0)
- Increase in Amounts (Limits) of Coverage on Any Item - Excluding Any Automatic Increases
- Addition of Item:
 - Additional Living Expense
 - Rent or Rental Value
 - Trees, Plants, Shrubs
 - Fire Department Service Charge
 - TV Coverage
 - Other Miscellaneous Items

1.2 Comprehensive Personal Liability (CPL)

- Additional Residence Premises Maintained by an Insured
- Custom Farming
- Office, Professional, Private School or Studio Occupancy of an Insured's Residence by an Insured
- Additional Insureds - Non-Relative - Personal Liability
- Rental Property
- Watercraft
- Business Pursuits - Excluding Business of Which the Insured Is Either Sole or Part Owner
- Additional Class of Residence Employees (CA, NH)

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2.0 Dwelling and/or Contents Added to a Scheduled Fire Policy

When a dwelling and/or its contents is added to a Scheduled Fire policy and neither the dwelling nor its contents were insured for basic Fire coverage within the last 120 days, the Writing Agent will receive commission at the applicable Added Coverage amount in the coverage on the added dwelling and/or its contents for the first 12 months.

The Agent of Record on the Residential Fire line will receive renewal commission on the newly written coverage as of the next Schedule Fire policy anniversary date following the effective date of the coverage.

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Section 3e: Landlords Package Policy

1.0 Added Coverages

- Earth Movement
- Increased Limits on Other Structures
- Demolition
- Mine Subsidence (See Chapter 3, Section 3, Subsection 3.0)
- Increases in Limits (Amounts) of any Section I Coverage (excluding any automatic increases)

2.0 Conversion of Residential Fire to a Landlords Package Policy

When a Landlords Package policy is written for a named insured who has a Residential Fire policy in force, the Company will cancel the Residential Fire policy.

2.1 Commission Interest

The R3001 Agent writing a Landlords Package policy that converts an existing Residential Fire policy will receive new policy commission interest in the Landlords Package policy for the first 12 months.

Provided there is not an Agent of Record already established in the Landlords Package Policy line:

- The Agent of Record on the Residential Fire policy will receive renewal policy commission interest in the Landlords Package policy at its first anniversary date, or
- If such Residential Fire policy is free of any other agent's commission interest, the Writing Agency will receive renewal policy commission interest in the Landlords Package policy at its first anniversary date.

2.2 Commission Deduction As Regards Converted Residential Fire Policy

Any recorded but unearned premium applicable to a converted Residential Fire policy will be recorded in the account of the agent who held commission interest in such canceled coverage at the applicable new or renewal commission percentage.

If the canceled Residential Fire policy was unrepresented, any unearned premium will not be recorded in any agent's account.

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3.0 Conversion of Customizer or BPP to a Landlords Package Policy

A Landlords Package policy which replaces an existing Customizer policy or Business Package policy will not be considered a new policy.

The Agent of Record on the replaced Customizer policy or Business Package policy will receive renewal commission in the replacement policy calculated at the renewal commission percentage.

4.0 Conversion of Businessowners Policy¹ or Commercial Package Policy¹ to a Landlords Package Policy

A Landlords Package policy which replaces an existing Businessowners policy or commercial Package policy will not be considered a new policy.

The Agent of Record on the replaced Businessowners policy or Commercial Package policy will receive renewal commission in the replacement policy calculated at the renewal commission percentage.

¹ Available upon new product implementation beginning in late 2011. The actual new product implementation date will vary by state.

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Section 3f: Workers' Compensation – Residence Employees

1.0 Added Coverages

- Additional Class of Residence Employees

2.0 Commission Interest

The Writing Agent will receive both new policy and renewal policy commission interest in the new Workers' Compensation - Residence Employees policy if not converted from a regular Workers' Compensation policy. Otherwise, the Agent of Record on the regular Workers' Compensation policy will receive renewal policy commission interest in the Workers' Compensation - Residence Employees line.

Section 3g: Personal Umbrella Policy

1.0 Added Coverages

- Aircraft
- Recreational Vehicle
- Watercraft
- Each Additional Residence
- Uninsured Motorist (Florida, Louisiana, Tennessee)

Section 4: Allstate Financial

The information and rules in this section applies to all R3001 Agents except where otherwise indicated. Any reference to Exclusive Financial Specialists includes New York Financial Specialists unless otherwise indicated.

1.0 General

Commission interest in an Allstate Financial policy shall belong exclusively to the agent who first writes that policy (writing agent only). Such commission interest in an Allstate Financial policy shall continue as long as the policy continues in force and the agent's agency agreement remains in effect. Allstate retains the right to change the commission interest at the request of a customer or if servicing issues arise and another agent is assigned to assist the customer. An agent's licensed support staff may only write Allstate Financial business in the R3001 agent's primary license state.

2.0 Special Situations

The following sections contain special commission rules applicable to Allstate Financial products.

Section 4a	Allstate Financial – Policy Replacements
Section 4b	Allstate Financial – Term Conversions
Section 4c	Allstate Financial – Whole Life Policy Issued Through Exercising FPP Option
Section 4d	Allstate Financial – Add-Ons and Increases
Section 4e	Allstate Financial – Allstate Financial Services, LLC
Section 4f	Allstate Financial – Allstate Benefits (excludes New York)
Section 4g	Allstate Financial – Partnerships
Section 4h	Allstate Financial – Allstate Life & Retirement Bonus
Section 4i	Allstate Financial – Allstate Life Insurance Company of New York Workplace Business

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3.0 Agent Split Commission Agreement

3.1 General

Agents may enter into a split commission arrangement with another agent. Split commission arrangements may be selected in the following ratios: 60/40, 70/30, 80/20, 90/10. A different split commission arrangement can be used for each new business or term conversion policy. The split commission arrangement is identified on each application. If this information is not specified on the application, a 60/40 split will be defaulted. Split commission is not allowed on add-ons or increases.

The commissionable premium and production credit will be split based on the ratio selected. Both agents will receive life persistency (LPF) credit; however, the policy and/or IPS count will be given only to the agent with the highest split percentage. Split commission arrangements are classified as personally produced (solo) business. Commission Scales are based on the individual agent's production levels.

Both agents must represent the same Allstate life insurance company and be properly licensed in the state to which the policy is coded. Accordingly, a New York agent and a non-New York agent may not agree to split commission with each other on an Allstate Financial policy.

3.2 Commission Determinations

New premium for policy additions or increases occurring after initial policy issuance will not be split even if the basic policy was a split commission policy. The special commission rules contained in Chapter 3, Section 4d will continue to apply.

3.3 Termination of Either Agent's Agency Agreement

Should either agent's agency agreement terminate prior to policy issuance, except as otherwise provided in this Supplement, the remaining agent will receive the full commission for the policy. If one of the parties terminates after policy issuance, cancellations or renewals will be divided according to the agreed upon basis for dividing premium, but the appropriate portion will be recorded as unrepresented when the terminated agent condition exists.

4.0 Assigned Life Business

An R3001 Agent may assign Life business to another agent with company approval. Any commission payable with respect to the assigned Life policy will be at the appropriate renewal amount based on policy year as per the R3001 Agent's commission schedule.

5.0 Exclusive Financial Specialist Partnered Business

An R3001 Agent may produce business through an arrangement with an Exclusive Financial Specialist (EFS). This business arrangement is classified as partnered business (also referred to in this Supplement as partnerships, partnering). The agent receives 100% issued production credit on all issued business written with an EFS. Issued production credit applies to the agent's Commission Scales qualification (see chapter 2) and counts 100% towards Agency Bonus qualification.

Effective April 10, 2017, production credit from any qualified products written with an EFS will not be applied to Agency Bonus qualifications. However, this production credit will apply to ALR commission scale qualification and Allstate Life & Retirement bonus qualification. For fixed indexed annuities, the partner agent must be a registered representative with Allstate Financial Services, LLC to receive production credit.

5.1 Termination of Exclusive Financial Specialist's Agreement

Should the Exclusive Financial Specialist's agency relationship with Allstate terminate, the partnering agent may capture the policies written by the EFS, where the agent is the partnering agent, that become unrepresented. The agent cannot selectively accept policies. The agent must accept all the policies on which he/she is the participating agent. If, during the period between Exclusive Financial Specialist termination and assignment of the policies, an R3001 Agent writes premium additions or renewals, the agent will receive the related production credit and no commissions (as if an active Exclusive Financial Specialist was assigned to the policy).

6.0 Company Fees Charged to the Agent

6.1 Fee for Undelivered Policies

Certain states require that the Company secure and retain a copy of the properly signed and dated policy delivery receipt. When writing business in one of these states, properly signed receipts must be returned and received by Home Office within 60 days of the date of the policy being released. After 60 days, the Company will send a certified copy of the policy and its delivery requirements to the customer. A portion of the Company's cost associated with reprinting and mailing a copy of the policy to the customer will be assessed to the writing agent in the form of a commission deduction. The fee charge will be \$65.00.

6.2 Fee for Non-funded Policies Issued but not Placed (excludes New York)

The life insurance application initial funding policy requires one modal premium with application submission unless the application meets the exclusion criteria outlined below. A fee of \$50.00 will be assessed to agencies on non-funded but issued life applications that are not accepted by the customer. This fee will be assessed to the writing agent in the form of a compensation deduction.

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Exclusion Criteria

This fee will not be assessed and initial funding is not required if:

1. The sale involves replacement of existing life coverage (either an internal or external replacement).
2. An application specifically requests that we draft the initial premium, and a voided check and signed authorization is submitted.

These exceptions allow the submission of a non-funded application, however, we encourage the collection of a down payment whenever possible so the customer has the protection outlined in the Temporary Insurance Agreement and we stand a better chance of placing the business.

Funding must not be submitted with any application if:

1. An application is for a face amount greater than \$1,000,000.
2. A trial application is required based on the customer's history.

Section 4a: Allstate Financial – Policy Replacements

1.0 General

A policy replacement may be warranted if it provides increased coverage or other features needed by the customer at a more economical cost. However, a policy replacement may not be in the customer's best interest due to such facts as: surrender charges, expense loads, health of the insured or the restarting of the incontestability period.

The following rules may be changed from time to time. Circumstances that may cause them to be changed include, but are not limited to, the following: (a) changes which may benefit the policyholder (as determined by the Company); and (b) introduction of new products.

There are no exceptions to the Replacement Rules.

2.0 Commission Interest

2.1 Life Business

Any life policy that replaces one or more existing life policies, written with the Allstate Life Insurance Company, and its affiliates and subsidiaries, including Allstate Financial Services, LLC (AFS, LLC) will be considered a replacement and will be subject to all appropriate replacement rules.

Replacements Receiving Full New Business Commissions

Full new business will be paid in the following cases. Term to term replacements or term to permanent replacements identified below in which the customer enters into a new policy with an application date within 180 days of the end of the level premium period of the original policy, or anytime thereafter. Note: the original level term policy must not be lapsed or terminated. This applies to the replacement of the following level term policies:

Countrywide (excluding New York)

- Lincoln Benefit Life Level Best Term
- Lincoln Benefit Life and Allstate Life Insurance Company Level Best Gold
- Lincoln Benefit Life and Allstate Life Insurance Company Level Best Platinum
- Lincoln Benefit Life GT Gold
- Lincoln Benefit Life GT Platinum
- Lincoln Benefit Life TrueTerm

New York only

- Allstate Life Insurance Company of New York Level Best Gold
- Allstate Life Insurance Company of New York Level Best Platinum
- Allstate Life Insurance Company of New York GT Gold
- Allstate Life Insurance Company of New York GT Platinum
- Allstate Life Insurance Company of New York TrueTerm

SUPPLEMENT FOR THE R3001 AGREEMENT

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This will also apply to five year renewable term policies that have reached the end of their last eligible renewal period (i.e., the contract reaches maturity and can longer be renewed).

Replacements Receiving Net New Commissions

Renewable Term Replacement Rules

Commission on renewable term policies that are replaced is based on the difference between the new policy's first year annual premium and the initial premium paid during the first year of the replaced renewable term policy. This applies to the following renewable term policies:

- Protector Plus
- Maximum Term
- 5 Year Term
- Annual Term

Below is an example of how the net new premium is calculated for renewable term replacements:

Customer's ALIC Protector Plus premium for the first 5 years is \$200. For policy years 6-10, the premium is \$300. During the eighth policy year, the customer suitably replaces the Protector Plus policy with a new policy. The first year annual premium for the new product is \$1000. The net new premium calculation will be based on the initial premium of the replaced policy, \$200 in this example, and producer commission and production credit will be based on \$800 of net new premium ($\$1000 - \$200 = \800).

Except for the cases identified above and the rules for term to term replacements and term conversions, which can be found in Chapter 3.0, section 4b of this supplement, all other replacements will be paid as follows:

- Any excess premium applied above the required annual premium will receive commissions at the current excess rate.
- If the existing policy has lapsed or terminated¹ within 6 months **before the application date** or 12 months **after the credit release date** of a new business policy, commission and production credit will be given on the difference between the new policy commission basis and the old policy's current commission basis. If the old policy is terminated¹ within the first policy year, any unearned premium will be subtracted from the old policy's current commission basis when calculating commissions. If the new policy commission basis is less than or equal to the old policy's current commission basis, no commission and production credit will be given on the new business policy.

If the new policy is replacing more than one existing policy on the same insured and the existing policies meet the above criteria, the current commission basis from all old policies will be used for the calculation.

- The new policy's new business commission rates will be used to calculate commissions.
- If the replaced policy is less than 49 months old, the exposed and in force counts for the terminated policy will be deleted for persistency calculations. The new business policy will receive exposed and in force counts with the new policy effective dates.

¹ Policies converted to a Non-Forfeiture Option are treated as terminated policies.

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2.2 Annuities

Effective May 1, 2018, when an annuity replacement passes the AFS, LLC best interest review process, full compensation will be paid on the transaction. Full compensation can include commissions, production credit, and IPS (when applicable). Replacements include transfers to and from Company proprietary annuities, annuities sold through AFS, LLC and/or Expanded Market third party annuities. Any withdrawals made within 18 months prior to the effective date of the new deposit will be considered a transferred amount. Replacement rules assessed by third-party carriers will still apply, which can reduce the compensation.

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Section 4b: Allstate Financial – Term Conversions

1.0 General

A term conversion is a change from term insurance to permanent insurance in accordance with a term conversion privilege of the term policy or term rider.

Term to Permanent exchanges, which are not conversions will be treated as replacements.¹

2.0 Commission Interest

Term policies that are on a waiver of premium and are converted to permanent policies do not generate new business production credit or commission.

Effective April 14, 2012, the following rules are applicable to conversions from the Allstate Basic Term and the TrueTerm09:

Policy Year	Commission Rule
1-2 (months 1-24)	Net new premium
3-10 (months 25-120) For customers age 60 and younger	Full new business premium

The following rules are applicable to conversions from term policies or term riders written prior to the TrueTerm09 [underwritten by LBL or ALIC]:

Policy Year	Effective April 1, 2015 and later
	Commission Rule
1-2 (months 1-24)	Net new premium
3-10 (months 25-120)	Full new business premium
11+ (months 121+)	Full new business premium

¹ Refer to Section 4a for further information regarding policy replacements.

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Full New Business Premium

Commissions will be based on the new policy's commission basis (less any term conversion premium credits applied to the new policy premium).

Net New Premium

Commissions will be paid on the difference between the new policy commission basis² (less any term conversion premium credits applied to the new policy premium) and the old policy/rider's current premium. For example, if the first year premium collected on the new policy is less than the commissionable target premium, commissions will be paid on the difference between the premium collected on the new policy and the old term policy's current premium.

- If the original term policy/rider is terminated within the first policy year, any unearned premium will be subtracted from the old policy commission basis when calculating commissions and production credit.
- If the new policy commission basis is less than or equal to the old policy commission basis, no commission and production credit will be given on the new business policy.
- If the new policy is replacing multiple existing policies/riders on the same insured, the commission basis from all old policies/riders that terminated before their 5th policy year will be used to reduce the new policy commission basis.
- The new policy's new business commission rates will be used to calculate commissions.

Any commission chargebacks on the term policy will follow normal termination processing. If the term policy was issued and placed within the last 48 months, LPF exposed and in force counts will be reversed.

Once the term conversion takes place, a new policy date is assigned. For purposes of applying commission percentages, the renewal occurring on the next anniversary date following the policy date will be considered the first renewal and all subsequent renewals will be determined accordingly.

Term Conversion Plus

Term conversion rules outlined above will apply to the convertible face amount. Any increase in coverage above the convertible face amount will be paid as normal compensation as outlined in Chapter 2, Section 1d (Allstate Financial).

Fully funded

The new policy will be fully funded if the first year cash collected (excluding term conversion credit) equals or exceeds the commissionable target premium (for any Lincoln Benefit life policy) or minimum annual premium (for any Allstate policy). If the new policy includes non-commissionable items, the cash collected to pay for non-commissionable items are excluded from the calculation. For example, if the commission target is \$2,000 and the non-commissionable PISR safety net premium is \$300, first year cash collected must be \$2,300 to receive full new business credit.

² Refer to Exhibit A (excludes New York) and NY Exhibit A (New York only) for a list of commission basis by product.

3.0 Term Conversion Eligibility (excludes New York)

3.1 General

Effective August 12, 2013, inter-company term conversions, with the exception of TrueFit, are no longer allowed, unless the policy is eligible for the Allstate Exchange Program effective January 1, 2014 (see subsection 4.0). Any exchange of an ALIC term policy or term rider for a LBL permanent plan will be a replacement. Underwriting will be required and a replacement charge will be assessed.

The conversion eligibility rules are indicated below and summarized in the following chart.

- Allstate Basic Term will only be convertible to Allstate Bridge UL.
- Effective January 12, 2019 all other ALIC term policies will only be convertible to Allstate Bridge UL.
- AAC TrueFit may be convertible to Allstate Whole Life Advantage, Allstate Bridge UL, or AAC permanent plans.
- LBL term policies will only be convertible to LBL permanent life products (Whole Life II), unless the policy is eligible for the Allstate Exchange Program effective January 1, 2014.

Term Plan/Rider	Company (LBL or ALIC)	Conversion Eligibility after August 12, 2013
Basic Term	ALIC	ALIC Bridge UL
Old ALIC term products and term riders	ALIC	ALIC Bridge UL
Term Riders on Allstate Whole Life Advantage	ALIC	ALIC Bridge UL
TrueTerm and other LBL Term policies	LBL	LBL Whole Life II
TrueFit	AAC	Conversion in the first 5 years: Allstate Whole Life Advantage, Lifetime UL, FutureBuilder UL, FutureGrowth IUL, Whole Life Tribute Conversion anytime: Allstate Bridge UL

*All products not available in all states. Check for state availability.

3.2 Term Conversion Eligibility for LBL Policies Originally Written Outside of the Exclusive Agency and Exclusive Financial Specialist Programs

Effective April 1, 2014, Lincoln Benefit Life Company (LBL) was purchased by Resolution Life Inc. There are a number of LBL term life insurance policies and term riders that are eligible to be converted into a permanent policy that were written by agents other than Allstate Exclusive Agents and Exclusive Financial Specialists prior to this sale. Effective September 14, 2015, Exclusive Agents and Exclusive Financial Specialists may not become the servicing agent, agent of record or writing agent on any LBL permanent policy that is issued as part of a customer's exercise of any contractual term conversion privilege unless the prior LBL term policy was previously written by an Exclusive Financial Specialist or Exclusive Agent.

If the prior LBL term policy was not previously written by an Exclusive Financial Specialist or Exclusive Agent, no commissions, production credit, or IPS will be generated for the new permanent LBL policy and the Exclusive Agent or Exclusive Financial Specialist will not be listed as the writing, servicing or agent of record on the permanent policy.

4.0 Allstate Exchange Program

Effective January 1, 2014, if an LBL term policy is within the conversion period, the policy is eligible for the Allstate Exchange Program as indicated below and term conversion compensation rules will apply.

LBL Term Product	Conversion Period/ Exchange Eligibility	Exchange Privilege
True Term 2009 & 2012	Earlier of age 60 or 10 years	Prior to the 5 th policy anniversary, customers may exchange to a current* Allstate Permanent product
True Term 2006	Earlier of age 70 or end of level period	
GT and LBT Platinum	Earlier of age 70 or end of level period	
GT Gold and LBT Gold	Later of age 75 or 5 years	After the 5 th policy anniversary, customers may exchange to the Allstate Bridge UL
Level Best Term (LBT)	Later of age 65 or 5 years	

*Allstate permanent products available for this exchange program will be evaluated annually and revised where appropriate.

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Section 4c: Allstate Financial – Whole Life Policy Issued Through Exercising FPP Option

1.0 General

Future Purchase Privilege (FPP) is a benefit that was offered on certain permanent products until approximately 1985. This benefit, purchased at an additional premium, allows the insured to purchase additional Whole Life Insurance at specified times in the insured's life. The additional coverage can be purchased on the policy anniversary nearest the insured's 25th, 28th, 31st, 34th, 37th and 40th birthdays.

The agent submits a new business application for the amount of insurance desired. They can purchase less than they are entitled, but not more than \$1,000 coverage for each "unit" of FPP.

A Whole Life policy issued as a result of the insured having exercised the Future Purchase Privilege of an existing permanent policy is a new policy by definition in this Supplement, except where it falls within the definition of a replacement policy, and will not be considered an increase. See Section 4a for information regarding replacements.

2.0 Commission Interest

2.1 New Policy

An FPP credit, a percentage of the premiums paid for the FPP option since the last option date (policy date on the 1st option), is used to pay the down payment on the new policy. An exception to this is when the insured selects the annual pay plan. The annual premium collected would be minus the FPP credit amount.

The writing agent will receive new policy commission based on the full annual premium for the new policy, without regard to the FPP credits allowed to the insured on the first annual premium. The agent also receives renewal commissions on the policy.

If the new policy should lapse or terminate before its first anniversary, the writing agent will be charge-backed commissions based on a pro-ration of the full annual premium, not the prorated annual premium less the FPP credit.

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REVISION DATE: May 1, 2020

Section 4d: Allstate Financial – Add-Ons and Increases

1.0 General

Special commission rules apply when additional riders and/or benefits are added to an existing policy or when coverage is increased.

2.0 Add-Ons to Life Policies

An addition (add-on) is the process by which coverage, riders, or benefits are added to an existing permanent Life policy. Policy additions require underwriting and are effective on the month-iversary following the date of the application. These changes are typically limited/excluded during the first policy year.

When a rider and/or benefit are added to an existing policy, the agent writing the add-on will receive new business commission interest in the rider and/or benefit for the first 12 months, except on GoodForLife policies. No commission interest will be given for add-ons on GoodForLife policies. The original Agent of Record on the policy will receive renewal commission interest in any add-on of a rider and/or benefit.

“Rider” includes, but is not limited to, the following:

- Children's Level Term Rider
- Children's Protection Rider
- Additional Insured Rider

“Benefit” includes, but is not limited to, the following:

- Waiver of Premium
- Accidental Death Benefits
- Waiver of Charges (Universal Life)
- Accelerated Death Benefit

The following rule applies to products that pay new business commission based on the minimum annual premium or annual premium. Commission is based on the new business commission basis of the rider/benefit multiplied by the new business commission rate applicable to the policy. Production credit will be calculated using the same MAP or Annual Premium.

The following rule applies to products that pay new business commission based on the commission target premium. Commission is based on the difference between the new commission target premium and the old commission target premium multiplied by the new business commission rate applicable to the policy.

Refer to the commission schedules in Exhibit C (excludes New York) for a list of commission rates by product. For New York, refer to the commission schedules in NY Exhibit C.

3.0 Universal Life Increases

An increase is the process by which the specified amount of an existing coverage, rider or benefit is increased. Policy increases require underwriting and are effective the month-a-versary following the date of application.

When an increase is processed on an existing policy, the agent writing the increase will receive new business commission interest for the increased amount for the first 12 months, except on Echelon I UL and GoodForLife policies. No commission interest will be given on increases on Echelon I UL and GoodForLife policies. The original Agent of Record on the policy will receive renewal commission interest in any increased amount.

Any increase in coverage on a Universal Life policy or rider that pays new business commissions based on the minimum annual premium must be accompanied by a new illustration and signed by the policy owner.

The following rule applies to products that pay new business commission based on the minimum annual premium. Commission is based on a table of Minimum Annual Premiums (MAP) for UL increases, using the attained age as of last anniversary, for the increased specified amount, multiplied by the new business commission rate. Production credit will be calculated using the same MAP.

Commission on any contributions in excess of the minimum annual premium will be paid to the original Agent of Record on the policy.

The following rule applies to products that pay new business commission based on the commission target premium. Commission is based on the difference between the new commission target premium and the old commission target premium multiplied by the new business commission rate applicable to the policy.

Refer to the commission schedules in Exhibit C (excludes New York) for a list of commission rates by product. For New York, refer to the commission schedules in NY Exhibit C.

4.0 Universal Term Increases

Increases to Universal Term policies, which are called "scheduled changes", are compensated at the base commission rate for the increase in premium.

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Section 4e: Allstate Financial – Allstate Financial Services, LLC

1.0 General

Allstate has granted permission to R3001 Agents who have a current FINRA license to sell certain variable products through AFS, LLC. To participate in the program, R3001 Agents must sign the Registered Representative Agreement with AFS, LLC and must otherwise comply with AFS, LLC requirements necessary to maintain an active appointment. The R3001 Agent is responsible for all expenses associated with maintaining a FINRA license.

2.0 Commission

Commission for AFS, LLC business will be paid through AFS, LLC. Commission will not be paid if the agent's agency agreement with Allstate or AFS, LLC terminates.

3.0 Ownership of AFS, LLC Business

AFS, LLC retains all ownership rights in AFS, LLC variable annuity products written by R3001 Agents. An R3001 Agent's permission to submit applications for AFS, LLC continues only while:

- the agent's agency agreement with Allstate remains in effect,
- the agent has a Registered Representative Agreement in effect with AFS, LLC
- the agent's FINRA license remains in effect, and
- the agent complies with all AFS, LLC requirements.

¹ Allstate Financial Services, LLC is referred to as LSA Securities in the states of PA and LA.

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Section 4f: Allstate Financial – Allstate Benefits (American Heritage Life Insurance Company) (excludes New York)

1.0 General

Allstate has granted permission to certain R3001 Agents (“agents”) to sell insurance products underwritten by American Heritage Life Insurance Company (“AHL”), marketed as Allstate Benefits. To participate in the program, the agent must first complete an application for appointment with AHL, and be accepted for appointment by AHL in the states in which the agent will represent AHL.

2.0 Authority

The R3001 Agent is authorized to solicit, procure and transmit to AHL applications for individual insurance policies, group insurance policies, and certificates of group insurance (collectively, “policies”) issued by AHL.

The agent is not authorized on behalf of AHL to incur any liability; make, waive, alter, endorse or discharge contracts or any term thereof; bind AHL on any application for, or policy of, insurance; endorse checks payable to AHL; deliver any policy except as directed by AHL; extend the time for any payment of premiums or waive forfeitures; name special rates; guarantee dividends or interest rates, or make any estimates thereof; or bind AHL in any way.

Unless specifically authorized in writing by AHL, the agent shall not collect any monies due, or to become due, to AHL except for the collection of the initial premium on policies personally procured by the agent.

3.0 Commissions (excludes GoodForLife)

3.1 Commission Amount

All compensation paid to the agent will be commissions, computed as a percentage of premiums paid to AHL on policies issued pursuant to applications procured by the agent.

The Commission Level establishes the percentage rates that apply in computing commissions for available AHL products. Effective January 1, 2017, all agents will be paid commissions at Commission Level 1 on the E-Contract Series Commission Schedule, in effect at the time of application for the policy. However, AHL reserves the right to reduce, by written notice to the agent, the percentage rate that applies in computing agent’s commissions for any workplace business (i.e., insurance products designed for sale at the policyholder’s worksite with premiums

¹ Commission information for GoodForLife products is located in Chapter 2, Section 1d.

paid by payroll deduction or by the employer or other sponsoring entity) or group insurance policy, either of which may include those with 500 or more eligible participants, or those requiring enrollment or administrative support. Furthermore, the sale of any insurance product not described on the E-Contract Series Commission Schedule (such as a customized product) requires a written commission agreement with AHL, specifying the commissions that will be paid and signed on behalf of AHL by a vice-president or higher officer of AHL.

Refer to Exhibit E for the current Commission Schedule. This schedule is subject to change without notice.

Commissions are earned only as premiums are received by AHL at its home office and applied toward payment of current premium, and shall constitute payment in full to the agent for any and all services rendered to AHL. All commissions shall be paid from AHL's home office in Jacksonville, Florida, or other AHL office as designated by AHL.

3.2 Commission Advances

For those insurance products deemed eligible by AHL, AHL will advance to the agent 50% of the annualized first year commissions payable to the agent on net Cash With Application ("CWA") insurance premium submitted by the agent. Net CWA is gross written annualized first year premium, other than Cash on Delivery ("C.O.D.") cases, less first year lapses, cancellations, and withdrawals, as determined by AHL according to its practices and procedures in effect at the time of commission computation.

The maximum advance on any one policy issued is \$700.00.

AHL may, in its sole discretion, limit or discontinue commission advances to any agent.

All advances are loans to the agent, for which the agent is personally indebted to AHL to repay. All commissions accruing to the agent's credit will be applied by AHL, on an as earned basis, to the repayment of any advance paid to the agent. If the agent's authority to represent AHL is terminated, for whatever reason, before all of the advances have been repaid to AHL, the agent shall, within thirty (30) days of such termination, repay to AHL such advances.

3.3 Commission Splits

The agent may work out an agreement with one or two other properly licensed and appointed insurance producers (benefits specialist, EFS or EA) to split credit for commissionable premium on new AHL business. Where premium credit is split on a policy, the following rules apply, unless a written exception is approved by AHL, signed by a Vice President or higher level officer of AHL:

- No more than three (3) producers may be allocated premium credit
- No more than two (2) Allstate channel producers (Exclusive Agents and Exclusive Financial Specialists) may be allocated premium credit
- No more than one (1) Exclusive Financial Specialist may be allocated premium credit

- The minimum total premium split allocated to all Allstate channel producers is 30% of the total commissionable premium

Example 1: EA writes case with Benefits Specialist

Total Commissionable Premium	\$2,000
EA / Benefits Specialist	30% / 70%
Commissionable premium Credited to EA	\$ 600 (\$2,000 x 30%)
Commissionable premium Credited to Benefits Specialist	\$ 1,400 (\$2,000 x 70%)

Example 2: EFS & EA write a case with a Benefits Specialist. EFS/EA split is 60% / 40%

Total Commissionable Premium	\$2,000
EFS & EA / Benefits Specialist	30% / 70%
Commissionable premium Credited to EFS	\$ 360 (\$2,000 x 30% x 60%)
Commissionable premium Credit to EA	\$ 240 (\$2,000 x 30% x 40%)
Commissionable premium Credited to Benefits Specialist	\$ 1,400 (\$2,000 x 70%)

Should the EFS's or Benefits Specialist's appointment with AHL terminate, either before or after policy issue, the termination will have no effect on the EA's credit for the agreed upon portion of the premium.

3.4 Commission Statement

The agent will be provided written or electronic statements reflecting the commissions due the agent. The agent shall review all such statements and shall provide AHL written notice, within a reasonable time, of any commission claimed by the agent but not paid. Under no circumstances shall notice be given more than one year from the date the claimed commission was due. Failure to provide such notice within the prescribed time bars any claim for such commission.

3.5 Limitations

The agent shall not be entitled to commissions on any policy unless AHL determines that the agent either (i) procured the policy or (ii) is allocated a share of the premium credit by the procuring producer. To procure workplace business, the agent must also (i) be recognized, and designated in writing, by the payroll account (or, in the case group insurance, by the group policyholder) to be the agent of record for the workplace business, and (ii) service the workplace business to the satisfaction of AHL and/or the payroll account (or group policyholder) as determined by AHL. In all cases where a claim to commissions is disputed or questioned, the decision of AHL shall be binding and conclusive.

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If any policy procured by the agent shall lapse, AHL's liability to the agent for further commissions thereon shall cease, unless the policy is reinstated and the agent is determined by AHL to have procured the reinstatement.

If a new policy is issued and previously existing insurance coverage on the same insured, which provided similar benefits and was underwritten by Allstate or any of its subsidiaries, is terminated or lapses before or after the issue of the new policy, the commissions payable on the new policy shall be determined by the practices and procedures of AHL in effect at the time of such new issue.

No commissions shall be payable on temporary extra premiums added to policies. No commissions shall be due on any premium that has been refunded or waived by AHL for any reason. The agent shall, immediately upon demand, repay any commissions received with respect to that premium.

If commissions due the agent upon any normal payment date total less than \$100.00, AHL may, in its discretion, delay payment until the first normal payment date after which the amount due equals \$100.00. The agent shall forfeit any commissions otherwise due or to become due whenever the total of such commissions is less than \$300.00 during any calendar year.

The agent shall have no claim for compensation for having introduced or brought to the attention of AHL any business opportunity or for having created in any person any interest in purchasing AHL products, except under a written agreement with AHL to pay such compensation, signed on behalf of AHL by a vice-president or higher officer of AHL.

4.0 Termination

The agent's appointment with, and authority to represent, AHL shall terminate under any of the following:

- Immediately, at the sole discretion of Allstate, AHL, or the agent.
- Automatically, upon termination of the agent's R3001 Agreement.
- Automatically, upon the agent's invoking any form of federal bankruptcy jurisdiction or state jurisdiction for receivership, liquidation, or conservatorship.

5.0 Indebtedness

AHL and its affiliates that are parties to the R3001 Agreement may offset against any claim by the agent for commissions any debt to AHL then due or that may thereafter become due from the agent, whether arising hereunder or otherwise, and such debt shall be a first lien on any such compensation. AHL shall have the right to determine to which indebtedness any payment made by the agent, whether offset or otherwise, shall be applied. The agent shall pay all costs and expenses, including collection fees and/or reasonable attorney's fees, which are incurred by AHL in the collection of indebtedness hereunder.

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6.0 Advertising

Only AHL shall act on behalf of the Company regarding signs and advertising copy, as described in the Advertising section of the R3001 Agreement, containing any reference to AHL or Allstate Benefits.

7.0 Modifications

AHL reserves the right to modify this section of the Supplement by field bulletin, letter, email, publication on a website maintained by Allstate or its subsidiaries for insurance producers, or other appropriate official written communication, and such modification shall be effective as of the date stated in the communication. The agent's continuing the relationship with AHL after transmission of such official written communication conclusively constitutes assent to the modification.

The agent shall comply with all published bulletins, field letters, and any other written communications from AHL now in force and such as may be hereafter adopted.

8.0 Complaints

The agent shall document and promptly report to AHL all customer and regulatory complaints involving the agent's conduct as a representative of AHL, and/or the conduct of AHL or any of its representatives regarding applications, policies, or claims. The agent will fully cooperate with AHL in the investigation and resolution of such complaints.

Section 4g: Partnerships

1.0 Declared Partnerships

It is at the agent's discretion who they choose to select as a declared partner and it is also at the agent's discretion to decide if it is appropriate to create and adopt any sales processes for the partnership.

- On an annual basis (calendar year) an EFS and EA partner must complete and acknowledge a partnership agreement through the Partnership Declaration on-line tool
- The Partnership agreement process must be completed by April 1 of the current calendar year¹
 - Prior year partnerships will not carry-over to subsequent calendar years
 - EFSs or EAs can opt-out of a partnership prior to April 1
 - Partnership agreements in effect as of April 1 will remain in force through that year-end
 - EFSs and EAs affiliated during the calendar year must complete and acknowledge a partnership agreement within 90 days of their affiliation date or by December 1, whichever is earlier

2.0 Default Partnerships

- A Default Partnership will occur when all criteria are met:
 - An individual EFS writes or shares 60% or more of the EA's total production credit for the year; and
 - An individual EFS writes or shares 6 or more IPS for the EA for the year
- Default partnership status will be evaluated and confirmed at year-end to determine the impact to ALR bonus qualification
- Default partnerships will have the same impact as declared partnerships with regard to ALR bonus qualification. (When a default partnership is triggered, the ALR bonus opportunity for that EA will be split 50/50 between the EA and EFS.)

¹ For 2018 only, the partnership agreement process date was extended to April 30, 2018.

2.1 Partnership Transition Rules

Partnership Scenarios		Rules
EA	New EA (Start Up Agent)	<ul style="list-style-type: none"> EA is given 90 days to choose solo or partnership model
	New EA (Buyer)	<p><u>If selling EA is currently partnered:</u></p> <ul style="list-style-type: none"> The EFS and buyer maintains the partnership through year-end EFS has the option to opt-out of this partnership (removes this partnership from bonus eligibility) EFS must inform AFCompensation@allstate.com of their decision to opt out within 60 days of the seller's termination effective date or no later than December 1, whichever is earlier. If the buying EA partner enters into multiple EFS partnership agreements, the 50% EFS portion of the bonus will be allocated to each EFS partner based on their contribution to the agency's partnered production credit <p><u>If selling EA is currently solo:</u></p> <ul style="list-style-type: none"> EA can chose to remain solo or establish a new partnership agreement EFS bonus eligibility is retroactive to the beginning of year
	EA Terminates	<ul style="list-style-type: none"> If EA takes the Termination Payment Provision (TPP) and the partnership has reached the minimum qualification for the ALR bonus at the end of the calendar year, the EFS portion of the partnership bonus will be paid as defined in the Supplement for the L2000 Agreement
EFS	EFS Terminates	<ul style="list-style-type: none"> EA carries-forward the partnership designation for remainder of that year (only eligible for 50% of ALR bonus) EA can choose to add a new EFS partner If an EA partner enters into multiple EFS partnership agreements, the 50% EFS portion of the bonus will be allocated to each EFS partner based on their contribution to the agency's partnered production credit

Business written with a prior EA partner

For business written with prior EA partners where the customer's relationship originated with that agency, any future business for that customer must be partnered with the same agency.

For business written by an EFS where an agency relationship did not exist, any future ALR business for that customer must be partnered with the same EFS.

Section 4h: Allstate Financial - Allstate Life & Retirement Bonus – Sunset effective December 31, 2019

The Allstate Life & Retirement Bonus is calculated annually at the end of each calendar year and paid in the first quarter of the subsequent year.

1.0 Key Terms

PC per PIF (production credit per policies in force) – represents the ratio of life & retirement new business production credit divided by PIF.

- Production credit used in this calculation includes the summation of the current year’s total agency life & retirement production credit
- PIF in this calculation includes the prior year-end policies in force, adjusted for any changes in agency size due to sales, purchases, or mergers.

2.0 Bonus Qualification

Qualification for the Allstate Life & Retirement Bonus is based on achievement of the production credit per PIF ratio.

The bonus qualification is based on agency size and agency total production credit:

- Agency size is measured by the Allstate branded property & casualty PIF as of the prior year-end
 - Agency size will be adjusted for any sales, purchases, or mergers of the agency
 - Base PIF is 1,000 for any agency with PIF fewer than 1,000 policies; start-up agencies are set at 1,000 PIF.
- Agency total production credit includes total partnered and EA solo production credit

Bonus measurements for all Established Satellites located in the same state as the primary agency (including stand-alone agencies and Enhanced Satellite Agencies) will be combined with their primary agency. Start-up Satellites are measured separately. For Established Satellites that cross state lines, bonus measurements are combined for any locations that are within the same state and still have active agreements at the end of the bonus year.

3.0 Bonus Grids

3.1 Countrywide (excluding New York)

The bonus is calculated using the bonus rate found in the table below times the agency total production credit.

Countrywide Grid (excluding New York)

PC/PIF Ratio*	Agency Size (based on prior year-end Allstate branded property & casualty policies in force)					
	Start-up (min 1,000 PIF)	Tier 1 (up to 1,499 PIF)	Tier 2 (1,500-2,999 PIF)	Tier 3 (3,000-5,999 PIF)	Tier 4 (6,000-8,999 PIF)	Tier 4b (9,000+ PIF)
15.0	12%	12%	14%	15%	16%	16%
17.5	15%	15%	18%	20%	23%	23%
20.0	18%	18%	22%	25%	30%	30%
22.5	21%	21%	26%	30%	30%	30%
25.0	24%	24%	30%	30%	30%	30%
27.5	27%	27%	30%	30%	30%	30%
30.0	30%	30%	30%	30%	30%	30%

*Minimum PIF used is 1,000. Start-up agencies will be set to 1,000 PIF regardless of actual size.

3.2 New York Only

The bonus is calculated using the bonus rate found in the tables below times the agency total production credit.

New York EA Solo Grid

PC/PIF Ratio*	Agency Size (based on prior year-end Allstate branded property & casualty policies in force)					
	Start-up (PIF 1,000)	Tier 1 (up to 1,499 PIF)	Tier 2 (1,500-2,999 PIF)	Tier 3 (3,000-5,999 PIF)	Tier 4 (6,000-8,999 PIF)	Tier 4b (9,000+ PIF)
15.0	10%	10%	12%	13%	14%	14%
17.5	13%	13%	16%	17%	20%	20%
20.0	16%	16%	19%	22%	22%	22%
22.5	18%	18%	22%	22%	22%	22%
25.0	21%	21%	22%	22%	22%	22%
27.5	22%	22%	22%	22%	22%	22%
30.0	22%	22%	22%	22%	22%	22%

*Minimum PIF used is 1,000. Start-up agencies will be set to 1,000 PIF regardless of actual size

New York EA Partnership Grid

PC/PIF Ratio*	Agency Size (based on prior year-end Allstate branded property & casualty policies in force)					
	Start-up (PIF 1,000)	Tier 1 (up to 1,499 PIF)	Tier 2 (1,500-2,999 PIF)	Tier 3 (3,000-5,999 PIF)	Tier 4 (6,000-8,999 PIF)	Tier 4b (9,000+ PIF)
15.0	13%	13%	15%	16%	17%	17%
17.5	15%	15%	18%	20%	23%	23%
20.0	18%	18%	22%	25%	26%	26%
22.5	21%	21%	26%	26%	26%	26%
25.0	24%	24%	26%	26%	26%	26%
27.5	26%	26%	26%	26%	26%	26%
30.0	26%	26%	26%	26%	26%	26%

*Minimum PIF used is 1,000. Start-up agencies will be set to 1,000 PIF regardless of actual size

4.0 Bonus Calculation

The bonus payout rate is determined by the Production Credit per PIF (PC per PIF) ratio achieved.

$$\text{PC per PIF Ratio} = \frac{\text{Agency total production credit (total Partnered and EA Solo)}}{\text{Prior year-end Allstate branded property \& casualty policies in force}}$$

- There is no rounding of PC per PIF ratio results
- There is no interpolation of bonus rates, should results fall between PC per PIF ratio points on the grid above
- Any chargebacks of business will be included in the subsequent year bonus calculation. For example on a policy that receives production credit in 2017 and then receives a chargeback in 2018, the chargeback will be included as a negative in 2018 qualification
- EAs with 13,333 PIF or more, the minimum entry-point for PIFx15 level will be set at 200,000 in production credit
 - To achieve the bonus level of PIFx17.5 and higher, the EA must achieve the actual production credit per PIF shown in the table above
- For declared and default partnerships with an EFS, the bonus will be split 50/50 with the EA and EFS partner (50% payout to the EA and 50% payout to the EFS)
 - If an EA enters into multiple EFS partnership agreements, the 50% EFS portion of the bonus will be allocated to each EFS partner based on their contribution to the Agency partnered production credit

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Bonus calculation with a partnership example:

- Agency is a Tier 3 (5,500 PIF)
- Total Agency Production Credit = 100,000
- PC per PIF Ratio = 18.1
- Total Life & Retirement Bonus payout = \$20,000 (100,000 x 20%)*
 - Total EA portion of Life & Retirement Bonus = \$10,000
 - Total EFS portion of Life & Retirement Bonus = \$10,000

*Note: When an EA does not have any declared or default partnerships, the full \$20,000 bonus would be paid to the EA.

Multi-Exclusive Financial Specialist Partnership Example: (when an EA enters into multiple partnership agreements)

- Total Agency Production Credit = 100,000
- Total Life & Retirement Bonus payout = \$20,000
 - Total EA portion of Life & Retirement Bonus = \$10,000
 - Total EFS portion of Life & Retirement Bonus = \$10,000
 - Declared EFS Partner #1 wrote 56,000 in production credit
 - Declared EFS Partner #2 wrote 24,000 in production credit
 - Declared Partner total production credit = 80,000
 - Declared EFS Partner #1 wrote 70 percent of the declared EFS PC = \$7,000 bonus payout
 - Declared EFS Partner #2 wrote 30 percent of the declared EFS PC = \$3,000 bonus payout

5.0 Early Bonus Payout Opportunity for Declared Agency and EFS Partners

Effective January 1, 2018, agency owners and exclusive financial specialists in declared partnerships can receive an early bonus payout after meeting the annual goals.

- Eligibility for this quarterly advance is determined at the end of each quarter based on YTD results (not annualized or projected results) and attainment of the annual goal.
- The payout can be earned or increased at each quarter end, and declared partners will be paid the incremental difference.
- When two or more EFSs are contributing towards the agency's results, the EFS portion of the payout is based on their contribution of shared production credit in the agency. (Refer to the "Multi-Exclusive Financial Specialist Partnership Example in section 4.0 above.)

CW (excluding NY) Example

The ALR Bonus minimum (PIFx15) was surpassed in June and each quarter thereafter. The sum of the quarterly payouts is equivalent to the annual bonus of \$15,000.

Quarter End	EA Tier	PIF	YTD Agency PC	PC per PIF	Bonus %	Annual Bonus	Annual Bonus Split 50%/50%	Quarterly Amount Paid to each Partner
Jun	2	2,500	40,000	16.0	14%	\$5,600	\$2,800	\$2,800
Sep	2	2,500	75,000	30.0	30%	\$22,500	\$11,250	\$8,450
Dec	2	2,500	100,000	40.0	30%	\$30,000	\$15,000	\$3,750
Total Quarterly Payouts								\$15,000

New York only Example

The ALR Bonus minimum (PIFx15) was surpassed in June and each quarter thereafter. The sum of the quarterly payouts is equivalent to the annual bonus of \$13,000.

Quarter End	EA Tier	PIF	YTD Agency PC	PC per PIF	Bonus %	Annual Bonus	Annual Bonus Split 50%/50%	Quarterly Amount Paid to each Partner
Jun	2	2,500	40,000	16.0	15%	\$8,000	\$3,000	\$3,000
Sep	2	2,500	75,000	30.0	26%	\$19,500	\$9,750	\$6,750
Dec	2	2,500	100,000	40.0	26%	\$26,000	\$13,000	\$3,250
Total Quarterly Payouts								\$13,000

6.0 Bonus Payment

To receive a bonus payment, EAs must have an active R3001 Agreement in place as defined below:

- Agents who qualify for an annual bonus at the end of the bonus period will receive a bonus payment, even if the R3001 Agreement terminates prior to the payment of the bonus. The R3001 Agreement must be active on December 31st of the current bonus year.
- Agents who qualify for an early quarterly payout must have an active R3001 Agreement in place at the time the quarterly bonus payment is made. For example, if the R3001 Agreement is terminated August 1, and the June quarterly bonus is paid August 15, the agent will not receive the quarterly payment.

The ALR Bonus will be paid in February of each year based on the previous year's results. For declared EA partners eligible for the early payout opportunity, the quarterly advance will be paid the second month following each quarter end. (For example, the quarterly advance for period ending June 30th, will be paid in August.)

SUPPLEMENT FOR THE R3001 AGREEMENT

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In the event the aggregate total of the quarterly payouts is greater than the final bonus earned, the overpayment will be assessed in full and recovered from the Agency Bonus paid in February. If full assessment from the bonus is not possible, the overpayment will be divided by two and recovered from two consecutive commission periods beginning in February.

Note: In situations where an EA or EFS sells their economic interest in the book of business, any quarterly advance and/or final ALR Bonus payment, for the current program year, will be reduced by the amount of ALR Bonus already paid to the selling agency owner and/or declared financial specialist partner. This applies to full book sales only. It does not apply to split book sales or assignments.

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Section 4i: Allstate Financial – Allstate Life Insurance Company of New York Allstate Benefits Business

1.0 General

Allstate Benefits business is the insurance products underwritten by Allstate Life Insurance Company of New York (“ALNY”), marketed under the name Allstate Benefits, and administered by American Heritage Service Company (“AHSC”) located in Jacksonville, Florida. Most of the insurance products are designed for workplace business (i.e., insurance products designed for sale at the policyholder’s worksite with premiums paid by payroll deduction or by the employer or other sponsoring entity); however, some products may be designated for sale directly to consumers. Because of the unique characteristics of these products, this Section addresses special rules applicable to these products. As used in this Section, “policies” means individual insurance policies, group insurance policies, and certificates of group insurance.

2.0 Commissions

2.1 Commission Amount

All compensation paid to the agent will be commissions, computed as a percentage of premiums paid to AHSC on behalf of ALNY on policies issued pursuant to applications procured by the agent. The Commission Level establishes the percentage rates that apply in computing commissions for available insurance products. Effective January 1, 2017, all agents will be paid commissions at Commission Level 1 on the E-Contract Series Commission Schedule, in effect at the time of application for the policy. However, ALNY reserves the right to reduce, by written notice to the agent, the percentage rate that applies in computing agent’s commissions for any workplace business or group insurance policy, either of which may include those with 500 or more eligible participants, or those requiring enrollment or administrative support. Furthermore, the sale of any insurance product not described on the E-Contract Series Commission Schedule (such as a customized product) requires a written commission agreement with ALNY, specifying the commissions that will be paid and signed on behalf of ALNY by a senior leader located at the offices of AHSC.

Refer to NY Exhibit E for the current Commission Schedule. This schedule is subject to change without notice.

Commissions are earned only as premiums are received by ALNY at the offices of AHSC and applied toward payment of current premium, and shall constitute payment in full to the agent for any and all services rendered to ALNY. All commissions shall be paid from AHSC’s offices in Jacksonville, Florida, or other location as designated by ALNY.

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2.2 Commission Advances

For those insurance products deemed eligible by ALNY, ALNY will advance to the agent 50% of the annualized first year commissions payable to the agent on net Cash With Application (“CWA”) insurance premium submitted by the agent. Net CWA is gross written annualized first year premium, other than Cash on Delivery (“C.O.D.”) cases, less first year lapses, cancellations, and withdrawals, as determined by ALNY according to its practices and procedures in effect at the time of commission computation.

The maximum advance on any one policy issued is \$700.00.

ALNY may, in its sole discretion, limit or discontinue commission advances to any agent.

All advances are loans to the agent, for which the agent is personally indebted to ALNY to repay. All commissions accruing to the agent’s credit will be applied, on an as earned basis, to the repayment of any advance paid to the agent. If the agent’s authority to represent ALNY is terminated, for whatever reason, before all of the advances have been repaid, the agent shall, within thirty (30) days of such termination, repay such advances.

2.3 Commission Splits

The agent may work out an agreement with one or two other properly licensed and appointed insurance producers to split credit for commissionable premium on new Allstate Benefits business. Where premium credit is split on a policy, the following rules apply, unless a written exception is approved by ALNY, signed by a senior leader located at the offices of AHSC:

- No more than three (3) producers may be allocated premium credit.
- No more than two (2) Allstate channel producers (Exclusive Agents and Financial Specialists) may be allocated premium credit.
- No more than one (1) Financial Specialist may be allocated premium credit.
- The minimum total premium split allocated to all Allstate channel producers is 30% of the total commissionable premium

Example 1: EA writes case with a Benefits Specialist

Total Commissionable Premium	\$2,000
EA / Benefits Specialist	30% / 70%
Commissionable Premium Credited to EA	\$ 600 (\$2,000 x 30%)
Commissionable premium Credited to Benefits Specialist	\$ 1,400 (\$2,000 x 70%)

SUPPLEMENT FOR THE R3001 AGREEMENT

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Example 2: FS & EA write a case with a Benefits Specialist. FS/EA split is 60% / 40%

Total Commissionable Premium	\$2,000
FS & EA / Benefits Specialist	30% / 70%
Commissionable Premium Credited to FS	\$ 360 (\$2,000 x 30% x 60%)
Commissionable Premium Credited to EA	\$ 240 (\$2,000 x 30% x 40%)
Commissionable premium Credited to Benefits Specialist	\$ 1,400 (\$2,000 x 70%)

Should the FS's or Benefit Specialist's appointment with ALNY terminate, either before or after policy issue, the termination will have no effect on the EA's credit for the agreed upon portion of the premium.

2.4 Commission Statement

The agent will be provided written or electronic statements reflecting the commissions due the agent. The agent shall review all such statements and shall provide ALNY written notice, within a reasonable time, of any commission claimed by the agent but not paid. Under no circumstances shall notice be given more than one year from the date the claimed commission was due. Failure to provide such notice within the prescribed time bars any claim for such commission.

2.5 Limitations

The agent shall not be entitled to commissions on any policy unless ALNY determines that the agent either (i) procured the policy or (ii) is allocated a share of the premium credit by the procuring producer. To procure workplace business, the agent must also (i) be recognized, and designated in writing, by the payroll account (or, in the case group insurance, by the group policyholder) to be the agent of record for the workplace business, and (ii) service the workplace business to the satisfaction of ALNY and/or the payroll account (or group policyholder) as determined by ALNY. In all cases where a claim to commissions is disputed or questioned, the decision of ALNY shall be binding and conclusive.

If any policy procured by the agent shall lapse, ALNY's liability to the agent for further commissions thereon shall cease, unless the policy is reinstated and the agent is determined by ALNY to have procured the reinstatement.

If a new policy is issued and a previously existing insurance coverage on the same insured, which provided similar benefits was underwritten by Allstate or any of its subsidiaries, is terminated or lapses before or after the issue of the new policy, the commissions payable on the new policy shall be determined by the practices and procedures of ALNY in effect at the time of such new issue.

No commissions shall be payable on temporary extra premiums added to policies. No commissions shall be due on any premium that has been refunded or waived by ALNY for any reason. The agent shall, immediately upon demand, repay any commissions received with respect to that premium.

SUPPLEMENT FOR THE R3001 AGREEMENT

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If commissions due the agent upon any normal payment date total less than \$100.00, ALNY may, in its discretion, delay payment until the first normal payment date after which the amount due equals \$100.00. The agent shall forfeit any commissions otherwise due or to become due whenever the total of such commissions is less than \$300.00 during any calendar year.

The agent shall have no claim for compensation for having introduced or brought to the attention of ALNY any business opportunity or for having created in any person any interest in purchasing ALNY products, except under a written agreement with ALNY to pay such compensation, signed on behalf of ALNY by a senior leader located at the offices of AHSC.

3.0 Indebtedness

ALNY and its affiliates that are parties to the R3001 Agreement may offset against any claim by the agent for commissions any debt to ALNY then due or that may thereafter become due from the agent, whether arising hereunder or otherwise, and such debt shall be a first lien on any such compensation. ALNY shall have the right to determine to which indebtedness any payment made by the agent, whether offset or otherwise, shall be applied. The agent shall pay all costs and expenses, including collection fees and/or reasonable attorneys fees, which are incurred by ALNY in the collection of indebtedness hereunder.

4.0 Modifications

ALNY reserves the right to modify this section of the Supplement by field bulletin, letter, email, publication on a website maintained by Allstate or its subsidiaries for insurance producers, or other appropriate official written communication, and such modification shall be effective as of the date stated in the communication. The agent's continuing the relationship with ALNY after transmission by ALNY of such official written communication conclusively constitutes assent to the modification.

The agent shall comply with all published bulletins, field letters, or any other written communications from ALNY now in force and such as may be hereafter adopted.

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Section 5: Commercial

1.0 General

The Company may from time to time enter into joint marketing agreements (“marketing agreements”) with certain national trade associations or other organizations. These marketing agreements may generate marketing leads in specific industry vertical markets (“leads”). It is the desire of the Company to provide such leads to certain R3001 agents in order to assist those agents to penetrate certain vertical markets. It is the desire of such agents to obtain such leads.

The participating agencies understand that there exists a cost associated with lead generation. In order to offset such costs, any agent participating in the designated national trade association joint marketing program, agrees to a reduced commission for all policies sold on leads generated by such program. The amount of the reduction in commission will be set forth for each specific marketing program. By voluntarily participating in the program, the agency agrees to the new business and renewal premium reduction set forth for that specific marketing program.

Allstate currently offers the following Commercial insurance:

- Texas Commercial Package Policy
- Businessowners Policy¹
- Commercial Package Policy¹
- Commercial Casualty (Fleet, Inland Marine, etc.)

Each of these will be considered a separate line for commission purposes.

1.1 Agent Commission Rules

The following sections contain agent commission rules applicable to Commercial products.

<u>Section 5a</u>	Businessowners Policy
<u>Section 5b</u>	Commercial Package Policy
<u>Section 5c</u>	Commercial Casualty

¹ Available upon new product implementation beginning in late 2011. The actual new product implementation date will vary by state.

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2.0 Business Insurance Specialist (BIS) and Commercial Service Center (CSC)

R3001 agents have the option to submit Commercial business leads to a Business Insurance Specialist (BIS).

Commission for Commercial policies issued as the result of a lead forwarded to a Business Insurance Specialist (BIS) will be reduced in exchange for services provided by the BIS. The split will be made as per the BIS Commission Scale. Once a lead is forwarded to a BIS and a sale is made, all future servicing for that policy will be done by the Commercial Service Center (CSC).² The agent will be listed as the Agent of Record (AOR) for the policy.

Allstate Business Insurance assumes E & O responsibility for the information it provides to an insured during quoting, binding and/or servicing of a policy. An Agency retains responsibility for all E & O to the extent that the Agency conveys information, develops or modifies a quote, binds or services a policy, or otherwise provides information to or from the insured.

2.1 Business Written by a Business Insurance Specialist (BIS) on behalf of an Agent – Effective December 1, 2015 (January 1, 2016 in California and Rhode Island and April 1, 2016 in Minnesota) and Later

Policies issued as a result of leads forwarded to a BIS shall be subject to the following commission schedule:

	First Policy Year		Subsequent Policy Years	
	Established Agency	Start-up Agency	Established Agency	Start-up Agency
Commission to agency	4.50%	5.00%	6.50%	7.50%

Agents may utilize the services of a Business Insurance Specialist (BIS) and receive reduced commission, per the schedule above. Policies written by the Business Insurance Specialist (BIS) shall be serviced by the Commercial Service Center (CSC) for the life of the policy at a reduced commission to the agent per the schedule above (subsequent policy years). Commissions paid to a Start-up Agency shall revert to the Established Agency commission level at the first renewal or debit endorsement following status change to Established Agency.

² The reduced commission paid to the agent will apply for the life of the policy and includes new business, renewals and any added coverage. The BIS Commission Scale does not apply to business written through the Commercial Expanded Market Program.

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2.2 Business Written by a Business Insurance Specialist (BIS) on behalf of an Agent – Effective April 1, 2014 through November 30, 2015 (December 31, 2015 in California and Rhode Island and March 30, 2016 in Minnesota)

Policies issued as a result of leads forwarded to a BIS shall be subject to the following commission schedule:

	First Policy Year		Subsequent Policy Years	
	Established Agency	Start-up Agency	Established Agency	Start-up Agency
First 12 policies sold in a calendar year	9.0%	10.0%	6.5%	7.5%
13+ policies sold in a calendar year	4.5%	5.0%	6.5%	7.5%

Agents may utilize the services of a Business Insurance Specialist (BIS) and receive full base commission during the first policy year after the policy has been written, for the first 12 policies written by the BIS in a calendar year. Once the 13th policy has been written by the BIS in a calendar year, the agent will receive reduced commission in the first policy year, per the schedule above. Policies written by the Business Insurance Specialist (BIS) shall be serviced by the Commercial Service Center (CSC) for the life of the policy at a reduced commission to the agent per the schedule above (subsequent policy years).

Commissions paid to a Start-up Agency shall revert to the Established Agency commission level at the first renewal or debit endorsement following status change to Established Agency.

2.3 Business Assigned to and Serviced by the Commercial Service Center (CSC) on or after April 1, 2014

R3001 agents have the option to assign some or all of their existing Commercial policies to the Commercial Service Center (CSC) for service support. Commission paid to the agent will be 2.5 points lower than their current base commission.

Example: Commercial Auto policy serviced through the CSC for an Established Agency resulting in a \$3,000 premium.

Commission on the policy is \$270 (\$3,000 x 9%).

Commission paid to the agent will be reduced by 2.5 points to 6.5% (\$3000 x 6.5% = \$195), as the Servicing Fee.

All future servicing for the policy will be done by the CSC. The agent will be listed as the Agent of Record (AOR).

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3.0 Business Insurance Center (BIC) – effective through March 31, 2014

Effective January 1, 2010 through March 31, 2014, commission for Commercial policies issued as the result of a lead forwarded to the Business Insurance Center (BIC) will be split between the agent and the BIC. The split will be made as per the BIC Commission Scale. Once a lead is forwarded to the BIC and a sale is made, all future servicing for that policy will be done by the BIC.³ The agent will be listed as the Agent of Record (AOR) for the policy.

All policies written by the Business Insurance Center (BIC) shall have commissions paid to the agent of record per the commission schedule that was in place at the time the policy was written and will remain at that commission level for the life of the policy.

EFFECTIVE PRIOR TO 1/1/2013

POLICIES SOLD AND SERVICED THROUGH THE BIC

BIC Sales and Service Commission Scales	Premium level of policy when issued at New Business	Agent's share of Annual Commission for the life of the Policy (Split Percentage)	
		Commercial Auto Fleet and Non-Fleet	Commercial Non- Auto
Base	Under \$5,000	50	50
1	\$5,000 - \$7,499	55	55
2	\$7,500 - \$14,999	65	65
3	\$15,000 - \$24,999	75	75
4	\$25,000 - \$49,999	80	80
5	\$50,000 & Over	85	85

Example 1: Commercial Auto policy sold through the BIC for \$6,500 premium. Calculation for agent portion of the commission split is $\$6,500 \times (10\% \times .55) = \357.50

Example 2: Commercial Customizer Policy sold through the BIC for \$5,500 premium. Calculation for agent portion of the commission split is $\$2,500 \times (20\% \times .55) + \$3,000 \times (12\% \times .55) = \473.00

³ The commission split between the agent and the BIC will apply for the life of the policy and includes new business, renewals and any added coverage. The BIC Commission Scale does not apply to business written through the Commercial Expanded Market Program.

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EFFECTIVE ON OR AFTER 1/1/2013

POLICIES SOLD AND SERVICED THROUGH THE BIC

Agent's share of Annual Commission for the life of the Policy (Split Percentage)	
Commercial Auto Fleet and Non-Fleet	Commercial Non- Auto
50	50

Example 1: Commercial policy sold through the BIC for \$6,500 premium. Calculation for an established agent's portion of the commission is $\$6,500 \times (9\% \times .50) = \292.50

Example 2: Commercial policy sold through the BIC for \$5,500 premium. Calculation for a start-up agent's portion of the commission is $\$5,500 \times (10\% \times .50) = \275.00

3.1 Business Assigned by the Agent to be Serviced by the Business Insurance Center (BIC) – Prior to April 1, 2014

R3001 agents have the option to assign some or all of their existing Commercial policies to the Business Insurance Center (BIC) for service support. There will be a 2% servicing fee on policies serviced by the BIC.

Example: Commercial Auto policy serviced through the BIC resulting in a \$3,000 premium.
Commission on the policy is \$270 ($\$3,000 \times 9\%$).
BIC will receive 2% ($\$3000 \times 2\% = \60), as the Servicing Fee.
Agent will receive the remaining 8% of the commission ($\$3000 \times 8\% = \240)

All future servicing for the policy will be done by the BIC. The agent will be listed as the Agent of Record (AOR).

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Section 5a: Businessowners Policy (BOP)

1.0 General

It is the Company's intent that, all new Commercial insurance for small businesses that qualify will be written in the Businessowners Policy.

Only one agent may hold commission interest in a Businessowners Policy. In unusual situations where two or more Businessowners Policies are issued to a particular named insured, only one agent may hold commission interest therein.

2.0 Commission Interest

2.1 New Businessowners Policy – No Conversion

The Writing Agent will receive new policy commission interest in the first year and renewal policy commission interest in the subsequent policy periods for the new Businessowners policy.

2.2 Conversion to Businessowners Policy of Existing Commercial Policy in Its First Policy Year

2.2.1 New Policy Commission Interest

The Writing Agent will receive new policy commission for the first 12 months net written premium for the Businessowners policy.

2.2.2 Renewal Policy Commission Interest

When a Commercial Policy is converted to the Businessowners Policy, the agent who held commission interest in the converted Commercial policy will receive renewal policy commission interest in the Businessowners Policy.

2.3 Business Package Policy, Customizer Policy, or Commercial Package Policy Converted to a Businessowners Policy

A Businessowners Policy which replaces an existing Business Package Policy, Customizer Policy, or Commercial Package Policy in its second or subsequent policy year will not be considered a new policy. The agent who held renewal commission interest in the replaced policy will receive

¹ Available upon new product implementation beginning in late 2011. The actual new product implementation date will vary by state.

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renewal policy commission interest in the replacement policy calculated at the renewal commission amount shown in Chapter 2.

2.4 Other Conversions to a Businessowners Policy

A Businessowners Policy which replaces an existing Commercial Fire and General Liability policy will not be considered a new policy. The agent will receive renewal commission interest on the replaced policy calculated at the renewal commission amount shown in Chapter 2.

3.0 Added Coverages

The Commission interest for added coverages, locations and/or buildings will be calculated using the commission amount for the policy period in which the coverage is added.

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Section 5b: Commercial Package Policy (CPP)

1.0 General

The Commercial Package Policy provides a means of packaging two or more lines of insurance.

Only one agent may hold commission interest in a Commercial Package Policy. In unusual situations where two or more Commercial Package Policies are issued to a particular named insured, only one agent may hold commission interest therein.

2.0 Commission Interest

2.1 New Commercial Package Policy – No Conversion

The Writing Agent will receive new policy commission interest in the first year and renewal policy commission interest in the subsequent policy periods for the new Commercial Package policy.

2.2 New CPP Issued to Applicant Not Already Commercially Insured

The R3001 Agent who writes a new Commercial Package policy issued to an applicant who was not insured (within the previous 120 days) with respect to any Commercial line of insurance (excludes automobile non-fleets) will receive commission interest in the new policy.

New policy commission interest will be received in the first 12 months net written premium for the new policy. Renewal policy commission interest will be received in the net written premium for subsequent periods.

The commission amounts applicable to the Commercial Package Policy are contained in Chapter 2, Section 1c.

2.3 Conversion of Existing Commercial Policy to CPP

The R3001 Agent who writes the Commercial Package Policy, to which existing Commercial policies are converted, will receive commission interest in the newly written Commercial Policy. Commission interest in the newly written Commercial Package Policy will be as though for a renewal policy.

Note: The application for the newly written Commercial Package Policy must be complete in every respect and signed by the applicant.

¹ Available upon new product implementation beginning in late 2011. The actual new product implementation date will vary by state.

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2.3.1 Renewal Policy Commission Interest

When a Commercial Policy is converted to the Commercial Package Policy, the agent who held commission interest in the converted Commercial policy will receive renewal policy commission interest in the Commercial Package Policy.

2.4 Business Package Policy, Customizer Policy, or Businessowners Policy Converted to Commercial Package Policy

A Commercial Package Policy which replaces an existing Business Package Policy, Customizer Policy, or Businessowners Policy in its second or subsequent policy year will not be considered a new policy. The agent who held renewal commission interest in the replaced policy will receive renewal policy commission interest in the replacement policy calculated at the renewal commission amount shown in Chapter 2.

2.5 Other Conversions to a Commercial Package Policy

A Commercial Package Policy containing Commercial Fire and General Liability policies will not be considered a new policy. The agent will receive renewal commission interest on the replaced policy calculated at the renewal commission amount shown in Chapter 2.

3.0 Added Coverages

The Commission interest for added coverages, locations and/or buildings will be calculated using the commission amount for the policy period in which the coverage is added.

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Section 5c: Commercial Casualty

1.0 General

For commission interest purposes, Commercial Casualty includes the following kinds of insurance:

- Inland Marine¹
- Commercial Auto (Fleet)
- Commercial Fire
- Crime
- Boiler and Machinery
- Business Income
- General Liability Coverages
- Business Umbrella - Excess Liability

2.0 Commercial Auto

2.1 General

The commission amounts applicable to Commercial Auto contained in this Supplement (Chapter 2, Section 1c) will apply to coverages written in either Allstate Insurance Company or Allstate Indemnity Company.

2.2 Fleet Policy Replaced in Another Company

If a Fleet policy written for an insured in either Allstate Insurance Company, Allstate Indemnity Company, Allstate County Mutual Insurance Company or Allstate New Jersey Insurance Company is replaced with a fleet policy in one of the other companies by a policy for the same named insured (with no lapse of coverage at the time of replacement), the agent who held renewal policy commission interest in the replaced policy will receive renewal policy commission interest in the replacement policy beginning at its effective date.

¹ Difference In Conditions (DIC) coverage is to be statistically recorded as part of Inland Marine (a kind of Commercial Casualty insurance) but subject to the commission amounts applicable to the Commercial Fire Line.

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2.3 Auto Policy Renewed as a Fleet Policy

When, as of an expiration date of an Auto policy, five or more vehicles are then covered by the Automobile line and therefore qualify for Fleet coverage, the Auto policy will be renewed. The coverage for the five or more vehicles will be considered as a Fleet Commercial Casualty line policy with no lapse of coverage.

3.0 Commercial Policy Is Unrepresented

If the Commercial Casualty policy is unrepresented as of the expiration date, no agent will receive renewal commission interest in the replacement Auto policy, as a result of the conversion.

4.0 Commercial Casualty Policy Issued from Residual Market "Take Out"

4.1 Assigned Risk

An R3001 Agent who is the Agent of Record on an Assigned Risk policy (on which Allstate is the insurer) which is voluntarily taken out of the plan and written as a regular Allstate policy will receive new policy commission for the first 12 months net written premium for the newly written policy.

If the Agent of Record on the Assigned Risk policy (on which Allstate is the insurer) was not an Allstate agent, the agent writing the application for regular insurance will receive new policy commission the first 12 months net written premium for the newly-written policy.

4.2 Underwriting Association Business

An R3001 Agent who is the Agent of Record on an Underwriting Association policy which is voluntarily taken out of the plan and written as a regular Allstate policy will receive new policy commission for the first 12 months net written premium for the newly-written policy.

4.3 Reinsurance Facility

An R3001 Agent who holds commission interest in a policy for which coverages had been ceded to a Reinsurance Facility will receive new policy commission for the first 12 months net written premium for those coverages when they are taken out (unceded) of the Plan to be treated as regular coverages.

Chapter 4: Unrepresented Policies and Customer Contact Center (CCC)/Internet Policies

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Section 1: Capturing

1.0 General

R3001 Agents may capture unrepresented policies (including policies on which a service fee or relationship fee is being paid) and policies bound by the Customer Contact Center (CCC)/Internet as discussed in Section 5 of this Chapter.

2.0 Major Lines/Major Coverages

The following are considered Major Lines that can be cross-sold to capture an unrepresented policy.

- Auto (Line 10)
- Indemnity Auto (Line 19)
- Motorcycle/ORV (Line 16)
- Homeowners (Line 70)
- Renters (Line 71)
- Condo (Line 78)
- Boat (Line 90)
- PUP (Line 88)
- Mobilehome (Line 32)
- Allstate Financial Products
- Ivantage Products
 - Homeowners
 - High Value Program
 - Condo
 - Renters
 - Manufactured Home
 - Watercraft
 - PUP
- Northlight products
 - Homeowners
 - Condo

For each of the Major Lines, the Related Insureds are defined as the Named Insured and Resident Spouse. For Life insurance an Additional Insured Rider may apply to an individual other than the spouse.

The following lines are not to be treated as Major Lines. Also, commission interest in policies in these lines may not be captured.

- Comprehensive Personal Liability (Line 59)
- Landlords (Line 72)¹
- Theft
- Single Premium Products, mutual funds
- Assigned Risk
- Underwriting Association

Commission interest in unrepresented Commercial lines may not be captured through the writing of a Major Line or Major Coverage.

Allstate Financial Products can also be captured by writing a Major Coverage. Major Coverages for Allstate Financial Products include Children's Level Term Rider, Additional Insured Rider, and Increase of Specified Amount (Universal Life²).

3.0 Capturing by Other Means

In addition to being able to capture commission interest in unrepresented policies by writing Major Lines, the R3001 Agent may also capture commission interest in unrepresented policies:

- by writing a new Businessowners Policy, Commercial Package Policy, or Commercial Auto - provided the agent receives renewal commission interest in the policy,
- where the agent is assigned to a customer's policy (or policies) in relationship fee status and an exclusive financial specialist or a financial specialist, working with the agent, writes that customer a Allstate Financial policy which is effective September 1, 1993 or subsequent,
- when a California Earthquake Authority policy is written and the companion policy is unrepresented, or
- where an exclusive financial specialist or a financial specialist working with the agent writes an Allstate Financial policy.

4.0 Capturing Procedure

Whenever the R3001 Agent writes a secured new policy in a Major Line and the policy is considered secured business, that agent will receive commission interest in each existing agency bound unrepresented policy belonging to related insureds in that line or in any other line which is free of any other Allstate agent's compensation/commission interest, if and when such

¹ Unrepresented non-Major Lines can be captured by cross-selling a Major Line.

² Universal Life increases due to the Increasing Insurance Rider will not be treated as Major Coverages.

unrepresented policy renews. In the case of a six month auto policy, the renewal could be either an Anniversary Renewal or Off-Anniversary renewal. The commission amount to be applied will be the New Business amount for the first term and the First Renewal amount thereafter if captured at the First Renewal or the Subsequent Renewal amount for all periods if captured after the first renewal.

Whenever an active Allstate agent has commission interest in a like line, that agent is the only agent who may capture commission interest in any other unrepresented policies for the related insureds in that like line (except in the case of Life insurance).

Any commission payable with respect to an unrepresented Allstate Financial Life insurance product will be at the appropriate renewal amount based on policy year as per the capturing agent's commission schedule.

5.0 Capturing Requirements

The R3001 Agent will receive commission interest only if:

- At least the minimum down payment (as required by written Company rules) is paid for the secured business;
- The policy is accepted by our Risk Management Department and continues to be acceptable for a period of at least 120 days; and
- The agent has described all other existing Allstate policies on the application for the policy.

Section 2: Special Capturing Rules

1.0 Auto

1.1 Replacement Policy Issued by Another Allstate Company

Whenever an Allstate Indemnity policy replaces or is replaced by an Allstate Insurance Company or Allstate County Mutual policy, the R3001 Agent writing the replacement policy captures commission interest in unrepresented policies if:

1. the Auto like line is free of any other agent's compensation/commission interest, and
2. the replacement policy is issued to the same insured, with no lapse of coverage at the time of replacement, and
3. the applicable conditions of the capturing requirements in Chapter 4, Section 1 of this Supplement are satisfied.

1.2 Voluntary Auto Policy Issued after "Take Out"

1.2.1 Assigned Risk, Underwriting Association

The R3001 Agent who is the Agent of Record on a policy that is **voluntarily** "taken out" of Assigned Risk or an Underwriting Association will capture commission interest in unrepresented policies belonging to that named insured in the same manner as though the agent had written a new voluntary Auto policy.

If the Agent of Record on the Assigned Risk policy (on which Allstate is the insurer) was not an Allstate agent, the R3001 Agent writing the application for voluntary insurance will capture commission interest in unrepresented policies.

On an **involuntary** take out, commission interest in unrepresented policies will be captured by the Allstate agent whose name and number appear on the application for regular Allstate insurance.

1.2.2 Reinsurance Facility

The Allstate Agent of Record on coverages which are taken out of the Facility will not capture commission interest in any unrepresented policies.

2.0 Homeowners

2.1 Homeowners Policy Replaces Another Property Lines Policy

If the replaced Renters, Condominium Owners or Homeowners (different location) policy was free of any other Allstate agent's compensation/commission interest, the R3001 Agent writing the replacement Homeowners policy will capture commission interest in unrepresented policies provided the applicable conditions of the capturing requirements in Chapter 4, Section 1 of this Supplement are satisfied.

2.2 Conversion of Fire Coverage to a Homeowners Policy

Whenever Fire coverage is converted to a Homeowners policy, the agent writing the Homeowners policy (or considered to have written the Homeowners policy) must be eligible for both new and renewal policy commission interest in the Homeowners policy in order to capture commission interest in unrepresented policies.

If the agent writing the Homeowners policy is eligible for new policy commission only, unrepresented policies may not be captured.

3.0 Allstate Financial – Life Insurance

3.1 New Rider Added to an In-Force Life Policy

The Life insurance riders considered as Major Coverages for purposes of agent commission are shown in Chapter 4, Section 1.

An agent adding a personally secured New Rider to a Life policy which is free of any other Allstate agent's commission interest will receive commission interest in each Major Line unrepresented policy belonging to related insureds, if and when such unrepresented policy renews, provided:

1. the new Rider is issued or placed, and
2. the agent has described all other existing Allstate policies on the application for the Major Coverage.

Any commission payable with respect to an unrepresented Life policy will be at the appropriate renewal amount based on policy year as per the capturing agent's commission schedule.

The R3001 Agent should list the policy numbers of all existing Allstate policies belonging to the named insured, resident spouse and any family members who remain eligible in the Remarks Section of the Application.

Immediately following each policy number, the R3001 Agent should indicate if the policy is represented or unrepresented.

3.2 Conversion of Veteran's Group Life Insurance

When an individual is to be converted from a Veteran's Group Life insurance plan to an individual policy, a conversion application is to be submitted in all cases accompanied by a regular application if it appears that no extra rating will apply to the applicant.

The following rules describe the R3001 Agent's eligibility (or non-eligibility) to capture commission interest in any unrepresented Allstate policies when either occurs.

3.2.1 Conversion Application Used

Commission interest in unrepresented Allstate policies may **not** be captured when the conversion is written at standard rates as a result of exercising the conversion privilege of the Veteran's Group Life plan.

3.2.2 Regular Application Used

The R3001 Agent handling the regular application will capture commission interest in unrepresented Allstate policies in accordance with the capturing requirements stated in Chapter 4, Section 1 of this Supplement.

3.3 Life Policy Issued – Insured Exercises FPP Option

The R3001 Agent writing the new policy issued as a result of the FPP option being exercised will capture commission interest in unrepresented Allstate policies in accordance with the capturing requirements stated in Chapter 4, Section 1 of this Supplement. This rule will apply even though the Life policy with the FPP option is represented by another Allstate agent.

3.4 Reinstatement

The R3001 Agent reinstating a Life policy which has been out of force for more than six months will capture commission interest in unrepresented Allstate policies in accordance with the capturing requirements stated in Chapter 4, Section 1 of this Supplement.

3.5 Flexible Premium Annuity Products

3.5.1 Unrepresented Policy

Commission interest in a Flexi policy, which is free of any other agent's commission interest, may be captured in accordance with the capturing requirements stated in Chapter 4, Section 1 of this Supplement.

3.5.2 Major Lines/Major Coverages

A Flexi policy is included in the Allstate Financial products for the purpose of capturing commission interest in unrepresented policies unless written to replace another Tax Qualified Plan.

Section 3: Assigned Commission Interest

1.0 Agent Request Program

1.1 General

An R3001 Agent may request assignment of commission interest in unrepresented policies, excluding Plus Policies¹, belonging to the same named insured - including those policies already assigned to an R3001 Agent or to an office location on a service fee basis - under certain conditions.

Commission interest in any policy assigned at the agent's request will always begin at the next renewal of the policy. Reinsurance Facility and Commercial business will be included in this program.

1.2 Eligibility for Policy Assignment

If only one active agent represents one or more policies belonging to an insured, that agent may, upon request, be assigned commission interest in any unrepresented policies belonging to the insured unless the customer requests another agency.

If only one active agent is assigned, on a Service Fee or Relationship Fee basis, to one or more policies belonging to an insured, the mechanized unrepresented account distribution process may assign the agent to any unrepresented policies belonging to the same named insured.

Policies eligible for assignment under the Agency Request Program include only agency bound Personal lines insurance policies belonging to the named insured, resident spouse, and for Allstate Financial products, eligible dependents.

An R3001 Agent will still be eligible for assignment of unrepresented policies belonging to the insured even if one of the represented policies belonging to the insured has an Independent Agency as the Agent of Record.

2.0 Handling Policy Transfer Ins

Whenever a policyholder moves out of state, retention of commission in the customer's account (except Allstate Financial business) is determined by whether:

- the agent who received commission on the policy prior to the move is licensed and appointed in the customer's new state, and

¹ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

- the customer's new residence and the agent's location are within a reasonable proximity (to be determined by the Company) to enable the agent who received commission on the policy prior to the move to properly service the account.

When either of the above conditions is not present, the agent contacted by the customer in the customer's new state will be assigned commission on the transferred policy.

3.0 Company Assigned Policies as Agent of Record

3.1 Assignment of California Earthquake Authority (CEA) Business

In a refinancing situation, the Company may assign the CEA policy and the replacement property policy issued by the Company to the agent who submitted the refinancing change requested by the insured **provided** the replaced property policy was unrepresented **and** the replaced policy had earthquake coverage. Commission interest on these policies will begin immediately.

3.2 Assignment of Unrepresented Life Policy at New Business Issue

An R3001 Agent may be assigned commission interest in a Life policy that becomes unrepresented in the process of being issued, according to the following rules:

- If additional information from or about the insured is necessary to complete underwriting or issue requirements, and such information can best be obtained through an agent, an active agent will be assigned to that policy.
- If delivery of an issued policy is required because the policy is issued at rates different than quoted, a signature requirement must be met, etc., an active agent will be assigned to that policy.

The agent assigned to the policy will be treated for purposes of agent commission as though the agent had written the policy, provided the agent successfully carries out the requirements described above.

3.3 Assignment of Commercial Business

A Commercial policy which becomes unrepresented may be assigned to another agent subject to the agent's acceptance. Commission interest in the policy will begin at the next effective date of the policy; however, the agent will begin servicing the policy upon notification of the assignment and the agent's acceptance.

Section 4: Service Fees and Relationship Fees

1.0 General

Auto and Personal Property policies that become unrepresented may be captured by an R3001 Agent as described in Chapter 4, Section 1, Section 2 and Section 3. If an unrepresented policy in these line categories has not been identified for capture at renewal, it may be assigned, subject to the agent's acceptance, on a service fee or relationship fee basis.

The service fee or relationship fee on all such assigned policies is currently 3.5%¹.

Once an R3001 Agent has qualified to capture commission interest in an unrepresented policy, any service fee or relationship fee assignment for that policy will end when the capture takes effect.

All aspects regarding service fee or relationship fee policies are subject to change in the future. It is important to note that all unrepresented business assigned on a service fee or relationship fee basis remains the property of the Company and may be used in any manner at the Company's discretion. In addition, any R3001 Agent responsible for unapproved customer mailings or telephone calls or other activity designed to circumvent the Company's procedures regarding unrepresented accounts, including assignments on a service fee or relationship fee basis, may result in the Company withdrawing its permission to allow the agent to continue to participate in the distribution of unrepresented accounts and, will jeopardize the agent's agency relationship with the company.

2.0 Shared/Individual Service Fees

Prior to April 1992, unrepresented policies may have been assigned to an agent or office location on a service fee basis. The service fees generated from all service fee policies assigned for servicing at the location are combined (Shared Service Fee). The combined service fee amount is then equally divided among all active agents assigned to that location.

¹ The service/relationship fee on North Carolina Facility policies is currently calculated at 10% of the net written premium on the ceded coverages and 3 1/2% of the net written premium on all other coverages.

A service fee policy may be reassigned to another agent or office location (e.g., customer request, customer moved). In cases of agent relocation, the agent's location at the time of the monthly calculation of service fee commission will determine the service fee commission amount.

Prior to April 1, 1992, an agent hired directly into a neighborhood office may have been assigned policies on an individual service fee basis. A policy assigned to an agent hired directly into an office may be reassigned to another agent or location (e.g., customer request, customer moved).

3.0 Relationship Fees

Agents who receive unrepresented policies through the unrepresented accounts program do not receive a service fee. A policy assigned to an individual or an office location may be reassigned to another agent or location (e.g., customer request, customer moved.)

Section 5: Customer Contact Center (CCC)/Internet Bound Policies

1.0 General

There are three access points where new policies and added coverage endorsements may be bound – an agency, the Customer Contact Center (CCC) and the Internet. The terms associated with policies bound in the CCC resulting from direct calls to the CCC or through Allstate.com are Assigned Agency, Designated Agency, Direct Transition, Agency Direct, and Agency Routed.

2.0 Assigned Agency

An Assigned Agency is the agency assigned a policy bound by the CCC prior to September 14, 2009 or the Internet as described in Subsection 1.0 in Section 5 of this Chapter. An Assigned Agency will be identified by the agent type 11 followed by the agent's five digit agent number. Commission on a policy assigned in Assigned Agency status will be 2% on the net written premium¹. Beginning with new business and renewal policies effective and processed on or after October 1, 2004 and subsequent, the commission on policies assigned in Assigned Agency status will be 3.5%.

3.0 Designated Agency

A Designated Agency is the agency that captured the policy as described below:

- A policy in Assigned Agency status may be captured by the Assigned Agency by writing a major line as described in Subsection 2.0 in Section 1 of this Chapter. By doing so, the Assigned Agency on the policy becomes the Designated Agency on the policy.
- A policy in Assigned Agency status may be captured by another agency that performs a capturing activity by writing a major line as described in Subsection 2.0 in Section 1 of this Chapter. The agency performing the capturing activity becomes the Designated Agency on the CCC/Internet bound policy at the next renewal. Once the policy is captured, the Assigned Agency will no longer receive any commission on the policy.

A Designated Agency will be identified by agent type 22 followed by the agent's five digit agent number. Commission on a policy in Designated Agency status will be 3.5% on the net written premium².

¹ The commission on North Carolina policies in Assigned Agency status is currently calculated at 10% of the net written premium on coverages ceded to the North Carolina Facility and 2% of the new written premium on all other coverages.

² The commission on North Carolina policies in Designated Agency status is currently calculated at 10% of the net written premium on coverages ceded to the North Carolina Facility and 3.5% of the new written premium on all other coverages.

4.0 Agency Direct

An Agency Direct policy is a policy bound by the CCC effective September 14, 2009 through January 31, 2013 resulting from a direct call to the CCC and assigned to an agent as a result of a customer request at policy issuance or when an agency is currently represented in the household. Commissions on a policy assigned in Agency Direct status will be 3.5% on the net written premium.

5.0 Direct Transition

A Direct Transition policy is a policy bound by the CCC effective February 1, 2013 through July 31, 2019 resulting from a direct call to the CCC or the Internet (Allstate.com). Policies assigned in Direct Transition status will receive zero percent (0%) new business and full renewal commissions.

6.0 Agency Routed

An Agency Routed policy is a policy bound by the CCC with an original policy effective date of August 1, 2019³ and subsequent resulting from a direct call to the CCC or the Internet (Allstate.com) and assigned to the agency currently represented in the household. If the household is not currently represented by an agency, the system will assign an agency. Policies assigned in Agency Routed status will receive zero percent (0%) new business and 3.5% renewal commissions.⁴

For policies with an original policy effective date of August 1, 2019³ and subsequent, full renewal commissions can be unlocked by the agency that is assigned to the Agency Routed policy by cross-selling a major line as described in Section 6 of this Chapter.

7.0 Capturing of CCC/Internet Bound Business in Assigned Agency Status

R3001 Agents can capture policies in Assigned Agency status that were bound by the CCC/Internet by adding a major coverage to the existing CCC/Internet bound policy or writing a major line as described in Subsection 2.0 in Section 1 of this Chapter. However, an exception is made for like lines situations if there is already agent representation in the like lines other than agent type 11. In this situation, the agent already represented in the like lines situation will capture the policy.

³ Effective September 1, 2019 and subsequent in Rhode Island and Minnesota.

⁴ The commission on North Carolina policies in Agency Routed status is calculated at 10% new business and 10% renewal on coverages ceded to the North Carolina Facility and zero percent (0%) new business and 3.5% renewal on all other coverages not ceded to the North Carolina Facility.

8.0 Cancellation of Duplicate Policies Involving the CCC/Internet and Agencies

In instances, when duplicate policies are bound for the same named insured via the CCC/Internet and agency access points, the policy, based on the most recent application date and time on the policy using the RD screen on the mainframe, should be cancelled. However, a duplicate policy situation does not exist where a CCC/Internet policy coded as an agent type 11 or 22 policy is rejected by Underwriting resulting in the policy being terminated flat and a new policy for the same named insured is subsequently written by another agent.

If a customer contacts an agency to make changes to a policy that was written by the CCC/Internet and the policy is in new business issued not taken status, the agency should refer the customer to the CCC to make any changes. To expedite releasing the policy from this status, the agency should fax the T-docs to the CCC if requested by the customer. The agency may also take payments while a policy is in this status. If an agency writes a new policy while the CCC/Internet policy is in new business issued not taken status, the policy written by the agency will be considered duplicate coverage and the business will revert back to the CCC/Internet. The agency will not be entitled to commission on the policy regardless of whether the policies have different effective dates, or the original policy is cancelled flat by the agency at the same time the new policy is written or at a subsequent date.

If the agency does not follow the Company's process with respect to CCC/Internet business in new business issued not taken status or canceling duplicate policies, and at a later date, it is determined that the agency canceled the CCC/Internet policy even though the system clearly showed that the CCC/Internet policy was bound prior to the agency policy that continues in force, this activity on the part of the agency will jeopardize the agent's agency relationship with the company.

9.0 CCC/Internet House Accounts

From October 4, 2004 through January 31, 2013, policies bound in the CCC resulting from direct calls to the CCC or through Allstate.com that were not assigned to agencies were considered CCC house accounts and were coded as agent type 22 and agent number 34000. Termination Payment (TPP) policies serviced by the CCC were coded as agent type 22 and agent numbers 95001-95005 and were also considered CCC house accounts. Policies coded as agent type 22/agent number 34000 and agent type 22/agent numbers 95001-95005 are not eligible for capture by writing a new line of insurance, adding a major coverage or as the single agent in the household.

Section 6: Unlocking Renewal Commissions on Agency Routed Policies

1.0 General

The R3001 Agent who is assigned to an Agency Routed policy can unlock full renewal commissions on Agency Routed policies by cross-selling a major line as described below.¹

2.0 Major Lines

The following are considered Major Lines that can be cross-sold to unlock full renewal commissions on Agency Routed policies.

- Auto (Line 10)
- Indemnity Auto (Line 19)
- Motorcycle/ORV (Line 16)
- Homeowners (Line 70)
- Renters (Line 71)
- Condo (Line 78)
- Boat (Line 90)
- PUP (Line 88)
- Mobilehome (Line 32)
- Allstate Financial Products
- Ivantage Products
 - Homeowners
 - High Value Program
 - Condo
 - Renters
 - Manufactured Home
 - Watercraft
 - PUP
- Northlight products
 - Homeowners
 - Condo

¹ If an agency other than the assigned agency cross sells a major line, the assigned agency on the Agency Routed policy will not change and the renewal commissions will not be unlocked.

The following lines are not to be treated as Major Lines. Also, full renewal commissions in policies in these lines may not be unlocked.

- Comprehensive Personal Liability (Line 59)
- Landlords (Line 72)
- Theft
- Assigned Risk
- Underwriting Association

3.0 Unlocking Procedure

Whenever an R3001 Agent writes a secured new policy in a Major Line and the policy is considered secured business, that agent will receive full renewal commissions in each existing Agency Routed policy belonging to that customer which the agent is assigned to, if and when such Agency Routed policy renews. In the case of a six-month auto policy, the renewal could be either an Anniversary Renewal or Off-Anniversary renewal.

4.0 Unlocking Requirements

The R3001 Agent will receive full renewal commissions only if:

- At least the minimum down payment (as required by written Company rules) is paid for the secured business; and
- The policy is accepted by our Risk Management Department and continues to be acceptable and active for a period of at least 120 days.

Chapter 5: Expanded Market Programs

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Section 1: Ivantage Select Agency, Inc.

1.0 General

As provided in Section 1.E. of the R3001 Agreement, the Company may provide prior written approval for the Agent/Agency to solicit, sell or service insurance for any other company, agent, or broker. As it relates to property and casualty lines of insurance, the Company has delegated its right to provide prior written approval to Ivantage Select Agency, Inc. (Ivantage), an affiliate of Allstate Insurance Company, except as noted below, in Section 3 of this Chapter. The primary method by which Ivantage grants prior written approval is by listing approved expanded market programs in this Section of the Supplement. In addition to granting prior written approval to agents, Ivantage acts on behalf of the Company to administer its expanded market programs.

2.0 Overview

Ivantage is an independent general agency that brings expanded market capacity to Allstate Exclusive Agencies.

In situations where an Allstate policy is not available to a customer, Ivantage works with outside carriers and general agencies to help provide R3001 agents with access to products that do not compete with Allstate products.

Products include, but are not limited to:

- Homeowners, Dwelling Fire, Vacant Dwelling
- Manufactured Home
- Excess Liability
- High Value Property
- Mexico Travel Insurance
- Residential Earthquake
- Hurricane Wind
- Classic Car
- All-Terrain Vehicle, Off-Road Vehicle
- Motorcycle
- Boat, Classic Boat, Personal Watercraft
- Comprehensive Personal Liability
- Excess Flood
- Mobile Home
- Pet Health
- Commercial
- Event
- Wind

Note that products are not available in all states.

3.0 Eligibility

An agent's eligibility to write policies for expanded market business continues only while:

- The agent's agreement with Allstate remains in effect;
- Ivantage has an agreement in effect with expanded market carrier or general agency;
- The agent is properly licensed and/or bonded in the state in accordance with the respective state's regulations;
- The agent has completed any enrollment requirements which may include, but are not limited to, executing another agreement with the third party and/or completing certain education; and
- Ivantage, the carrier, or general agency has not notified (in writing) the agent that he or she is excluded from participating in the sale of expanded market programs.

When an agent indicates a desire not to continue representation of any business, is no longer authorized to participate in the sale of the business, or the customer requests service by another agent, Ivantage reserves the right to assign the policy(ies) to another agent. The original agent will have no further commission interest in the reassigned business.

4.0 Commission

When Ivantage processes commissions on behalf of a company listed in Section 2, or when Ivantage is the agent of record and is paying brokering commissions, the active R3001 Agent will be paid based on when an expanded market company pays Ivantage and either upfront (single payment or written premium) or as premiums are collected, and in the month following Ivantage's receipt of commission. Any unearned commission will be netted against the total Allstate commission unless the commission is paid by Ivantage on behalf of an expanded market company. If there are insufficient funds to recover the amount due, the unearned commission balance will be carried forward and recovered from subsequent commissions and bonuses. If final commissions are insufficient to recover the amount due, any outstanding amount becomes due and payable to the Company, which reserves the right to collect such amount.

For expanded market programs where Ivantage does not process or pay commissions, consult with the specific expanded market company for commission details.

The current commissions for Ivantage expanded market programs vary by region, state, program, and line of business.

Section 2: Expanded Market Programs

1.0 Access General Agency, Inc.

1.1 General

Ivantage has granted permission for authorized agents in Connecticut, Massachusetts, and New York to sell personal lines policies through Access General Agency, Inc.

1.2 Commission

The current commission is 8% for new business and 8% for renewal business. For business written with USLI commission is 10% for new business and 10% for renewal business. For business written with New London County Mutual Insurance Co. and Thames Insurance Company commission is 6% or 9% depending on property distance to the coast. Commission is paid as premiums are collected. Commission is paid to the Agent by Access General through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

1.3 Ownership of Access General Agency, Inc. Business

The agent has no ownership rights to business written through Access General Agency, Inc.

2.0 ACE Agribusiness, LLC (formerly Rain and Hail)

2.1 General

Ivantage has granted permission for authorized agents in all states except Alaska, Florida, and Hawaii to sell commercial lines policies through ACE Agribusiness, LLC (formerly Rain and Hail).

2.2 Commission

The current commission is 10% for new and renewal Farm and Ranch policies and 8% for new and renewal Commercial Auto and Excess Liability policies. Commission is paid based on written premiums. Commission is paid to the Agent by Ivantage on the 13th business day of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

2.3 Ownership of ACE Agribusiness, LLC Business

The agent has no ownership rights to business written through ACE Agribusiness, LLC.

3.0 ACE Private Risk Services

3.1 General

Ivantage has granted permission for authorized agents in all fifty (50) states and the District of Columbia to sell certain personal lines and workers' compensation policies through ACE Private Risk Services.

3.2 Commissions

The current commission is 10% for new business and 7% for renewal business for policies written through ACE Private Risk Services.

3.3 Ownership of ACE Private Risk Services Business

The agent has no ownership rights to business written through ACE Private Risk Services.

4.0 American Modern Insurance Group

4.1 General

Ivantage has granted permission for authorized agents in all states except New Jersey to sell certain personal lines policies through American Modern Insurance Group of companies which may include: American Family Home Insurance Company, American Modern Home Insurance Company, American Modern Lloyds Insurance Company, American Modern Select Insurance Company, American Modern Southern Home Insurance Company, American Modern Western Home Insurance Company, or German American Farm Mutual.

Ivantage has granted permission for authorized agents in all states to sell Site-Built Dwelling Fire coverage through American Modern Insurance Group of companies.

Ivantage has granted permission for authorized agents in Arkansas, Indiana, Illinois, Kentucky, Michigan, Missouri, Mississippi, Ohio, Oregon, Tennessee, Nevada, Utah, and Washington to sell earthquake policies through American Modern Insurance Group companies.

Ivantage has granted permission for authorized agents in all fifty (50) states and the District of Columbia to sell pet health insurance policies through American Modern Insurance Group of companies.

4.2 Commission

The current commission is 10% for new business and 10% for renewal business except business written in Fort Bend and Harris County, Texas, where commission is 9% for new business and 9% for renewal business. Commission is paid as premiums are collected. Commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of "Exp.Mkts-AMIG" denotes these commissions. Ivantage mails a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

4.3 Ownership of American Modern Insurance Group Insurance Business

The agent has no ownership rights to business written with the American Modern Insurance Group.

5.0 AGA Service Company (Allianz)

5.1 General

Ivantage granted permission for authorized agents in all states to sell travel insurance policies through Jefferson Insurance Company and BCS Insurance Company.

5.2 Commission

The current commission is 15% for Basic policies, 20% for Classic policies, 20% for Classic with Trip Plus policies, 15% for Annual Executive and 15% for Annual Deluxe. For the Voyage/Voyage Plus which is only available in Washington the commission is 20%.

5.3 Ownership of AGA Service Company (Allianz) Business

AGA Service Company (Allianz) retains all ownership rights to business written by the agent.

6.0 Appalachian Underwriters, Inc. (GeoVera Specialty Insurance Company)

6.1 General

Ivantage granted permission for authorized agents in Alabama¹ to sell personal lines policies through Appalachian Underwriters, Inc. (GeoVera Specialty Insurance Company). As of June 4, 2015, this program was discontinued.

¹ This program is no longer available in South Carolina.

6.2 Commission

The current commission is 8% for renewal policies. Commission is paid as premiums are collected. Commission is paid to the Agent by Appalachian Underwriters through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

6.3 Ownership of Appalachian Underwriters, Inc. (GeoVera Specialty Insurance Company) Business

Appalachian Underwriters, Inc. (GeoVera Specialty Insurance Company) retains all ownership rights to business written by the agent.

7.0 Bamboo Ide8 Insurance Services

7.1 General

Ivantage has granted permission for authorized agents in California to sell personal lines policies through Bamboo Ide8 Insurance Services.

7.2 Commission

For California agents, the current commission for homeowners and dwelling fire policies written through Catlin Insurance Company is 10% for new and 10% for renewal business. For earthquake policies written through Palomar Specialty Insurance Company the current commission is 7% for new and 7% for renewal business commission. Commissions are paid as premiums are collected.

7.3 Ownership of Bamboo Ide8 Insurance Services

The agent has no ownership rights to business written with Bamboo Ide8 Insurance Services.

8.0 Braishfield Associates, Inc.

8.1 General

Ivantage has granted permission for authorized agents in Arizona, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, Texas, Utah, Vermont, Washington, and Wisconsin to sell personal lines policies through Braishfield Associates, Inc. Ivantage has granted permissions for authorized agents in all 50 states plus the District of Columbia to sell certain commercial lines policies through Braishfield Associates, Inc.

8.2 Commission

For Florida agents, the current commission for policies written through GeoVera Specialty Insurance Company is 8% for new and 8% for renewal business. For policies written through Seaworthy Insurance Company the current commission is 8% for new and 8% for renewal business classified as "yacht", 5% for new and 5% for renewal business classified as "charter boat", 3% for new and 3% for renewal business classified as "pleasure boat". For all other carriers and for all other lines of business the current commission is 8% new and 8% renewal business. Commissions are paid as premiums are collected.

For Texas agents, the current commission for policies written through Seaworthy Insurance Company is 8% for new and 8% for renewal business classified as "yacht", 5% for new and 5% for renewal business classified as "charter boat", 3% for new and 3% for renewal business classified as "pleasure boat". For all other carriers and for all other lines of business the current commission is 8% new and 8% renewal business. Commissions are paid as premiums are collected.

For agents in Arizona, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, Utah, Vermont, Washington and Wisconsin, the current commission for policies written through Seaworthy Insurance Company is 8% for new and 8% of renewal business classified as "yacht", 5% for new and 5% for renewal business classified as "charter boat", and 3% for new and 3% for renewal business classified as "pleasure boat". For all other carriers and for all other lines of business the current commission is 8% new and 8% renewal business. Commissions are paid as premiums are collected.

Commission for business placed with GeoVera Specialty Insurance Company in this program is paid to the Agency by Braishfield through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

Commissions for all business placed through carriers other than GeoVera Specialty Insurance Company are paid directly to the Agency by Braishfield Associates.

For commercial business, commissions vary based upon product.

8.3 Ownership of Braishfield Associates, Inc. Business

The agent has no ownership rights to business written with Braishfield Associates, Inc. companies.

9.0 Cabrillo Coastal General Insurance Agency, Inc.

9.1 General

Ivantage has granted permission for authorized agents in Florida, New Jersey, and New York to sell certain personal lines policies through Cabrillo Coastal General Insurance Agency, Inc.

9.2 Commission

For New York agents, commission is paid to the agent by Ivantage and included in the agent's monthly Allstate deposit. The current commission for policies written through Imperium Insurance Company is 9% for new and 9% for renewal business. For policies written through Sterling Insurance Company, outside of Suffolk County, New York, the current commission is 10% for new and 10% for renewal business. For new and renewal business written through Sterling Insurance Company in Suffolk County, New York, the commission is 8% for new and 8% for renewal business. Refer to your Cabrillo Coastal General Insurance Agency, Inc. Producer Agreement for commission details.

For New Jersey agents, commission is paid to the agent by Ivantage and included in the agent's monthly Allstate deposit. For dwelling fire and homeowners policies, the current commission rate is 9% for new business and 9% for renewal business.

For Florida agents, commission is paid to the agent directly from Cabrillo Coastal General Insurance Agency, Inc. Refer to your Cabrillo Coastal General Insurance Agency, Inc. Producer Agreement for commission details.

9.3 Ownership of Cabrillo Coastal General Insurance Agency, Inc. Business

New York and New Jersey agents have no ownership rights to business written with Cabrillo Coastal General Insurance Agency business.

Florida agents should refer to their producer agreement with Cabrillo Coastal General Insurance Agency, Inc. for specific details.

9.4 Termination

In Florida, the agent must contact the Florida Region and Cabrillo General Insurance regarding their intent to terminate as an Allstate Agent.

10.0 Chubb Group of Insurance Companies

10.1 General

Ivantage has granted permission for authorized agents to sell personal lines policies through Ivantage with Chubb Group of Insurance Companies. This program is not currently available in Alaska, Hawaii, Iowa, Michigan, Nebraska, North Carolina, North Dakota and South Dakota.

10.2 Commission

The current commission for Chubb Group of Insurance Companies varies by state and product line. Commission is paid as premiums are collected. Commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of "Exp.Mkts-Chubb" denotes these commissions. Ivantage mails out a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

Product	Commission	States
Homeowners & SPP	10% new; 7% renewal	All states except Florida
Homeowners & SPP	4.5% new; 4.5% renewal	Florida
Excess Liability & PUP	6.75% new; 5.4% renewal	All states
Earthquake	4.5% new; 4.5% renewal	All states
Watercraft	6.75% new; 5.4% renewal	All states
Worker's Compensation	4.5% new; 4.5% renewal	All states
Classic Car	6.75% new; 5.4% renewal	All states

10.3 Ownership of Chubb Group of Insurance Companies Business

The agent has no ownership rights to business written with Chubb Group of Insurance Companies.

11.0 SageSure Insurance Managers (formerly Coastal Risk Underwriters/Insight) (Occidental Fire and Casualty)

11.1 General

Ivantage has granted permission for authorized agents in California², Louisiana, Virginia, New York and South Carolina to sell personal lines policies through SageSure Insurance Managers.

11.2 Commission

For California agents, the current commission is 10% for new and 10% for renewal business. Commission is paid as premiums are collected.

² California agents are only authorized to sell Homeowners policies.

For Louisiana agents, the current commission is 10% for new and 10% for renewal business on the non-hurricane portion of the premium. The current commission is 6% for new and 6% for renewal business on the hurricane portion of the premium.

For Virginia agents, the current commission is 10% for new and 10% for renewal business. Commission is paid as premiums are collected.

For New York agents, the current commission is 10% for new and 10% for renewal business. Commission is paid as premiums are collected.

For South Carolina agents, the current commission is 8% for new and 8% for renewal business written. Commission is paid as premiums are collected.

Commission is paid to the agent by SageSure Insurance Managers through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

11.3 Ownership of SageSure Insurance Managers Business

SageSure Insurance Managers retains all ownership rights to business written by the agent.

12.0 Federated National Underwriters, Inc.

12.1 General

Ivantage has granted permission for authorized agents in Florida to sell Homeowners, Dwelling Fire, Condominium, Renters, and Commercial General Liability coverage through Ivantage with Federated National Underwriters, Inc.

12.2 Commission

The current commission is 8% for new premium and 8% for renewal premium on Homeowners, Dwelling Fire, Condominium, and Renters for the first twenty-five (25) policies written. Commissions shall be 10% for new premium and 10% for renewal premium on policies written thereafter.

The current commission is 15% for new premium and 15% for renewal premium on Commercial General Liability policies.

Commission is paid as premiums are collected. Commission is paid to the Agent by Federated National Underwriters, Inc. on the 5th business day of the month.

12.3 Ownership of Federated National Underwriters, Inc. Business

The agent has no ownership rights to business written with Federated National Underwriters, Inc.

13.0 Fireman's Fund Insurance Company

13.1 General

Ivantage granted permission for authorized agents to sell personal lines policies through Ivantage with Fireman's Fund Insurance Company. As of April 1, 2015, this program was discontinued. Current Fireman's Fund customers may receive an offer of coverage from ACE Private Risk Services, subject to ACE underwriting determination.

13.2 Commission

The current commission for Fireman's Fund policies varies by state and product line. Commissions are generated by Fireman's Fund upon receipt of first sufficient premium payment, defined as at least 90% of the minimum amount due. Commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of "Exp.Mkts-Firemans Fund" denotes these commissions. Ivantage mails out a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

Policies with multiple lines of coverage will have the commission weighted. Fireman's Fund calculates the commission "weighing" by taking into account the proportional relevance of each commissionable component of the policy (homeowners, valuable articles, umbrella, earthquake, workers' compensation) rather than treating each component equally.

For example, the commission on an account that includes a \$5,049 home and contents policy that pays 10% commission and a \$1,000 workers' compensation policy that pays 0.5% commission would be paid out using a weighted commission rate of 8.4%.

Product	Commission	Notes
Prestige Homeowners	7% renewal	In CA only: 9% new; 7% renewal
Standard Homeowner	6% renewal	Available only on an exception basis
Valuable Articles	7% renewal	Commission may vary if written as stand-alone policy
Excess Liability	5.4% renewal	In AZ, CA, CO, NV, NM, OR, UT, WA, and WY: 6.75% new; 4.5% renewal
Earthquake	2% renewal	
Classic Car	5.4% renewal	
Watercraft	5.4% renewal	

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Product	Commission	Notes
Dwelling Fire	4.5% renewal	Available only on an exception basis. In NH: 6.75% new; 5.5% renewal
Worker's Comp	2% renewal	

13.3 Ownership of Fireman's Fund Insurance Company Business

The agent has no ownership rights to business written with Fireman's Fund Insurance Company.

14.0 FirstComp Workers' Compensation

14.1 General

Ivantage has granted permission for authorized agents to sell Workers' Compensation policies through Ivantage with FirstComp. This program is not available in Arizona, District of Columbia, Georgia, Idaho, Illinois, Kentucky, Maine, Massachusetts, Montana, New Jersey, New York, North Dakota, Ohio, Oregon, Utah, Washington, Wisconsin, and Wyoming.

14.2 Commission

Commission rates for FirstComp policies are as follows:

Agent Tiers	Commission % New and Renewal
Top Commercial Producers	9%
Commercially Certified	8%
All other agents	7%

Commission is paid as premiums are collected. Commission for business placed in this program is paid by Ivantage and included in the agent's monthly Allstate deposit on the 13th business day of the month. Refer to the "My Info" tab on Gateway for your Allstate Payment Notification. Commissions paid by Ivantage are reflected in the line item, "Ivantage Exp. Markets."

Commission for FirstComp policies issued as the result of a lead forwarded to the Business Insurance Center (BIC) will be split between the agent and Ivantage for services rendered by the BIC on behalf of Ivantage. The agent's share of the annual commission for the life of the policy is as follows:

Agent Tiers	Commission % to the Agent	Commission % to ISA for services rendered by the BIC
Top Commercial Producers	4.5%	4.5%
Commercially Certified	4%	5%
All other agents	3.5%	5.5%

14.3 Ownership of FirstComp Business

The agent has no ownership rights to business written with FirstComp.

15.0 Florida Peninsula Managers (Florida Peninsula Insurance Company)

15.1 General

Ivantage has granted permission for authorized agents in Florida to sell Homeowners, Condominium, and Renters policies through Florida Peninsula Managers (Florida Peninsula Insurance Company).

15.2 Commission

Agents should refer to their producer agreement with Florida Peninsula Managers (Florida Peninsula Insurance Company) for commission details.

15.3 Ownership of Florida Peninsula Managers (Florida Peninsula Insurance Company) Business

Agents should refer to their producer agreement with Florida Peninsula Managers (Florida Peninsula Insurance Company).

15.4 Termination

The agent must provide written notification to the Florida Region and Florida Peninsula Managers of their intent to terminate as an Allstate Agent.

16.0 Foremost Insurance Company

16.1 General

Ivantage granted permission for authorized agents in Michigan and Texas to sell personal lines policies through Foremost Insurance Company. As of September 27, 2007, this program was discontinued.

16.2 Commission

For Texas agents, the current commission is 10% renewal and is paid by Foremost Insurance Company through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

For Michigan agents, the current commission is 10% renewal and is paid directly by Foremost Insurance Company.

16.3 Ownership of Foremost Insurance Business

Foremost Insurance retains all ownership rights to business written by the agent.

17.0 G.A. Mavon and Company (Mavon) formerly Performance Trust Insurance Group

17.1 General

Ivantage has granted permission for authorized agents in Illinois, Indiana, Michigan, Missouri, and Ohio to sell earthquake policies through Mavon.

17.2 Commission

The current commission is 8% for new and 8% for renewal business. Commission is paid as premiums are collected. Commission for this business is paid by Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

17.3 Ownership of G.A. Mavon and Company Business

The agent has no ownership rights to business written with Mavon.

18.0 GeoVera Insurance Company

18.1 General

Ivantage has granted permission for authorized agents in Washington and Oregon to sell earthquake policies through GeoVera Insurance Company. Ivantage has also granted permission for authorized agents in California to sell earthquake policies through GeoVera Insurance Company and Coastal Select Insurance Company. Ivantage has also granted permission for agents authorized to write policies in Hawaii to sell residential hurricane policies. Please note that for California, this program is only for customers who have a homeowners policy through the Ivantage Expanded Market Program. Allstate Insurance Company prohibits an agent from writing a GeoVera Insurance Company earthquake policy to a customer with an Allstate property policy.

18.2 Commission

For California agents, the current commission is 7% for new and 7% for renewal business. Commissions are paid as premiums are collected. Commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of ExpMkts-Geovera denotes these commissions. Ivantage mails a commission statement providing the policy detail. This statement is mailed to the Agency office location on file with Allstate.

For Washington and Oregon agents, the current commission is 8% for new and 8% for renewal business. Commission is paid as premiums are collected. Commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of "Exp.Mkts-Geovera" denotes these commissions. Ivantage mails a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

For Hawaii agents, the current commission is 10% for new and 10% for renewal business of hurricane policies written for single wall construction residences. For hurricane policies written for all other construction types, the current commission is 15% for new and 15% for renewal business. Commissions are paid as premiums are collected. Commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of ExpMkts-Geovera denotes these commissions. Ivantage mails a commission statement providing the policy detail. This statement is mailed to the Agency office location on file with Allstate.

18.3 Ownership of GeoVera Insurance Company Business

The agent has no ownership rights to business written with GeoVera Insurance Company.

19.0 Griffin Underwriting Services

19.1 General

Ivantage has granted permission for authorized agents in Alaska, Oklahoma, Oregon, Texas, Utah, and Washington to sell earthquake policies through Griffin Underwriting Services.

Ivantage has granted permission for authorized agents in all fifty (50) states and the District of Columbia, excluding West Virginia and Louisiana, to sell homeowners, personal umbrella policies, excess auto liability, excess comprehensive personal liability, condo unit owners, home business liability, comprehensive personal liability, and dwelling fire policies through Griffin Underwriting Services.

Ivantage has granted permission for authorized agents in all fifty (50) states and the District of Columbia, excluding West Virginia and Louisiana, to sell certain commercial lines products through Griffin Underwriting Services.

19.2 Commission

For personal umbrella policies, excess auto liability, excess comprehensive personal liability, condo unit owners, home business liability, comprehensive personal liability, earthquake and dwelling fire, the commission rate is 8% for new and 8% for renewal business in all states.

For commercial lines commissions vary by product and state.

Commission is paid as premiums are collected. Commission is paid to the agent by Griffin through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails out a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

19.3 Ownership of Griffin Underwriting Services Business

Griffin Underwriting Services retains all ownership rights to business written by the agent.

20.0 Hagerty Insurance

20.1 General

Ivantage has granted permission for authorized agents to sell classic boat and classic car policies through Hagerty Insurance.

20.2 Commission

The current commission for classic boat and classic car business is 10% for all new and renewal business. Commission is paid to the agent directly from Hagerty.

20.3 Ownership of Hagerty Business

The agent has no ownership rights to business written with Hagerty Insurance.

21.0 Homeowners Choice Property and Casualty (Policies assumed from HomeWise Management Company)

21.1 General

Ivantage has granted permission for authorized agents in Florida to service personal lines policies from HomeWise Management Company, assumed by Homeowners Choice Property and Casualty. This is a service only contract and agents are only allowed to renew existing policies.

21.2 Commission

Renewal business commissions will be paid as follows:

8% of premium for HomeWise homeowners multi-peril and dwelling fire policies and such policies renewed as Homeowners Choice policies in all counties except Broward, Collier, Hillsborough, Indian River, Lee, Martin, Miami-Dade, Monroe, Palm Beach, Pinellas and St. Lucie.

6% of premium for HomeWise homeowners multi-peril and dwelling fire policies and such policies renewed as Homeowners Choice policies in Broward, Collier, Hillsborough, Indian River, Lee, Martin, Miami-Dade, Monroe, Palm Beach, Pinellas and St. Lucie counties.

21.3 Ownership of HomeWise Insurance Group Business

Homeowners Choice Property and Casualty is the owner of expirations. Agents must retain at least 75% of the book assumed from HomeWise in order to keep the rights to service the book. For additional details, agents should refer to their producer agreement.

21.4 Termination

The agent must provide written notification to Ivantage and Homeowners Choice of their intent to terminate as an Allstate Agent.

22.0 Homesite Insurance Company

22.1 General

Ivantage has granted permission for authorized agents in California, Connecticut and Massachusetts to sell homeowners policies through Homesite Insurance Company. California agents are also permitted to offer earthquake coverage through Homesite Insurance Company of California; earthquake coverage shall be written by the California Earthquake Authority.

22.2 Commissions

The current commission for business produced outside the State of California is 8% for new and 8% for renewal business. For Homeowners business placed in the State of California, the commission rate is 10% for new business and 10% for renewal business. For Earthquake business written in the State of California, Agents will receive \$30 for each new policy written.

22.3 Ownership of Homesite Insurance Company Business

The Agent has no ownership rights to the business written with Homesite Insurance Company.

23.0 ICAT Managers, LLC

23.1 General

Ivantage has granted permission for authorized agents in Hawaii to sell wind policies through ICAT.

23.2 Commission

The current commission is 9% for new and 9% for renewal business. ICAT pays the agent directly.

23.3 Ownership of ICAT Managers, LLC Business

ICAT Managers retains all ownership rights to business written by the agent.

24.0 Jewelry Insurance Brokerage of North America, Inc. (JIBNA) (State National)

24.1 General

Ivantage has granted permission for authorized agents in Florida to sell personal lines policies through JIBNA (State National).

24.2 Commission

Refer to your producer agreement with JIBNA (State National) for commission details.

24.3 Ownership of JIBNA Insurance Business

Refer to your producer agreement with JIBNA (State National).

24.4 Termination

The agent must provide written notification to the Florida Region and JIBNA of their intent to terminate as an Allstate Agent.

25.0 Burns & Wilcox

25.1 General

Ivantage has granted permission for authorized and participating agents in all fifty (50) states and the District of Columbia to sell certain personal lines and commercial policies, for risks not covered by Allstate, through Burns & Wilcox (formerly operating as The Kimbrell Company).

25.2 Eligibility

Participation in this program is subject to the following:

- the agent must repay any unearned commission to Burns & Wilcox in a timely manner,
- the agent must complete a training/orientation program conducted by Burns & Wilcox,
- the agent must obtain and maintain the applicable Broker's License and Broker's bond in South Carolina and New York,
- the agent must not represent that any policy issued through Burns & Wilcox is in any way sponsored, endorsed, or underwritten by Allstate or any of its subsidiaries,
- the agent must sign a producer agreement with Burns & Wilcox relating to Homeowner's business, and
- such other criteria as Ivantage may adopt from time to time.

In addition, the Company at its sole discretion may exclude any agent from participating in this program.

25.3 Commission

For personal lines, 6% of new premium and 6% of renewal premium on policies written on the following products:

- Aspen Specialty Insurance Company – Earthquake
- Atlantic Specialty Insurance Company – Commercial Marine
- Lloyds (Wells Fargo) – Excess Flood, Wind Deductible Buy-Back
- Markel American Insurance Company – Commercial Marine, Watercraft (FL only)

For all other personal lines policies which are not designated above, the commission rate is 8% of new premium and 8% of renewal premium.

For commercial lines, commissions vary by product and state.

Commission will be paid directly to the agent as an independent contractor by Burns & Wilcox.

25.4 Ownership of Burns & Wilcox Business

The agent has no ownership rights for business written through Burns & Wilcox. When an agent indicates a desire not to continue representation of any homeowner business, or is no longer authorized to participate in the sale of the business, or the customer requests service by another agent, Ivantage reserves the right to assign the policy(ies) to another agent. The original agent will have no further commission interest in this reassigned business.

26.0 MAPFRE (Mexico Tourist Auto Insurance)

26.1 General

Ivantage has granted permission to enrolled agents in Arizona, Arkansas, California, Illinois, Nevada and Texas to sell Mexico Tourist Auto Insurance through MAPFRE. This program provides agents with the opportunity to sell temporary vehicle insurance to individuals who are traveling to Mexico. The customer may have a driver's license from any country in the world, and the vehicle may be registered in any country in the world except Mexico. This product can be sold to Allstate customers, as well as non-Allstate consumers.

26.2 Commission

The current commission is 30% of the net written premium less any taxes and fees. Commission is paid on written premium. Commission for this business is paid by Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit.

Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on record with Allstate.

26.3 Ownership of Mexico Tourist Auto Insurance Business

MAPFRE Tepeyac retains all ownership rights to business written by the agent.

27.0 Markel American Insurance Agency, Inc.

27.1 General

Ivantage has granted permission to enrolled agents in all fifty (50) states and the District of Columbia to sell cyclist, event liability, and event cancellation insurance through Markel American Insurance Agency, Inc.

27.2 Commission

The commission rate for Markel products is 10% for new business and 10% for renewal business.

27.3 Ownership of Markel American Insurance Agency, Inc. Business

The agent has no ownership rights to business produced through Markel American Insurance Agency, Inc.

28.0 McGraw Insurance Services (Pacific Specialty)

28.1 General

Ivantage has granted permission for authorized and participating agents to sell personal lines insurance across the country through Pacific Specialty Insurance Company (PSIC) and Pacific Specialty Property and Casualty. Both are affiliates of the McGraw Group.

28.2 Commission

Commission for these products varies by state. Commission is paid by McGraw Insurance Services directly to the Agent.

28.3 Ownership of McGraw Business

Refer to your producer agreement with McGraw Insurance Services.

29.0 National Interstate Insurance Company

29.1 General

Ivantage granted permission for authorized agents in Alabama, Arizona, California, Georgia, Illinois, Missouri, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia to sell commercial policies through Ivantage with National Interstate Insurance Company. As of October 1, 2013, this program was discontinued.

29.2 Commission

The commission rate for National Interstate policies is 9% of renewal premium written.

Commission is paid as premiums are collected. Commission for business placed in this program is paid by Ivantage and included in the Agent's monthly Allstate deposit on the 13th business day of the month. Refer to the "My Info" tab on Gateway for your Allstate Payment Notification. Commissions paid by Ivantage are reflected in the line item, "Ivantage Exp. Markets".

29.3 Ownership of National Interstate Business

The Agent has no ownership rights to business written with National Interstate.

30.0 NWC Insurance Services (NWC) through RIC Insurance General Agency

30.1 General

Ivantage has granted permission for authorized agents to sell personal umbrella policies in Alaska and Louisiana through NWC. Ivantage has granted permission for authorized agents to sell commercial lines policies throughout the country through NWC.

30.2 Commission

For personal lines for Alaska agents, the current commission is 10% for new and 8% for renewal business. For Louisiana agents, the current commission is 10% for new and 8% for renewal business. For commercial lines, commissions vary by product and state.

For commercial lines, commission for policies issued through NWC as the result of a lead forwarded to the Business Insurance Center (BIC) will be split between the agent and Ivantage for services rendered by the BIC on behalf of Ivantage. The agent's share of the annual commission for the life of the policy is as follows:

CEM POLICIES SOLD THROUGH THE BIC

Line of Business	Agent's share of Annual Commission of the Policy (Split Percentage)
Businessowners Policy	50%
General Liability	20%
Professional Liability	20%
Workers Compensation	50%
All Other	50%

30.3 Ownership of NWC Business

The agent has no ownership rights to business written through NWC.

31.0 Northeast Agencies, Inc.**31.1 General**

Ivantage has granted permission for authorized agents in Alabama, California, Connecticut, Delaware, Florida, Maryland, Massachusetts, New York, New Jersey, South Carolina, Texas, Virginia, West Virginia, and the District of Columbia to sell personal lines policies through Northeast Agencies

31.2 Commission

Commission varies by product and state. Agents should contact Northeast Agencies for specific commission rates. Commission is paid as premiums are collected. Commission is paid to the agent by Northeast Agencies through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

31.3 Ownership of Northeast Agencies Business

Northeast Agencies retains all ownership rights to business written by the agent.

32.0 St. James Insurance Group, Inc.

32.1 General

Ivantage has granted permission for authorized agents in Florida to sell personal lines policies through St. James Insurance Group, Inc.

32.2 Commission

Agents should refer to their producer agreement with St. James Insurance Group, Inc. for commission details.

32.3 Ownership of St. James Insurance Group, Inc. Business

Agents should refer to their producer agreement with St. James Insurance Group, Inc. for details on ownership of business.

32.4 Termination

The agent must provide written notification to the Florida Region and St. James Insurance Group of their intent to terminate as an Allstate Agent.

33.0 Security First Managers, LLC

33.1 General

Ivantage has granted permission for authorized agents in Florida to sell personal lines policies through Security First Managers, LLC.

33.2 Commission

Agents should refer to their producer agreement with Security First Managers, LLC for commission details.

33.3 Ownership of Security First Managers, LLC Business

Agents should refer to their producer agreement with Security First Managers, LLC for details on ownership of expirations.

33.4 Termination

The agent must provide written notification to Ivantage and Security First Managers, LLC of their intent to terminate as an Allstate Agent.

34.0 Service First Insurance Group and Cypress Property & Casualty Insurance Company

34.1 General

Ivantage has granted permission for authorized agents in Florida to sell Homeowners, Condominium, Dwelling Fire, and Renters policies through Service First Insurance Group and Cypress Property & Casualty Insurance Company.

Ivantage has granted permission for authorized agents in Texas to sell Homeowners, Condominium and Renters policies through Service First Insurance Group and Cypress Property & Casualty Insurance Company in the following Texas counties: Bee, Brooks, Fort Bend, Goliad, Hidalgo, Hardin, Harris, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria and Wharton.

34.2 Commission

Refer to your producer agreement with Service First Insurance Group and Cypress Property and Casualty Insurance Company.

34.3 Ownership of Service First Insurance Group and Cypress Property & Casualty Insurance Company Business

Agents should refer to their producer agreement with Service First Insurance Group and Cypress Property & Casualty Insurance Company for details on ownership of the business.

34.4 Termination

The agent must provide written notification to Ivantage and Service First Insurance Group and Cypress Property and Casualty Insurance Company of their intent to terminate as an Allstate Agent.

35.0 Sterling and Sterling, Inc. (Fidelity and Deposit Co. of Maryland (Zurich) and Tri-State Consumer Insurance)

35.1 General

Ivantage has granted permission for authorized agents in New York to sell personal lines policies through Sterling and Sterling, Inc.

35.2 Commission

Commission is paid as premiums are collected. Commission is paid to the agent by Sterling through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

Product	Commission	State(s)	Carrier
Homeowners	10% new 10% renewal	New York	Fidelity and Deposit Company of Maryland (Zurich)
Homeowners, CPL, DP, Manufactured Home, Umbrella, Scheduled Property (high value)	8% new 8% renewal	New York	Tri-State Consumer Insurance

35.3 Ownership of Sterling and Sterling, Inc. Business

Sterling and Sterling Inc. retains all ownership rights to business written by the agent.

36.0 Tower Hill Insurance Group (Tower Hill) formerly Royal Palm Insurance Company

36.1 General

Ivantage has granted permission for authorized agents in Florida to sell Homeowners, Condominium, Dwelling Fire, and Renters policies through Tower Hill Insurance Group companies.

36.2 Commission

Agents should refer to their producer agreement with Tower Hill for commission details.

36.3 Ownership of Tower Hill Signature Insurance Company Business

Agents should refer to their producer agreement with Tower Hill for details on the ownership of the business.

36.4 Termination

The agent must provide written notification to the Florida Region, Ivantage, and Tower Hill of their intent to terminate as an Allstate Agent.

37.0 United Property and Casualty Insurance Company

37.1 General

Ivantage has granted permission for authorized agents in Florida to sell Homeowners, Condominium, Dwelling Fire, and Renters policies through United Property and Casualty Insurance Company.

37.2 Commission

Refer to your producer agreement with United Property and Casualty Insurance Company for commission details.

37.3 Ownership of United Insurance Business

Refer to your producer agreement with United Property and Casualty Insurance Company for ownership of business.

37.4 Termination

The agent must provide written notification to the Florida Region, Ivantage, and United Property and Casualty Insurance Company of their intent to terminate as an Allstate Agent.

38.0 Universal Group

38.1 General

Ivantage has granted permission for authorized agents to sell personal lines policies through Universal Group (Universal Insurance Managers, Inc.).

38.2 Commission

Commission is paid as collected. Commission for FL business is paid directly to the agent by Universal. Otherwise, commission for this business is paid by Ivantage and included in the agent's monthly Allstate deposit. On the Allstate Payment Notification reflected in the "My Info" tab on Gateway, a line item of "ExpMkts-Universal" denotes these commissions. Ivantage mails a commission statement providing the policy detail. This statement is mailed to your office location on file with Allstate.

For Florida agents, refer to your agreement with Universal Insurance Managers, Inc.

State(s)	Product	Commission % (new/renewal)
CA, DE, HI, MD, TX, VA	All personal lines products available	10/10
NJ	Homeowners and Condo	9/9
NC	Homeowners	10/10 for policy prefixes: NCAH, NCAL, NCUL 7/7 for policy prefixes: NCUH
NC	Dwelling Fire	10/10

38.3 Ownership of Universal Group Business

In all states except Florida, the agent has no ownership rights to business written with Universal Group.

For Florida agents, refer to your Universal agreement.

38.4 Termination

Florida agents must provide written notification to the Florida Region and Universal of their intent to terminate as an Allstate Agent. All other Agents should notify Ivantage and Universal.

39.0 Wellington Risk Insurance Agency (formerly known as Frontier General)

39.1 General

Ivantage has granted permission for authorized agents in Texas to sell personal lines policies through Wellington Risk Insurance Agency (Wellington), formerly known as Frontier General Insurance Agency, Inc.

39.2 Commission

The current commission is 10% for new and 10% for renewal business. Commission is paid on written premium. Commission is paid to the agent by Wellington through Ivantage on the first Wednesday of the month. Commission amounts are included in the Allstate "Payment Notification" posted on Gateway under the "My Info" tab at least two days prior to the deposit. Ivantage mails a commission statement providing policy detail. This statement is mailed to your office location on file with Allstate.

39.3 Ownership of Wellington Risk Insurance Agency Business

The agent has no ownership rights to business written through Wellington Risk Insurance Agency.

40.0 Zephyr Insurance Company, Inc.

40.1 General

Ivantage has granted permission for authorized agents in Hawaii to sell wind policies through Zephyr Insurance Company, Inc.

40.2 Commission

The current commission for Zephyr Insurance Company, Inc. is 9% new and renewal for all business of single wall, frame construction. The current commission for Zephyr Insurance Company, Inc. is 15% new and renewal for all business other than single wall, frame construction. Commission is paid to the Agent directly from Zephyr.

40.3 Ownership of Zephyr Insurance Company, Inc. Business

Zephyr Insurance Company Inc. retains all ownership rights to business written by the agent.

Section 3: Allstate Administered Expanded Market Programs

1.0 Global Marine Insurance Agency, Inc.

1.1 General

Allstate has granted permission for authorized and participating Florida and Michigan agents to sell boat and yacht coverage through Global Marine Insurance Agency, Inc.

1.2 Commission

Refer to your producer agreement with Global Marine Insurance Agency, Inc.

1.3 Ownership of Global Marine Insurance Agency, Inc. Business

Refer to your producer agreement with Global Marine Insurance Agency, Inc.

1.4 Termination

The Agent must provide written notification to Global Marine Insurance Agency and Ivantage of their intent to terminate as an Allstate Agent in order for Ivantage to transfer the book of business to another Allstate Agent.

2.0 Kimbrell Company Inc.

2.1 General

Allstate has granted permission for authorized and participating agents in South Carolina to sell homeowner policies, for risks not covered by Allstate, through Kimbrell Company Inc.

2.2 Eligibility

Participation in this program is subject to the following:

- the agent's agreement with Allstate must remain in effect,
- Allstate must have an agreement in effect with Kimbrell Company Inc. relating to Homeowner's business,
- the agent must repay any unearned commission to Kimbrell Company Inc. in a timely manner,
- the agent must complete a training/orientation program conducted by Kimbrell Company Inc.,

- the agent must obtain and maintain an "Excess Broker's License",
- the agent must not represent that any policy issued through Kimbrell is in any way sponsored, endorsed, or underwritten by Allstate or any of its subsidiaries,
- the agent must sign a producer agreement with Kimbrell Company Inc. relating to Homeowner's business, and
- such other criteria as Allstate may adopt from time to time.

In addition, the Company at its sole discretion may exclude any agent from participating in this program.

2.3 Commission

Commission will be paid directly to the agent as an independent contractor by Kimbrell.

2.4 Ownership of Kimbrell Business

Kimbrell retains all ownership rights in homeowners business written by Allstate agents. When an agent indicates a desire not to continue representation of any homeowner business, or is no longer authorized to participate in the sale of the business, or the customer requests service by another agent, Allstate reserves the right to assign the policy(ies) to another agent. The original agent will have no further commission interest in this reassigned business.

2.5 Termination

The Agent must provide written notification to the Southeast Region and Kimbrell of their intent to terminate as an Allstate Agent in order for Ivantage to transfer the book of business to another Allstate Agent.

3.0 Titan Insurance Company

3.1 General

Allstate granted permission for authorized and participating Michigan agents to sell non-standard automobile policies through Titan Insurance Company in order to accommodate customers having non-standard auto insurance needs.

3.2 Eligibility

Participation in this program is subject to the following:

- the agent must have Company approval,
- the agent must attend a Titan Insurance Company education meeting,

- the agent must comply with state regulations regarding appropriate agent appointments with Titan,
- the agent must sign and return the "Non-Standard Auto Program" agreement,
- the agent's agreement with Allstate must remain in effect,
- Allstate must have an agreement in effect with Titan relating to Michigan non-standard auto,
- The agent repays any unearned commission in a timely manner, and
- such other criteria as Allstate may adopt from time to time.

In addition, the Company, at its sole discretion may exclude any agent from participating in this program, at any time.

3.3 Commission

Commission for accommodation Michigan non-standard auto business is 10% for new business and renewals plus administrative fees, if any. Commission will be paid by Titan Insurance Company directly to the agent as an independent contractor. Titan will automatically reverse out (charge back) any return commissions due Titan. These commissions will be charged back against the current month's commissions and the agent will receive a net check. If, in any given month, the agent's charge backs exceed his or her commission, the agent's commission statement will serve as a bill. The agent will then need to remit, to Titan, the amount due within ten business days.

3.4 Ownership of Titan Business

Allstate does not own nor is Allstate the insurer of non-standard auto business placed through Titan. Titan owns the expirations to this business.

If an agent is no longer authorized to participate in this program, or the agent indicates a desire not to continue representation of any business written through the Michigan non-standard auto program, or the customer requests service by another agent, the account and commission will be reassigned by Titan, at its discretion, to another agent. The original agent will receive no further commission on this reassigned business.

3.5 Termination

The agent must provide a written notification to Ivantage and Titan of their intent to terminate as an Allstate agent and/or if you intend to transfer the book of business to another Allstate agent. Upon an agent's effective date of termination with Allstate Insurance Company, commission will continue to be paid out up to thirty days post termination.

Section 4: Allstate Financial - Expanded Market Programs

1.0 Overview

While our goal is to offer a full suite of financial services products to our customers whenever possible, some of our customers' needs cannot be met through the existing Allstate Company portfolio. In situations where an Allstate policy is not available to a customer, we work with outside carriers and general agencies to help provide R3001 Agents with access to products that do not compete with Allstate products.

Products include, but are not limited to:

- Individual and Group Health Insurance, Vision Insurance, Dental Insurance, and Medicare Supplements
- Disability Income Insurance
- Long Term Care Insurance
- Flexible Premium Deferred Annuity
- Impaired Risk Life Insurance
- Life/Long Term Care Linked-Benefit Products
- Third Party Fixed Life Insurance Term Conversions (no VUL)
- Lincoln Benefit Life Company products

Note that not all products are available in all states.

2.0 Eligibility

An Agent's eligibility to write policies for expanded market business continues only while:

- The Agent's agreement with Allstate remains in effect;
- Allstate has an agreement in effect with expanded market carrier or general agency;
- The Agent is properly licensed and/or bonded in the state in accordance with the respective state's regulations;
- The Agent has completed any enrollment requirements which may include, but are not limited to, executing another agreement with the third party and/or completing certain education; and
- Allstate, the carrier, or general agency has not notified the Agent that he or she is excluded from participating in the sale of expanded market programs.

When an Agent indicates a desire not to continue representation of any business, is no longer authorized to participate in the sale of the business, or the customer requests service by another agent, Allstate reserves the right to assign the policy(ies) to another Agent. The original Agent will have no further commission interest in the reassigned business.

3.0 The Crump Group Inc. - Long Term Care, Disability Income, and Impaired Life

3.1 General

Allstate has granted permission for authorized agents to sell the following through the Crump Group, Inc. (CRUMP):

- Individual Long Term Care (LTC) insurance policies
- Individual Long Term Care/Life combination policies
- Individual Disability Income (DI) insurance policies
- Third Party Term Conversion policies (non-registered/fixed permanent life policies only)
- Fixed life for impaired cases rated Table 4 or greater, including declines if the premium is a minimum of \$2,500
- Guaranteed or Simplified Issue products for cases rated Table 10 or greater, including declines with no minimum premium requirements

For information regarding products, carriers and the appointment process please contact CRUMP at 1-888-770-2155 or go to the CRUMP website at <http://www.Allstate.CrumpLifeInsurance.com>.

3.2 Commissions/Production Credit/LPF

- Producer commissions on products written through CRUMP are based on the amount (or percent) of premium CRUMP pays to Allstate. This is known as Gross Commissions.
- Gross Commissions paid to Allstate will vary by carrier and product. It will also vary when there are specific state rates. The list of "Gross Commissions" paid to Allstate for the approved carrier's will be maintained on the [Allstate.Crumplifeinsurance.com](http://www.Allstate.Crumplifeinsurance.com) website.
- Commission scales will be applied to policies written through CRUMP. See Exhibit C for the countrywide rates and NY Exhibit C for the New York rates.
- Commissions will be paid as earned. They will not be annualized. For example, if the customer pays premiums monthly, commissions will be paid monthly.
- Production credit will be applied on all LTC and DI products. The amount of production credit is equal to the First Year Annual Premium times the Gross Dealer Commission percentage paid to Allstate. Production credit is annualized.
- Production credit for impaired life insurance and third party term conversions will be applied as earned; they will not be annualized.
- Production Credit associated with Long Term Care, Disability Income, and impaired life insurance products will count toward qualifications for commission scales.

- Long Term Care, Disability Income, Impaired Life Insurance policies and third party term conversions written with CRUMP will not be included in your LPF, PIF, and household penetration.
- Commissions will be paid based on the pay cycle of the carrier, the processing time with CRUMP and the Allstate commission system cycle time.

3.3 Ownership of CRUMP Business

The Agent has no ownership rights to business written through CRUMP.

4.0 HealthPlan Services, Inc. (HPS) (excludes New York)

4.1 General

Allstate has granted permission for authorized agents to sell individual and group health, vision, and dental policies, as well as Medicare Supplements, through HealthPlan Services, Inc. (HPS). For a list of carriers and products available by state contact HPS at 1-800-443-4007 or go to <http://allstate.saleslinkportal.com/>.

4.2 Commission

The current commission for accommodation health business will be paid by HealthPlan Services directly to the agent as an independent contractor. Commission will not be paid if the agent's agency agreement with Allstate or the HPS appointment terminates.

4.3 Ownership of HealthPlan Services Business

The Agent has no ownership rights to business written through HealthPlan Services, Inc.

4.4 Termination

The Agent must provide written notification of their intent to terminate as an Allstate Agent in order to transfer the book of business to another Allstate Agent.

5.0 Lincoln Benefit Life Insurance Company (LBL)

5.1 General

Effective April 1, 2014, Lincoln Benefit Life Company (LBL) was purchased by Resolution Corporation. For purposes of this schedule, rules that apply to LBL business written before and after the sale will continue to apply.

5.2 Commissions

All business rules regarding commissions and production credit are defined in the various chapters and exhibits within this Supplement.

5.3 Ownership of Lincoln Benefit Life Insurance Company Business

The agent has an economic interest in the business written through LBL.

5.4 Termination

The Agent must provide written notification of their intent to terminate as an Allstate Agent in order to transfer the book of business to another Allstate Agent.

6.0 Lincoln Financial Group

6.1 General

Allstate has granted permission for authorized agents to sell the Choice Plus Variable Annuity, the Optiblend Fixed Indexed Annuity (not available in New York), and the Covered Choice Fixed Indexed Annuity (not available in New York) through Lincoln Financial Group. Any securities business sold through the Lincoln Financial Group Selling Agreement with Allstate Financial Services, LLC can be found in the Schedule of Commissions for the AFS, LLC Registered Representative Agreement.

Visit the [Lincoln Financial-Allstate microsite](#) to learn more details or the Allstate-dedicated Lincoln Financial wholesaler support line at (833) 296-0147.

New York EAs only

New York EAs are also allowed to service business that has been previously sold. Products previously sold under this agreement to Allstate customers in New York can continue to be serviced. They include: a Single Premium Immediate Annuity (SPIA), DUET (a second to die Universal Life product), an Ensemble II (VUL), and Life Guarantee SUL (discontinued 8/1/2008).

6.2 Commissions

- Producer commissions for annuity products written through Lincoln Financial Group are based on the amount (or percent) of premium Lincoln Financial Group pays to Allstate. This is known as Gross Commissions.
- Commission scales will be applied to annuity policies written through Lincoln Financial Group. See Exhibit B for the countrywide rates.
- Production credit will be applied on all Lincoln Financial Group annuity policies.

SUPPLEMENT FOR THE R3001 AGREEMENT

- Production Credit associated with Lincoln Financial Group annuities will count toward qualifications for commission scales
- Commissions will be paid based on the pay cycle of the carrier and the Allstate commission system cycle time.

6.3 Ownership of Lincoln Financial Group Business

The Agent has no ownership rights to business written with Lincoln Financial Group.

7.0 Protective Life Insurance Company

7.1 General

Allstate has granted permission for authorized agents to sell a select suite of annuities through Protective. For details on the products and assistance with marketing and sales, go to www.Allstate.Protective.com.

7.2 Commissions

- Producer commissions for annuities written through Protective are based on the amount (or percent) of premium Protective pays to Allstate. This is known as Gross Commissions.
- Commission scales will be applied to policies written through Protective. See Exhibit C for the countrywide rates and NY Exhibit C for the New York rates.
- Production credit will be applied on all policies.
- Production Credit will count toward qualifications for commission scales.
- Commissions will be paid based on the pay cycle of the carrier and the Allstate commission system cycle time.

7.3 Ownership of Protective Insurance Business

The Agent has no ownership rights to business written with Protective.

7.4 Termination

The Agent must provide written notification of their intent to terminate as an Allstate Agent in order to transfer the book of business to another Allstate Agent.

8.0 Prudential

8.1 General

Allstate has granted permission for authorized agents to sell the PruSecure Fixed Index Annuity through Prudential. Any securities business sold through the Prudential Selling Agreement with Allstate Financial Services, LLC can be found in the Schedule of Commissions for the AFS, LLC Registered Representative Agreement.

For details on the PruSecure product and assistance with marketing and sales, contact the Prudential Allstate dedicated phone team at (800)778-2688.

8.2 Commissions

- Producer commissions for PruSecure written through Prudential are based on the amount (or percent) of premium Prudential pays to Allstate. This is known as Gross Commissions.
- Commission scales will be applied to PruSecure policies written through Prudential. See Exhibit B for the countrywide rates.
- Production credit will be applied on all PruSecure policies.
- Production Credit associated with Prudential PruSecure will count toward qualifications for commission scales
- Commissions will be paid based on the pay cycle of the carrier and the Allstate commission system cycle time.

8.3 Ownership of Prudential Business

The Agent has no ownership rights to business written with Prudential.

Section 5: Commercial

1.0 General

In certain states, Allstate has granted permission for R3001 agents and the Business Insurance Specialist (BIS) to sell accommodation Commercial products through various Independent Agencies, including Ivantage Select Agency, Inc. Please refer to Section 2 and Section 3 of this chapter for more information as to those programs. In addition to Ivantage, Independent Agencies may secure insurance coverage for those risks not currently underwritten by Allstate or not acceptable based on Allstate's current underwriting or administrative guidelines, and for which Agents have been authorized by Allstate to write.

1.1 Eligibility

Participation in this program is subject to the following:

- the R3001 Agent's agency agreement with Allstate remains in effect,
- Allstate has an agreement in effect with the Independent Agency,
- the agent is included in a listing of eligible agents provided by the Company to the Independent Agency, and
- professional liability insurance (E&O)

In addition, the R3001 agent must:

- complete the Commercial Expanded Markets course on TalentConnection,
- sign a producer agreement with the Independent Agency

1.2 Commissions

Commissions for these products will either be paid directly to the agent as an independent contractor by the Independent Agency or by Ivantage Select Agency, Inc.

Effective April 1, 2014, commission for accommodation Commercial products issued as the result of a lead forwarded to a Business Insurance Specialist (BIS) will be split between the agent and Ivantage.¹ Please note that for business placed by a Business Insurance Specialist (BIS) through an Ivantage Select Agency's Expanded Market Program, the split commission will be paid directly to Ivantage Select Agency, Inc. The split will be made as follows:

¹ Effective January 1, 2010 through March 31, 2014, leads were forwarded to the Business Insurance Center (BIC).

CEM POLICIES SOLD THROUGH THE BIS

Line of Business	Agent's share of Annual Commission for the life of the Policy (Split Percentage)
Businessowners Policy	50%
General Liability	20%
Professional Liability	20%
Workers Compensation	50%
All Other	50%

Commission is payable both during the term of Allstate's agreement with the Independent Agency and subsequent to the termination of such Agreement provided the agent continues to service the coverage.

1.3 Ownership of Expanded Market Commercial Business

The Independent Agency is the owner of all Expanded Market Commercial business. Allstate does not own nor is Allstate the insurer of this business.

When an agent indicates a desire not to continue representation of any business written through the Expanded Market carrier, or is no longer authorized to participate in the sale of this business, or the customer requests service by another agent, Allstate reserves the right to assign the business to another agent. The original agent will have no further commission interest in this reassigned business.

GLOSSARY

“Access point” means where policies and added coverage endorsements are bound: Agency, Customer Contact Center (1-800 Allstate and call forward), Internet (Allstate.com and agency home page), Commercial Service Center, Life Advice Center.

“Agency Bound” means that a new policy or coverage on an existing policy has been put into effect for the policyholder (customer) by the agency.

“Agency Direct” is a policy bound prior to February 1, 2013, by the Customer Contact Center (CCC) resulting from a direct call to the CCC and assigned to an agent as a result of a customer request at policy issuance or when an agency is currently represented in the household.

“Agency Routed” is a policy bound August 1, 2019¹ and subsequent by the Customer Contact Center (CCC) resulting from a direct call to the CCC or the Internet (Allstate.com) and assigned to an agent and the policy is eligible to have full renewal commissions unlocked by the assigned agent as described in Chapter 4 of this Supplement.

“Agent of Record” means an agent who:

- has secured the first bound new policy within a particular line of insurance and the policy is considered secured business; or
- captures commission interest in unrepresented policies or unrepresented Plus Policies² according to the “Unrepresented Policies” provision of Chapter 4 of this Supplement, or
- captures commission interest in Assigned Agency³ policies and becomes the Designated Agency; or
- is assigned commission interest in an unrepresented policy or unrepresented Plus Policy under the provisions of a Company-approved program; or
- is assigned commission interest in business bound by the Customer Contact Center (CCC) or Internet (Allstate.com) in Agency Direct, Direct Transition, or Agency Routed status.

“Allstate Life and Retirement (ALR) [also known as “Allstate Financial (AF)]”, as used in this Supplement, includes products from the following companies:

- Allstate Life Insurance Company
- Allstate Life Insurance Company of New York
- Allstate Assurance Company
- Lincoln Benefit Life Company

¹ Effective September 1, 2019 and subsequent in Minnesota and Rhode Island.

² Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

³ The agent assigned to an Assigned Agency policy is not considered the Agent of Record for that policy.

- Allstate Financial Services, LLC⁴
- American Heritage Life Insurance Company (Allstate Benefits as stated in this Supplement is the marketing name used by American Heritage Life Insurance Company)

“Anniversary Date” with respect to a policy or coverage means the date immediately following the end of a period of one or more complete years from the initial effective date of such policy or coverage.

“Assigned Agency” (agent type 11) is the agency assigned to a policy bound either by the Customer Contact Center (CCC) prior to September 14, 2009 or the Internet and the policy is eligible for capture by any agent as described in Chapter 4 of this Supplement.

“Bound” means that a new policy or coverage on an existing policy has been put into effect for the named insured.

“Cash Flow Market” (CFM) means a grouping of continuous zip codes that represent similar market conditions (average premiums, close rates, available product lines, population), determined at a regional level.

“Commission Interest” as used with respect to an agency bound policy or coverage to an agency bound policy, means that the premium for such policy or coverage is identified in the agent’s account as though for secured business or a Plus Policy⁵. Additionally, an agent will have a commission interest in policies in Designated Agency, Agency Direct, Direct Transition, and Agency Routed status.

“Customer Contact Center (CCC) Bound” means that a new policy or coverage on an existing policy has been put into effect for the policyholder (customer) by the CCC.

“Designated Agency” (agent type 22) is the agency that captures a policy in Assigned Agency status by writing a major line to policies bound by the Customer Contact Center (CCC) or the Internet as described in Chapter 4 of this Supplement. A policy in Assigned Agency status may also be captured by other means as described in Chapter 4 of this Supplement.

“Direct Transition” is a policy bound effective February 1, 2013 through July 31, 2019⁶, by the Customer Contact Center (CCC) resulting from a direct call to the CCC or the Internet (Allstate.com) and assigned to an agent.

“Earned Premium” means the amount of net written premium on secured business and policies bound by the Customer Contact Center (CCC) or the Internet that becomes earned as the policy period develops and as the insurance protection is provided.

⁴ Allstate Financial Services, LLC is referred to as LSA Securities in the states of PA and LA.

⁵ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

⁶ Effective through August 31, 2019 for Rhode Island and Minnesota.

“Enhanced Satellite Agency” (ESA) is a separate agency location as outlined below. The month of affiliation for the ESA is based on the effective date of the ESA agency agreement (see Chapter 1, Section 3, Subsection 2.1 of this Supplement). The ESA is treated separately for all bonuses and measurements. Refer to the EA Independent Contractor Manual for eligibility requirements for opening an ESA.

ESA - affiliation dates May 1, 2020 and later

A separate agency location that is created by purchasing the economic interest in a Total Property and Casualty 12mm Written Premium⁷ of less than or equal to:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

and the seller is participating in the Enhanced Compensation Plan.

ESA - affiliation dates June 1, 2017 through April 30, 2020

A separate agency location that was created from scratch, or by purchasing the economic interest in a Total Property and Casualty 12mm Written Premium⁷ of less than or equal to:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

ESA - Affiliation dates May 1, 2008 through March 31, 2017

A separate agency location that was created from scratch or by purchasing the economic interest in and/or being assigned:

- a combined total of 750 Total Personal Lines policies or less with a combined total of \$800,000 or less in Total Property and Casualty 12mm Earned Premium⁸, or
- a combined total of 750 Total Personal Lines policies or less with a combined total of more than \$800,000 in Total Property and Casualty 12mm Earned Premium⁸, or

⁷ The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, policies in Direct Transition status, and policies in Agency Routed status. Multiple purchases will be combined to determine if the premium threshold has been met.

⁸ The combined total policies and the combined total premium includes policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status and apply to multiple purchases and assignments on May 1, 2008 and later. If there are both purchases and assignments, then policies and premium from both are included in the combined totals.

- a combined total of more than 750 Total Personal Lines policies with a combined total of \$800,000 or less in Total Property and Casualty 12mm Earned Premium⁸

ESA - affiliation dates August 1, 2007 through April 30, 2008

A separate agency location that was created from scratch, or by purchasing the economic interest in and/or being assigned a combined total of 750 Total Personal Lines policies or less

“Established Agency” – an agency created as outlined below.

Established Agency – affiliation dates May 1, 2020 and later

An agency that has not purchased the economic interest in any Total Property and Casualty 12mm Written Premium, or

An agency that purchases the economic interest in a combined Total Property and Casualty 12mm Written Premium⁹, on day one (1) of affiliation, of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

An agency that purchases the economic interest in a combined Total Property and Casualty 12mm Written Premium⁹, on day one (1) of affiliation, that is less than or equal to:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

and the seller is not participating in the Enhanced Compensation Plan (ECP), or

An agency who is participating in the Enhanced Compensation Plan (ECP) that purchases the economic interest in a Total Property and Casualty 12mm Written Premium¹⁰ of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration

⁹ The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, policies in Direct Transition status, and policies in Agency Routed status.

¹⁰ The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, policies in Direct Transition status, and policies in Agency Routed status.

- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

An agency who has graduated from their Enhanced Compensation Plan (ECP) curve

Notes:

- An Enhanced Satellite Agency (ESA) that is participating in the Enhanced Compensation Plan (ECP) will become an Established Agency if/when the agency divests their primary location.
- An agency that is participating in the Enhanced Compensation Plan (ECP) will become an Established Agency upon the agency co-locating their ECP eligible locations under the Multi-Book Location (MBL) program

Established Agency - affiliation dates April 1, 2017 through April 1, 2020

An agency that purchases the economic interest in and/or is assigned a combined Total Property and Casualty 12mm Written Premium¹¹, on day one (1) of affiliation, of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

Prior to May 1, 2019, an agency who is participating in the Enhanced Compensation Plan (ECP) that purchases the economic interest in and/or is assigned a combined Total Property and Casualty 12mm Written Premium which increases the agent's premium book size beyond:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

¹¹ The combined Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status. If there are both purchases and assignments, then premium from both are included in the combined totals.

Effective May 1, 2019 and later, an agency who is participating in the Enhanced Compensation Plan (ECP) that purchases the economic interest in a Total Property and Casualty 12mm Written Premium¹² of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

An agency who has graduated from their Enhanced Compensation Plan (ECP) curve, or

Notes:

- Effective May 1, 2019 and later, an Enhanced Satellite Agency (ESA) that is participating in the Enhanced Compensation Plan (ECP) will become an Established Agency if/when the agency divests their primary location.
- An agency that is participating in the Enhanced Compensation Plan (ECP) will become an Established Agency upon the agency co-locating their ECP eligible locations under the Multi-Book Location (MBL) program

Established Agency - affiliation dates May 1, 2008 through March 31, 2017

An agency with more than 36 full calendar months of affiliation, or

An agency with 36 months or less of affiliation that purchases the economic interest in and/or is assigned a combined total of more than 750 Total Personal Lines policies with a combined total of more than \$800,000 in Total Property and Casualty 12mm Earned Premium¹³, or

On or after January 1, 2013, an agency that completes more than 36 full calendar months of affiliation by the end of the calendar year

¹² The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status. Multiple purchases will be combined to determine if the premium threshold has been met.

¹³ The combined total policies and the combined total premium includes policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status and apply to multiple purchases and assignments on May 1, 2008 and later. If there are both purchases and assignments, then policies and premium from both are included in the combined totals.

Established Agency - affiliation dates prior to May 1, 2008

An agency with more than 36 full calendar months of affiliation, or

An agency with 36 months or less of affiliation that purchased the economic interest in and/or was assigned a combined total of more than 750 Total Personal Lines policies.

“Graduated” means an Enhanced Compensation Plan (ECP) eligible start-up agency or Enhanced Satellite Agency (ESA) has completed ECP by completing their duration on their premium curve or by personally producing over \$5 million in ECP eligible written premium while still on the ECP premium curve (effective for agents with affiliation dates of 5/1/2019 and later only), whichever occurs first.

“Internet Bound” means that a new policy or coverage on an existing policy has been put into effect for the policyholder (customer) via the internet.

“Line” will be defined as follows:

- **“Individual Line”** shall mean a particular kind of insurance or coverage such as Renters, Special Auto, Recreational Package Policy, etc.
- **“Line Group”¹⁴** shall mean the grouping of individual lines for commission purposes such as Auto, Homeowners, Allstate Financial, Commercial Casualty, etc.
- **“Like Lines”** shall include, with respect to the Homeowners line group, Homeowners, Renters, Condominium and Deluxe Country Homeowners and, with respect to the Auto line group, Allstate Indemnity, Allstate New Jersey, Allstate County Mutual, and Allstate Property and Casualty. Special Auto policies with an effective prior to April 1, 2008 are also considered a like line with respect to the Auto line group.

“Line Category” shall mean the combining of line groups for reporting or other special purposes. Auto, Commercial, Allstate Financial, and Personal Property are the most common categories.

“Multi-access Points” means the access points where new policies and added coverage endorsements may be bound - an agency, the Customer Contact Center (CCC) and the Internet.

“Net Written Premium” as reported on the Business Metrics report, means:

- as respects all lines of insurance, except for Allstate Financial lines, premium for the policy with respect to secured business and policies bound by the Customer Contact Center (CCC) or the Internet, not including any fees, and
- as respects Allstate Financial lines of insurance, the policy premium recorded with respect to secured business, including premiums which by the terms of the policy, are waived on account of disability or death, or paid under an automatic premium loan provision;

less premium refunds or credits (including any estimated refunds or credits, or estimated dividends on participating policies) and amounts recorded as uncollected.

¹⁴ In certain circumstances a line group will be comprised of only one individual line.

“New Policy”, except as noted in Chapter 3, means a policy bound:

- for an applicant who was not previously an Allstate policyholder for a line or like line of insurance; or
- as respects all lines of insurance, except for Allstate Financial lines, to a former Allstate policyholder whose policy of the same line or like line of insurance lapsed, expired, or was terminated 120 days¹⁵ or more prior to the effective date of the newly issued policy; or
- as respects Allstate Financial lines of insurance, (a) to an Allstate insured (or former Allstate insured) whose Allstate Financial lines of insurance policy terminated more than 6 months before or 12 months after the effective date of the newly issued insurance, or (b) to provide additional Allstate Financial products or insurance for an existing Allstate Financial insured.

“Off-anniversary Date” with respect to a six-month policy or coverage means the date immediately following the end of a period of six complete months after the initial effective date or anniversary date of such policy or coverage.

“Plus Policy”¹⁶ means a policy captured or assigned as agent of record at the Plus Policy commission amount and a policy available to be captured or assigned as agent of record at the Plus Policy commission amounts. The Plus Policy commission amount is in effect for five (5) full annual renewal periods after capture or assignment. Upon completion of five (5) full annual renewal periods after capture or assignment, the policy will no longer be considered a Plus Policy and will be treated as secured business and may be eligible for Termination Payment.

“Policies in Account” is that Allstate business for which the R3001 Agent is the Agent of Record as well as certain other business the agent is authorized to sell including certain accommodation business. “Policies in account” does not include the following business:

- Allstate Flood Insurance
- Underwriting Association
- Assigned Risk
- FAIR Plan
- Expanded Market Coverage
- Lincoln Benefit Financial Services
- CCC/Internet business that is in Assigned Agency, Designated Agency, or Agency Routed status
- California Low Cost Auto Business

Refer to Transfer of Interest (Chapter 1, Section 4) and Termination Payment (Chapter 1, Section 6), for a list of business that will also not be considered as “policies in account” for those programs

¹⁵ 60 days, if the former Agent of Record’s agreement so specifies.

¹⁶ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

The Company may remove any policy from an R3001 Agent's account at the request of a policyholder. Policies removed from an R3001 Agent's account at the request of a policyholder will not be replaced.

"Policyholder" means the named insured on the policy declaration, or resident spouse

"Production Credit" is a new business measurement of life and retirement products (i.e., first year premium on life insurance products and new premium/deposits into asset accumulation products). Production credit equalizes the new business premium/deposits by applying a percent weighting factor. Products include both proprietary and non-proprietary life, annuities, long term care, disability income, mutual funds, and Allstate Benefit workplace/individual as shown in Exhibit B (CW excluding New York) and NY Exhibit B (New York only). Refer to Chapter 2, Section 1d, Subsection 4.5 for the production credit calculation.)

"Purchase" means the purchase of the economic or other interest in a book of business. Allstate retains ownership of the book of business.

"Recorded" means written, issued and reflected on the agent's compensation reports.

"Renewal policy" means the renewal or extension of a policy beyond its initial term. However, when a new policy is issued for a period longer than 12 months, each period of 12 months beyond the first anniversary shall be considered as being under a renewal policy.

"Sale" means the sale of the economic or other interest in a book of business. Allstate retains ownership of the book of business.

"Satellite Agency" – a separate agency location created as outlined below.

Satellite - affiliation dates May 1, 2020 and later

A separate agency location that was created by opening an additional agency location from scratch, or

A separate agency location that was created by purchasing the economic interest in a combined Total Property and Casualty 12mm Written Premium¹⁷, on day one (1) of affiliation, of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

¹⁷ The combined Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, policies in Direct Transition status, and policies in Agency Routed status.

A separate agency location that was created by purchasing the economic interest in a combined Total Property and Casualty 12mm Written Premium¹⁸, on day one (1) of affiliation, that is less than or equal to:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

and the seller is not participating in the Enhanced Compensation Plan (ECP), or

An ESA who is participating in the Enhanced Compensation Plan (ECP) that purchases the economic interest in a Total Property and Casualty 12mm Written Premium¹⁸ of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

An ESA who has graduated from their Enhanced Compensation Plan (ECP) curve

Satellite – affiliation dates June 1, 2017 through April 30, 2020

A separate agency location that was created by purchasing the economic interest in and/or being assigned a combined Total Property and Casualty 12mm Written Premium¹⁹, on day one (1) of affiliation, of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

¹⁸ The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, policies in Direct Transition status, and policies in Agency Routed status.

¹⁹ The combined Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status. Multiple purchases will be combined to determine if the premium threshold has been met.

Prior to May 1, 2019, an ESA who is participating in the Enhanced Compensation Plan (ECP) that purchases the economic interest in and/or is assigned a combined Total Property and Casualty 12mm Written Premium which increases the ESA's premium book size beyond:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

Effective May 1, 2019 and later, an ESA who is participating in the Enhanced Compensation Plan (ECP) that purchases the economic interest in a Total Property and Casualty 12mm Written Premium²⁰ of more than:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration, or

An agency who has graduated from their Enhanced Compensation Plan (ECP) curve

Satellite – affiliation dates April 1, 2017 through May 31, 2017

A separate agency location that was created by opening an additional agency location

Satellite - affiliation dates May 1, 2008 through March 31, 2017

A separate agency location that was created by purchasing the economic interest in and/or being assigned a combined total of more than 750 Total Personal Lines policies with a combined total of more than \$800,000 in Total Property and Casualty 12mm Earned Premium.²¹

Satellite - affiliation dates August 1, 2007 through April 30, 2008

A separate agency location that was created by purchasing the economic interest in and/or being assigned a combined total of more than 750 Total Personal Lines policies

²⁰ The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status. Multiple purchases will be combined to determine if the premium threshold has been met.

²¹ The combined total policies and the combined total premium includes policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent's home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status and apply to multiple purchases and assignments on May 1, 2008 and later. If there are both purchases and assignments, then policies and premium from both are included in the combined totals.

Satellite - affiliation dates prior to August 1, 2007

A separate agency location that was created by opening an additional agency location “Scratch” means an agency has not purchased the economic interest in and/or been assigned any Total Property and Casualty 12mm Written Premium

“Secured Business” as used with respect to a new policy or major coverage, means written on an application secured by the agent through the agent’s initiative and personal solicitation and, with respect to a renewal policy, means written as a first or subsequent renewal of such new policy or such major coverage. Business secured through the efforts of the agent’s support staff, policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone beginning October 4, 2004 and subsequent (agent type 41), policies bound through the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), will also be considered secured business.

“Service Fee” is the amount payable to an agent for servicing an unrepresented policy. Such business is not considered secured business and is eligible for capture by any agent.

“Start-up Agency” – an agency created as outlined below.

Start-up Agency - affiliation dates of May 1, 2020 and later

An agency that that purchases the economic interest in a Total Property and Casualty 12mm Written Premium²² of less than or equal to:

- \$1,491,200, if in a cash flow market that is on the 36 Month duration
- \$1,514,000, if in a cash flow market that is on the 42 Month duration
- \$1,534,100, if in a cash flow market that is on the 48 Month duration
- \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

and the seller is participating in the Enhanced Compensation Plan (ECP)

Start-up Agency - affiliation dates of April 1, 2017 through April 30, 2020

An agency with 37, 43, or 49 months or less of affiliation, depending on which Enhanced Compensation Plan (ECP) premium curve that is applicable to the agent, that has not purchased the economic interest in and/or been assigned any Total Property and Casualty 12mm Written Premium, or

²² The Total Property and Casualty 12mm Written Premium includes premium from policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status. Multiple purchases will be combined to determine if the premium threshold has been met. Prior to 5/1/2019, the Total Property and Casualty 12mm Written Premium included premium from policies assigned to the agent.

An agency with 37, 43, or 49 months or less of affiliation, depending on which Enhanced Compensation Plan (ECP) premium curve is applicable to the agent, that purchases the economic interest in a Total Property and Casualty 12mm Written Premium²² of less than or equal to:

- o \$1,491,200, if in a cash flow market that is on the 36 Month duration
- o \$1,514,000, if in a cash flow market that is on the 42 Month duration
- o \$1,534,100, if in a cash flow market that is on the 48 Month duration
- o \$1,086,200, if in a cash flow market that is on the 36 Month Ivantage duration
- o \$1,111,400, if in a cash flow market that is on the 36 Month North Carolina duration
- o \$1,116,500, if in a cash flow market that is on the 42 Month North Carolina duration
- o \$1,122,300, if in a cash flow market that is on the 48 Month North Carolina duration

Start-up Agency - affiliation dates of May 1, 2008 through March 31, 2017

An agency with 36 months or less of affiliation that purchases the economic interest in and/or is assigned:

- a combined total of 750 Total Personal Lines policies or less with a combined total of \$800,000 or less in Total Property and Casualty 12mm Earned Premium²³, or
- a combined total of 750 Total Personal Lines policies or less with a combined total of more than \$800,000 in Total Property and Casualty 12mm Earned Premium²³, or
- a combined total of more than 750 Total Personal Lines policies with a combined total of \$800,000 or less in Total Property and Casualty 12mm Earned Premium²³

Note: An agency will be treated as an Established Agency beginning with the calendar year in which the Start-up Agency (including Enhanced Satellite Agencies) completes 36 full months of affiliation.

Start-up Agency - affiliation dates prior to May 1, 2008

An agency with 36 months or less of affiliation that purchased the economic interest in and/or was assigned a combined total of 750 Total Personal Lines policies or less

Note: An agency will be treated as an Established Agency beginning with the calendar year in which the Start-up Agency (including Enhanced Satellite Agencies) completes 36 full months of affiliation.

“Unrepresented Plus Policy”²⁴ means an Allstate policy not identified with an economic interest in a book of business and not affiliated with an agent and the Company has electronically flagged or identified as a Plus Policy.

Note: The Company policy processing systems may not reflect the former agent as being terminated for up to 1,000 days.

²³ The combined total policies and the combined total premium includes policies bound by the Customer Contact Center (CCC) identified as resulting from an agent forwarded phone or the agent’s home page on the Internet beginning October 4, 2004 and subsequent (agent type 41), policies in Agency Direct status, and policies in Direct Transition status and apply to multiple purchases and assignments on May 1, 2008 and later. If there are both purchases and assignments, then policies and premium from both are included in the combined totals.

²⁴ Effective August 1, 2019, the Plus Policy program will be sunset and no new Plus Policies will be assigned. Policies currently in Plus Policy status will remain in Plus Policy status until the five full annual renewal periods have been completed.

“Unrepresented Policy” means an Allstate policy not identified with an economic interest in a book of business and not affiliated with an agent

Note: The Company policy processing systems may not reflect the former agent as being terminated for up to 1,000 days.

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Allstate Financial Exhibits

SUPPLEMENT FOR THE R3001 AGREEMENT

**Exhibit A Allstate Financial - Basis of Commission
(excludes New York and American
Heritage Life)**

SUPPLEMENT FOR THE R3001 AGREEMENT

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The basis for calculating commission varies by product. The following rules apply to business written as an EA:

Commission Basis (Excluding New York)		
Product	New Business	Renewal/Trail
Whole Life II Whole Life Advantage Whole Life Advantage (revised 10/15/2018) Whole Life Tribute	Annual premium in advance	Same
TrueFit	Annual premium less policy fee in advance	Same
Monthly Income Term (MIT)	Annual premium less policy fee in advance	Same
Allstate Basic Term (ABT)	Annual premium in advance	Same
Allstate Bridge UL Allstate Lifetime UL FutureBuilder UL FutureGrowth IUL	Advanced based on the lesser of commission target and planned annual premium and adjusted based on the actual premium paid within the first policy year ¹ Excess 1 st year payments as received	Premiums after 1 st year as received
Annuitization on Allstate/LBL Deferred Annuities	Annuitized value less premium deposits made within the last five (5) years	N/A
Long Term Care, Disability Income, and Impaired Life ²	Gross Commissions paid to Allstate, as earned	Gross Commissions paid to Allstate
Protective Income Builder Indexed Annuity Protective Indexed Annuity II Protective Asset Builder Indexed Annuity Protective Secure Saver Protective ProPayer Income Annuity	Gross Commissions paid to Allstate as received	Gross Commissions paid to Allstate on trails as received
PruSecure Fixed Indexed Annuity ³ Lincoln Financial Group OptiBlend Fixed Indexed Annuity Lincoln Financial Group Covered Choice Fixed Indexed Annuity	Gross dealer concessions as received	Gross dealer concessions as received

Commission Basis Notes:

- For Life replacements, the First Year Commission Basis will be the difference between the First Year Commission Basis calculated for the new policy and old policy. If the old policy terminated within the first policy year, any unearned premium on the old policy will be subtracted from the old policy commission basis when calculating commissions. First Year Excess is not adjusted for Replacements. Refer to chapter 3, section 4a for further information.

¹ Refer to chapter 2, section 2 for further details.

² The CRUMP Group Inc. is the exclusive distributor for Long Term Care, individual Disability Income, and Impaired Life products for the Allstate producer. Refer to chapter 5, section 4 for further information.

³ This product is not available in CA.

Commission Basis Notes (continued):

- Temporary flat extras on all policies do not receive commissions.
- Primary insured term riders are not included in the commission target but do receive commissions as excess first year payments are received.
- Term conversion premium credits applied to the new policy will reduce the Annual Premium, Minimum Annual Premium, and Commission Target, and are excluded from the Excess 1st Year Payments calculation when calculating the New Commission Basis. Refer to chapter 3, section 4b for further information.
- For all split policies, the commission basis is equal to the original commission basis multiplied by the split percentage that was selected on the application.
- Commissions may be reduced on life policies exceeding five million of death benefit on an insured and on annuity deposits in excess of two million dollars. Refer to chapter 2, section 2, subsection 7.0 for further information.
- When the Full Surrender Charge Adjustment Rider is added to a policy, commissions will be calculated as stated above, but will be paid out over 5 years. Refer to chapter 2, section 2, subsection 8.0 for further information.

**Exhibit B Allstate Financial - Production Credit
(excludes New York)**

SUPPLEMENT FOR THE R3001 AGREEMENT

Production Credit Calculation (Excludes New York)

<i>Product</i>	<i>Production Credit</i>
Whole Life II Whole Life Tribute TrueFit Monthly Income Term Allstate Basic Term	100% of first-year annual premium
Whole Life Advantage (revised 10/15/2018) Base – Pay to age 121 Base – Pay to age 70 Base – 20 Pay Base – 10 Pay Base – Single Payer Paid Up Insurance Rider	100% of first-year annual premium 95% of first-year annual premium 80% of first-year annual premium 50% of first-year annual premium 5% of single premium 5% of single premium
Allstate Bridge UL Allstate Lifetime UL FutureBuilder UL FutureGrowth IUL	Lesser of 100% of commission target premium or planned annual premium and adjusted based on the actual premium paid within the first policy year ¹ and 2% of any excess payments during the first policy year
Increases / Add-ons Minimum Annual Premium Annual Premium Products	100% of increase in minimum annual premium or annual premium ²
Increases / Add-ons Commission Target Premium Products	100% of the difference between the new commission target premium and the old commission target premium ³
Term Conversions (until 4/13/2012) ⁴	100% of new business production credit. If converted before the 5 th term policy anniversary, the difference between the old and new production credit will be given.
Long Term Care and Disability Income ⁵	100% of the first-year annual premium times the gross commission percentage paid to Allstate
Impaired Life ⁵	100% of the first-year annual premium times the Gross Commissions percentage paid to Allstate, as earned

¹ See chapter 2, section 2 for further details.

² No production credit is given for increases on the Echelon I UL.

³ No production credit will be given if the new commission target premium is equal to or less than the old commission target premium or if the new planned annual premium is less than the difference between the new commission target premium and the old commission target premium.

⁴ For production credit information regarding term conversions effective April 14, 2012 and later, refer to Chapter 3, Section 4b.

⁵ The CRUMP Group Inc. is the exclusive distributor for Long Term Care, individual Disability Income, and Impaired Life products for the Allstate producer. Refer to chapter 5, section 4 for further information.

<i>Product</i>	<i>Production Credit</i>
Allstate Benefits Workplace – New Payroll Case Universal Life, 20 Year Term, Disability, Cancer, Accident, Hospital Indemnity, Heart/Stroke, Critical Illness, Group Cancer, Group Accident, Group Critical Illness, Group UL, Group Shop, Group Disability, Term to 100, Group Indemnity Medical, GIM2, Guardian Dental, *STD, *LTD, *Group Term Life, EyeMed Vision, New Generation Critical Illness, Major Medical Compliment (GAP) (*excludes employer paid STD, LTD, and Group Term Life)	70% of the annualized premium ⁶ for new case premium written during the initial enrollment period ⁷
Allstate Benefits Workplace – Existing Payroll Case Universal Life, 20 Year Term, Disability, Cancer, Accident, Hospital Indemnity, Heart/Stroke, Critical Illness, Group Cancer, Group Accident, Group Critical Illness, Group UL, Group Shop, Group Disability, Term to 100, Group Indemnity Medical, GIM2, Guardian Dental, *STD, *LTD, *Group Term Life, EyeMed Vision, New Generation Critical Illness, Major Medical Compliment (GAP) (*excludes employer paid STD, LTD, and Group Term Life)	35% of the annualized premium ⁶ on written premiums received after the initial enrollment period ⁷
Allstate Benefits – Individual Direct Products (Non-Payroll) Accident, Supplement Health Options Policy (SHOP ⁸) and Critical Illness	35% of annualized premium
Fixed Annuities Protective Secure Saver ⁹	3.5% of premiums for deposit ages 0-80 2% of premiums for deposit ages 81+
Indexed Annuities Protective Income Builder Indexed Annuity ⁹ Protective Indexed Annuity II (5, 7 & 10 years) ⁹ Protective Asset Builder Indexed Annuity ⁹ PruSecure Fixed Indexed Annuity ¹⁰ Lincoln Financial Group OptiBlend Fixed Indexed Annuity ¹¹ Lincoln Financial Group Covered Choice Fixed Indexed Annuity ¹¹	5% of premiums as received for ages 0-80 3.5% for ages 81+
Single Premium Annuities Protective ProPayer Income Annuity ⁹	3.5% of premiums as received

⁶ Production credit will be less than the amounts defined above if the premium split coded on the application is less than 30% for the Allstate producers (i.e., the AWD benefit specialist split is greater than 70%). Production credit will be reduced proportionately by the ratio of the percentage coded on the application to the standard 30% commission split.

⁷ The initial enrollment period is defined as the first 12-month period from the date that the D003 Employer Acceptance Agreement is entered into the system.

⁸ This product has been discontinued in Utah.

⁹ The Protective fixed and index annuity products are issued by Protective Life and Annuity Insurance Company. Refer to Chapter 5, Section 4 for further information.

¹⁰ The PruSecure is issued by Prudential. Refer to Chapter 5, Section 4 for further information.

¹¹ The OptiBlend and Covered Choice Fixed Indexed Annuities are issued by Lincoln Financial Group. Refer to Chapter 5, Section 4 for further information.

SUPPLEMENT FOR THE R3001 AGREEMENT

<i>Product</i>	<i>Production Credit</i>
Discontinued Fixed Annuities that allow additional premium payments¹² Advantage Plus Allstate Treasury Linked Annuity Allstate Flexi Series (78, 82, 83, 86) Saver's Preferred Saver's Premiere LBL Futurist Gold LBL Tactician LBL Tactician 10 (MVA) LBL Tactician Plus (MVA) LBL SureHorizon LBL SureHorizon II Protective ProSaver Secure II Annuity ¹³	3.5% of premiums for deposit ages 0-80 2% of premiums for deposit ages 81+
Discontinued Index Annuities that allow additional premium payments¹² LBL Savers Index III Allstate GrowthProtector Voya Quest Plus Index Annuity Voya Quest 5 Index Annuity Voya Quest 7 Index Annuity Voya Financial Secure Index Five Voya Financial Secure Index Seven Voya Financial Secure Index Opportunities Voya Financial Secure Index Outlook Voya Financial Wealth Builder Plus	5% of premiums as received
Discontinued Deferred Income Annuity Voya Financial Lifetime Income	5% of premiums as received
Discontinued Annuities that allow redeposits Elite Index Annuity Saver's Index Annuity I	3.5% of redeposit ¹⁴

The Enhanced Commission Scales are based on production credit from policies or policy changes that have been issued and credit released and deposits on existing policies and mutual funds. In order for production credit to be earned for a specific period, the policy and or policy change must be issued and credit released no later than the end of a calendar quarter.

Production Credit Notes:

- For Life replacements, production credit will be given on the difference between the production credit calculated on the new policy and the old policy. First Year Excess is not adjusted for Replacements. Refer to Chapter 3, Section 4a for further information.
- Production credit for free looks is charged back in the month the free look is processed, including prior year policies.

¹² Includes only LBL product sales authorized through the Allstate agent channel.

¹³ The Protective fixed and index annuity products are issued by Protective Life and Annuity Insurance Company. Refer to Chapter 5, Section 4 for further information.

¹⁴ Production credit will be given on redeposits with an effective date of 1/1/2006 and later.

Production Credit Notes (continued):

- Production credit for terminations, deletions, decreases of insurance amount and changes is charged back when the activity is processed, including prior year business. Production credit will not be charged back for terminations due to death or annuitization.¹⁵
- Temporary flat extras on all policies do not receive production credit.
- Primary Term Riders do not receive production credit when the policy is issued and placed but do receive credit as excess deposits are received.
- For all split policies, production credit is equal to the original production credit multiplied by the split percentage that was selected on the application.

¹⁵ Carriers participating in the expanded market program may have different rules regarding chargebacks due to death. Contact the carrier for their specific rules. Any chargeback assessed by the carrier will also be assessed to production credit, commissions, and IPS if in the first year.

**Exhibit C Allstate Financial - Commission Schedule
(excludes New York)**

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SUPPLEMENT FOR THE R3001 AGREEMENT

The following schedule contains new business and renewal commission rates effective January 1, 2020. Rates apply to proprietary life policies written January 1, 2020 and later and to annuity deposits effective January 1, 2020 and later.

**COMMISSION SCHEDULE
(excludes New York)**

Product	First Year Commission %					Renewal Commission %				Trail* Comm Year 2+
	Writing Agent			Shared Comm	Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C							
Whole Life II	60	70	80	20		3	3	1.5		
Whole Life Tribute										
Base – Pay to age 121	60	70	80	20		3	3	1.5		
Whole Life Advantage										
Base – Pay to age 121	65	75	85	20		3	3	1.5		
Base – Pay to age 70	65	75	85	20		3	3	1.5		
Base – 20 Pay	49	59	69	16		3	3	1.5		
Base – 10 Pay	28	38	48	10		3	3	1.5		
Base – Single Pay	4	4.5	5	1						
Paid Up Insurance Rider	4	4.5	5	1						
TrueFit (Base Plan and riders) ¹										
10-13 Year Duration	55	65	75	20						
14-30 Year Duration	65	75	85	20						
Monthly Income Term (MIT)										
Coverage Term 10	55	65	75	20						
Coverage Term 20	65	75	85	20						
Allstate Basic Term	40	45	50	15						
Allstate Bridge UL										
Allstate Lifetime UL	65	75	85	20	3	3	3	1.5		
FutureBuilder UL										
FutureGrowth IUL										
Annuitization on Allstate/LBL Deferred Annuities	1.5	1.5	1.5							
<i>The following products are paid as a percent of Gross Commissions paid to Allstate</i>										
Protective Life Insurance Company										
Secure Saver										
Indexed Annuity II	40	50	60	10						53
Income Builder Indexed Annuity										
Asset Builder Indexed Annuity										
ProPayer Income Annuity										
Prudential										
PruSecure Fixed Indexed Annuity	40	50	60	10						53

¹ Riders and benefits (e.g., primary term rider, additional insured rider, children's term rider, accidental death, waiver of premium, etc.) will be paid at the same commission rate of the base plan duration; except for additional insured riders that have a duration shorter than the base plan. These additional insured riders will be paid at commission rates on the duration of the additional insured rider.

**COMMISSION SCHEDULE
(excludes New York)**

<i>Product</i>	<i>First Year Commission %</i>					<i>Renewal Commission %</i>				<i>Trail* Comm Year 2+</i>
	<i>Writing Agent</i>			<i>Shared Comm</i>	<i>Excess Prem</i>	<i>Year 2-5</i>	<i>Year 6-10</i>	<i>Year 11-20</i>	<i>Year 21+</i>	
	<i>Scale A</i>	<i>Scale B</i>	<i>Scale C</i>							
Lincoln Financial Group OptiBlend Fixed Indexed Annuity Covered Choice Fixed Indexed Annuity	40	50	60	10						53
The CRUMP Group, Inc Long Term Care, Disability Income, Impaired Life	55	65	75	10		80	80	80	80	

*Trail rates displayed for annuities and life policies represent an annual rate which is prorated based on the frequency of payments. Trails continue until annuitization or termination of the policy.

**Exhibit D Allstate Financial - Commission Schedule
for Discontinued Products (excludes New
York)**

0
0
0
1
5
9
2
0
5
0
8
1
6
2
0
2
1

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %				Renewal Commission %				Trail* Comm Year 2+	
	12 MM Production Credit			Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+		
	Scale A	Scale B	Scale C							
Maximum Term (1RT)	NA					3	3	3	3	
Home Mortgage Protection						3	3	3	3	
Elite Index UL					3	3	3	3	3	
Additional Insured Rider										
Primary Insured Term Rider										
Golden Achiever					2	2	2			
Ultra Achiever (Age 76+)					3	3	3	2		
Saver's Index Annuity II								3.25 ¹	3.25 ¹	3.25 ¹
Saver's Choice Annuity										
Saver's Choice Premiere Annuity										
Revised Whole Life (Effective 09/01/2006 - 01/07/2007)	60	70	80		3	3	3	3		
Revised Whole Life (Effective 01/08/2007 and later)	55	65	75		3	3	1.5			
Whole Life Advantage (Revised 10/15/2018)										
Base – Pay to age 121	60	70	80		3	3	1.5			
Base – Pay to age 70	60	70	80		3	3	1.5			
Base – 20 Pay	45	55	65		3	3	1.5			
Base – 10 Pay	25	35	45		3	3	1.5			
Base – Single Pay	3.75	4.25	4.75							
Paid Up Insurance Rider	3.75	4.25	4.75							
Universal Life Premiere	60	70	80	5	3	3	3	3		
Additional Insured Rider	60	70	80							
Primary Insured Term Rider	60	70	80							
UL100R	60	70	80	3	3	3	3	3		
Additional Insured Rider	60	70	80							
UL Children's Level Term Rider	60	70	80							
Estate Executor (2 nd to Die)	60	70	80	3	3	3	3			
GoodForLife	10	10	10		10	10	10	10		
GrowthProtector ²										
Option A Deposit Ages 0-75	1.19	1.53	1.87							
76-85	0.69	0.89	1.09							
Option B Deposit Ages 0-75	1.19	1.53	1.87					0.30 ³		
76-85	0.45	0.69	0.90					0.30 ³		

¹ Renewal paid for each subsequent 7-year term and based on the policy value at the beginning of the new 7-year period.

² No commission is paid on the purchase payment bonus amount.

³ Trail amounts will be paid quarterly using the annual rate shown divided by four (4).

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %				Renewal Commission %				Trail* Comm Year 2+	
	12 MM Production Credit			Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+		
	Scale A	Scale B	Scale C							
IncomeProtector Option A	Deposit Ages	0-75	2.40	2.88	3.36					
		76-85	1.39	1.67	1.95					
Treasury Linked Annuity (effective until 01/07/2007)	Deposit Ages	0-80	1.70	2.04	2.38					
		81-85	1.25	1.50	1.75					
		86-90	0.45	0.54	0.63					
Treasury Linked Annuity ⁴ (effective 01/08/2007)	Deposit Ages	0-75	1.70	2.04	2.38					
		76-80	1.10	1.32	1.54					
		81-90	0.45	0.54	0.63					
Treasury Linked Annuity II	Deposit Ages	0-75	3.35	4.02	4.69					0.25 ⁵
		76-80	2.20	2.64	3.08					0.25 ⁵
		81-90	1.05	1.26	1.47					0.25 ⁵
Saver's Premiere Annuity	Deposit Ages	0-80	1.23	1.58	1.93					
		81-85	0.98	1.26	1.54					
		86-90	0.61	0.79	0.96					
Elite Index Annuity 7-Year Redeposit	Deposit Ages	0-75	2.50	3.00	3.50					
		76-85	0.10	0.12	0.14					
Protector Plus (5RT)			55	66	77		3	3	3	3
Allstate Level Best Gold			55	66	77		2			
Allstate Level Best Platinum			55	66	77		2			
Ultra 100 Plus			60	70	80	3	3	3	3	
Ultra 2000			60	70	80	3	3	3	3	
Ultra 2000 Plus			60	70	80	3	3	3	2	
Ultra Plus UL			60	70	80	3	3	3	1.5	
Ultra Index UL			60	70	80	3	3	3	1.5	
Legacy Choice UL			60	70	80	3	3	3	1.5	
Legacy Secure UL			60	70	80	3	3	3	1.5	
Legacy Secure II			60	70	80	3	3	3	1.5	

⁴ Refer to chapter 2, section 2 for commission information on Window Period Renewals.

⁵ Trail commissions begin in years 11+ for contracts with the Enhanced Lifetime Income Rider and will cease if the rider is removed from the contract for any reason.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %				Renewal Commission %				Trail* Comm Year 2+
	12 MM Production Credit			Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C						
Legacy Secure SL	60	70	80	3	3	3	1.5		
Legacy Premier UL	60	70	80	3	3	3	1.5		
Legacy Premier SL	60	70	80	3	3	3	1.5		
Guaranteed Term Gold & Platinum	55	66	77		2				
LBL Level Best Term Gold	55	66	77		2				
LBL Level Best Term Platinum	55	66	77		2				
TrueTerm 2009 (Base Plan and ROP rider) ⁶									
10-Year Duration ⁷	48	58	67		2				
15-Year & 20-Year Duration	55	66	77		2				
30-Year Duration	59	71	83		2				
TrueTerm 2012 (Base Plan and riders) ⁸ (effective until 12/31/2016)									
10-13 Year Duration	50	60	70		2				
14-18 Year Duration	60	70	80		2				
19-25 Year Duration	60	70	80		2				
26-30 Year Duration	60	70	80		2				
Impaired life (CBIZ) % of GDC as earned	80	80	80						
Advantage Plus Annuity									
Deposit Ages 0-80	1.23	1.58	1.93						
81-85	0.98	1.26	1.54						
86-90	0.61	0.79	0.96						
Tactician 10									
Guarantee Period 1 Year	0.40	0.48	0.56		0.40 ⁹				
2 Years	0.80	0.96	1.12						
3 Years	1.30	1.56	1.82						
4 Years	1.80	2.16	2.52						
5-10 Years	2.30	2.76	3.22						

⁶ The AIR commission rate is based on the term of the rider not the term of the base plan.

⁷ The Return of Premium (ROP) rider is not available on the 10-year duration.

⁸ Riders and benefits (e.g., primary term rider, additional insured rider, children's term rider, accidental death, waiver of premium, etc) will be paid at the same commission rate of the base plan duration; with the exception of additional insured riders that have a duration shorter than the base plan. These additional insured riders will be paid at commission rates on the duration of the additional insured rider.

⁹ Renewals paid in years 2-5 on payments with 1-year guarantee rate only.

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %				Renewal Commission %				Trail* Comm Year 2+
	12 MM Production Credit			Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C						
Tactician Plus									
Guarantee Period	1 Year								
Deposit Ages	0-75	1.23	1.58	1.93	0.40 ⁹				
	76-85	0.92	1.18	1.44					
	86-90	0.61	0.79	0.96					
Tactician Plus¹⁰ (effective until 01/07/2007)									
Guarantee Period	5 Years								
Deposit Ages	0-75	2.30	2.76	3.22					
	76-85	1.73	2.08	2.42					
	86-90	1.15	1.38	1.61					
Guarantee Period	6 Years								
Deposit Ages	0-75	1.05	1.26	1.47					
	76-85	0.79	0.95	1.11					
	86-90	0.53	0.64	0.74					
Guarantee Period	7 Years								
Deposit Ages	0-75	2.30	2.76	3.22					
	76-85	1.73	2.08	2.42					
	86-90	1.15	1.38	1.61					
Guarantee Period	8 Years								
Deposit Ages	0-75	2.30	2.76	3.22					
	76-85	1.73	2.08	2.42					
	86-90	1.15	1.38	1.61					
Guarantee Period	9 Years								
Deposit Ages	0-75	1.05	1.26	1.47					
	76-86	0.79	0.95	1.11					
	86-90	0.53	0.64	0.74					
Guarantee Period	10 years								
Deposit Ages	0-75	2.30	2.76	3.22					
	76-85	1.73	2.08	2.42					
	86-90	1.15	1.38	1.61					

¹⁰ Refer to chapter 2, section 2 for commission information on Window Period Renewals.

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %				Renewal Commission %				Trail* Comm Year 2+
	12 MM Production Credit			Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C						
Tactician Plus ¹¹ (effective 01/08/2007 and later)									
Guarantee Period 5 Years									
Deposit Ages 0-75	1.23	1.58	1.93						
76-80	0.92	1.19	1.45						
81-90	0.61	0.79	0.96						
Guarantee Period 6 Years									
Deposit Ages 0-75	1.23	1.58	1.93						
76-80	0.92	1.19	1.45						
81-90	0.62	0.80	0.97						
Guarantee Period 7 Years									
Deposit Ages 0-75	1.23	1.58	1.93						
76-80	0.92	1.19	1.45						
81-90	0.61	0.79	0.96						
Guarantee Period 8 Years									
Deposit Ages 0-75	1.23	1.58	1.93						
76-80	0.92	1.19	1.45						
81-90	0.61	0.79	0.96						
Guarantee Period 9 Years									
Deposit Ages 0-75	1.23	1.58	1.93						
76-80	0.92	1.19	1.45						
81-90	0.62	0.80	0.97						
Guarantee Period 10 years									
Deposit Ages 0-75	1.23	1.58	1.93						
76-80	0.92	1.19	1.45						
81-90	0.61	0.79	0.96						
Futurist Gold Annuity I									
Deposits in years 1-3	1.23	1.58	1.93						
4-7	0.75	0.97	1.18						
8-20	0.38	0.48	0.59						
21+	0.00	0.00	0.00						
Saver's Index Annuity I ¹²									
Deposit Ages 0-75	3.25	3.90	4.55		3.25 ¹³	3.25 ¹³	3.25 ¹³		
76+	2.28	2.74	3.19						
7-Year Redeposit									
Deposit Ages 0-75	2.50	3.00	3.50						
76+	0.10	0.12	0.14						

¹¹ Refer to chapter 2, section 2 for commission information on Window Period Renewals.

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %				Renewal Commission %				Trail* Comm Year 2+
	12 MM Production Credit			Excess Prem	Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C						
Saver's Index Annuity III									
Deposit Ages 0-75	1.19	1.53	1.87						
76+	0.83	1.07	1.31						
SureHorizon FPDA ¹⁴ (effective until 01/07/2007)									
Contract Year 1 – Deposit Ages 0-75	1.23	1.58	1.93						
76-85	0.84	1.08	1.32						
86-90	0.43	0.55	0.67						
Contract Year 2 - Deposit Ages 0-75	1.23	1.58	1.93						
76-85	0.82	1.05	1.28						
86-90	0.38	0.49	0.60						
Contract Year 3 – Deposit Ages 0-75	1.23	1.58	1.93						
76-85	0.79	1.02	1.24						
86-90	0.32	0.41	0.50						
Contract Year 4 – Deposit Ages 0-75	1.23	1.58	1.93						
76-85	0.72	0.93	1.13						
86-90	0.07	0.09	0.11						
Contract Year 5 – Deposit Ages 0-75	1.23	1.58	1.93						
76-85	0.00	0.00	0.00						
86-90	0.00	0.00	0.00						
Contract Year 6 – Deposit Ages 0-75	1.23	1.58	1.93						
76-85	0.00	0.00	0.00						
86-90	0.00	0.00	0.00						
Contract Year 7+ – Deposit Ages All	0.00	0.00	0.00						

¹² This product has been discontinued effective May 16, 2005 in all states where the Revised Saver's Index Annuity I has been approved.

¹³ Renewal paid for each subsequent 7-year term and based on the policy value at the beginning of the new 7-year period.

¹⁴ Commissions are paid based on the policy (contract) year in which the deposit is applied.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %			Excess Prem	Renewal Commission %				Trail* Comm Year 2+
	12 MM Production Credit				Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C						
SureHorizon FPDA ¹⁵ (effective 01/08/2007)									
Contract Year 1 – Deposit Ages									
0-75	3.00	3.60	4.20						
76-80	2.05	2.46	2.87						
81-90	1.05	1.26	1.47						
Contract Year 2 - Deposit Ages									
0-75	2.25	2.70	3.15						
76-80	1.50	1.80	2.10						
81-90	0.70	0.84	0.98						
Contract Year 3 – Deposit Ages									
0-75	1.55	1.86	2.17						
76-80	1.00	1.20	1.40						
81-90	0.40	0.48	0.56						
Contract Year 4 – Deposit Ages									
0-75	0.85	1.02	1.19						
76-80	0.50	0.60	0.70						
81-90	0.05	0.06	0.07						
Contract Year 5 – Deposit Ages									
0-75	0.15	0.18	0.21						
76-80	0.00	0.00	0.00						
81-90	0.00	0.00	0.00						
Contract Year 6 – Deposit Ages									
0-75	0.15	0.18	0.21						
76-80	0.00	0.00	0.00						
81-90	0.00	0.00	0.00						
Contract Year 7+ – Deposit Ages									
All	0.00	0.00	0.00						
Protective ProSaver Secure II Annuity (with or without ROP) Effective through 6/30/2014 % of Gross Commissions									
Deposit Ages 0-85	35	45	55						
Protective ProSaver Secure II Annuity ¹⁶ (with or without ROP) % of Gross Commissions									
Deposit Ages 0-85	35	45	55						

¹⁵ Commissions are paid based on the policy (contract) year in which the deposit is applied.

¹⁶ The Protective ProSaver Secure II is issued by Protective Life and Annuity Insurance Company. Refer to chapter 5, section 4.0 for further information.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(excludes New York)**

Product	First Year Commission %			Excess Prem	Renewal Commission %				Trail* Comm Year 2+
	12 MM Production Credit				Year 2-5	Year 6-10	Year 11-20	Year 21+	
	Scale A	Scale B	Scale C						
Voya Quest Plus Index Annuity ¹⁷	35	45	55					53	
Voya Quest 5 Index Annuity ¹⁷	35	45	55					53	
Voya Quest 7 Index Annuity ¹⁷	35	45	55					53	
Voya Financial Secure Index Five ¹⁸	35	45	55					53	
Voya Financial Secure Index Seven ¹⁸	35	45	55					53	
Voya Financial Secure Index Opportunities ¹⁸	35	45	55					53	
Voya Financial Secure Index Outlook ¹⁸	35	45	55					53	
Voya Financial SPIA (Immediate)	35	45	55					53	
Voya Financial Lifetime Income	35	45	55					53	
Voya Financial Income Provider CW (SPIA)	35	45	55					53	
Voya Financial Wealth Builder Plus	35	45	55					53	

¹⁷ This product is not available in MN, NJ, NY, or WA.

¹⁸ This product is only available in MN, MJ, NY and WA.

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(Excludes New York)**

Product	Deposit Commission %			Trail Commission ¹⁹ %*		
	12MM Solo Production Credit			Accumulation	Enhanced Lifetime Income Rider Accumulated Trail ²⁰	Payout
	Scale A	Scale B	Scale C			
Revised Saver's Index Annuity I						
Deposit Ages 0-75	2.60	3.12	3.64			
76+	1.55	1.86	2.17			
7-Year Redeposit						
Deposit Ages 0-75	2.50	3.00	3.50			
76+	0.10	0.12	0.14			
Revised Saver's Index Annuity I Oregon/Washington						
Deposit Ages 0-80	2.60	3.12	3.64			
81-85	1.75	2.10	2.45			
86+	0.80	0.96	1.12			
Revised Saver's Index Annuity III (effective until 08/15/2010) Option A						
Contract Year 1 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.77	0.99	1.21			0.25 yr 11+
Contract Year 2 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.76	0.98	1.20			0.25 yr 11+
Contract Year 3 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.74	0.95	1.16			0.25 yr 11+
Contract Year 4 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.73	0.94	1.15			0.25 yr 11+
Contract Year 5 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.71	0.91	1.11			0.25 yr 11+
Contract Year 6 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.66	0.85	1.03			0.25 yr 11+
Contract Year 7 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.66	0.85	1.03			0.25 yr 11+
Contract Year 8 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.64	0.82	1.01			0.25 yr 11+
Contract Year 9 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.56	0.71	0.87			0.25 yr 11+
Contract Year 10 - Deposit Ages 0-75	1.19	1.53	1.87			0.25 yr 11+
76+	0.30	0.38	0.47			0.25 yr 11+

¹⁹ Accumulated value trail commission will be paid quarterly using the annual rate shown on this schedule divided by four (4). The trail will be paid on contract value for contracts that are at least 15 months old and will end when the contract is annuitized.

²⁰ Accumulated Value Trails for the Enhanced Lifetime Income Rider will cease if the rider is removed from the contract for any reason.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(Excludes New York)**

Product	Deposit Commission %			Trail Commission ¹⁹ %*		
	12MM Solo Production Credit			Accumulation	Enhanced Lifetime Income Rider Accumulated Trail ²⁰	Payout
	Scale A	Scale B	Scale C			
Revised Saver's Index Annuity III (effective until 08/15/2010) Option B						
Contract Year 1 - Deposit Ages 0-75	3.75	4.80	5.85			0.25 yr 11+
76+	2.35	3.03	3.71			0.25 yr 11+
Contract Year 2 - Deposit Ages 0-75	3.10	4.02	4.94			0.25 yr 11+
76+	1.90	2.49	3.08			0.25 yr 11+
Contract Year 3 - Deposit Ages 0-75	2.45	3.24	4.03			0.25 yr 11+
76+	1.40	1.89	2.38			0.25 yr 11+
Contract Year 4 - Deposit Ages 0-75	1.75	2.40	3.05			0.25 yr 11+
76+	0.95	1.35	1.75			0.25 yr 11+
Contract Year 5 - Deposit Ages 0-75	1.10	1.62	2.14			0.25 yr 11+
76+	0.50	0.81	1.12			0.25 yr 11+
Contract Years 6 and 7 - Deposit Ages 0-75	0.40	0.78	1.16			0.25 yr 11+
76+	0.00	0.21	0.42			0.25 yr 11+
Contract Year 8+ - Deposit Ages All	0.00	0.00	0.00			0.25 yr 11+
Revised Saver's Index Annuity III (effective 08/16/2010 and later)						0.25 yr 11+
Contract Year 1 - Deposit Ages 0-75	2.40	2.88	3.36			0.25 yr 11+
76+	1.39	1.67	1.95			0.25 yr 11+
Contract Year 2 - Deposit Ages 0-75	2.06	2.47	2.88			0.25 yr 11+
76+	1.16	1.39	1.62			0.25 yr 11+
Contract Year 3 - Deposit Ages 0-75	1.73	2.08	2.42			0.25 yr 11+
76+	0.91	1.09	1.27			0.25 yr 11+
Contract Year 4 - Deposit Ages 0-75	1.36	1.63	1.90			0.25 yr 11+
76+	0.68	0.82	0.95			0.25 yr 11+
Contract Year 5 - Deposit Ages 0-75	1.03	1.24	1.44			0.25 yr 11+
76+	0.45	0.54	0.63			0.25 yr 11+
Contract Year 6 - Deposit Ages 0-75	0.66	0.79	0.92			0.25 yr 11+
76+	0.20	0.24	0.28			0.25 yr 11+
Contract Year 7 - Deposit Ages 0-75	0.66	0.79	0.92			0.25 yr 11+
76+	0.20	0.24	0.28			0.25 yr 11+
Contract Year 8 - Deposit Ages 0-75	0.51	0.61	0.71			0.25 yr 11+
76+	0.17	0.20	0.24			0.25 yr 11+
Contract Year 9 - Deposit Ages 0-75	0.23	0.28	0.32			0.25 yr 11+
76+	0.05	0.06	0.07			0.25 yr 11+
Contract Year 10 - Deposit Ages All	0.05	0.06	0.07			0.25 yr 11+

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(Excludes New York)**

Product	Deposit Commission %			Trail Commission ¹⁹ %*		
	12MM Solo Production Credit			Accumulation	Enhanced Lifetime Income Rider Accumulated Trail ²⁰	Payout
	Scale A	Scale B	Scale C			
SureHorizon Choice Annuity						
Deposit Ages 0-75	1.50	1.80	2.10			0.25 yr 10+
76-80	0.90	1.08	1.26			0.25 yr 10+
81-90	0.20	0.24	0.28			0.25 yr 10+
SureHorizon Annuity II ²¹						
Contract Year 1 – Deposit Ages 0-75	1.23	1.58	1.93			0.25 yr 7+
76-80	0.84	1.08	1.32			0.25 yr 7+
81-90	0.43	0.55	0.67			0.25 yr 7+
Contract Year 2 - Deposit Ages 0-75	1.23	1.58	1.93			0.25 yr 7+
76-80	0.82	1.05	1.28			0.25 yr 7+
81-90	0.38	0.49	0.60			0.25 yr 7+
Contract Year 3 – Deposit Ages 0-75	1.23	1.58	1.93			0.25 yr 7+
76-80	0.79	1.02	1.24			0.25 yr 7+
81-90	0.32	0.41	0.50			0.25 yr 7+
Contract Year 4 – Deposit Ages 0-75	1.23	1.58	1.93			0.25 yr 7+
76-80	0.72	0.93	1.13			0.25 yr 7+
81-90	0.07	0.09	0.11			0.25 yr 7+
Contract Year 5 – Deposit Ages 0-75	1.23	1.58	1.93			0.25 yr 7+
76-90	0.00	0.00	0.00			0.25 yr 7+
Contract Year 6 – Deposit Ages 0-75	1.23	1.58	1.93			0.25 yr 7+
76-90	0.00	0.00	0.00			0.25 yr 7+
Contract Year 7+ – Deposit Ages All	0.00	0.00	0.00			0.25 yr 7+
Saver's Index Annuity Plus						
Deposit Ages 0-75	2.25	2.70	3.15		0.50 yr 6+	0.25 yr 6+
76-85	1.35	1.62	1.89		0.50 yr 6+	0.25 yr 6+
Saver's Index Annuity Premier						
Option A Deposit Ages 0-75	2.40	2.88	3.36		0.25 yr 11+	0.25 yr 11+
76-85	1.39	1.67	1.95		0.25 yr 11+	0.25 yr 11+
Option B Deposit Ages 0-75	0.90	1.38	1.86	0.30 yr 2+	0.40 ²² yr 11+	0.25 yr 2+
76-85	0.34	0.62	0.89	0.30 yr 2+	0.40 ²² yr 11+	0.25 yr 2+

*Annuitization trail commissions, during the annuitization phase, will begin paying after the withdrawal charge period expires on the contract, if commission Option A is selected or required. If commission Option B is available and selected, the annuitization trails will begin paying in the second year of the annuitization phase. Trail commissions are based on the hypothetical commuted value (present value of the remaining annuity payments) of the annuitized plan selected. Trail commissions will be payable on the same frequency as the annuity payments selected by the Contract Owner (i.e. Contract month, Contract quarter, etc.) at a rate of 25 basis points per year.

²¹ Commissions are paid based on the policy (contract) year in which the deposit is applied.

²² Trail commission for the SIA Premier Option B with the Enhanced Lifetime income Rider (ELIR) is equal to .70 (the accumulation trail rate of .30 plus the ELIR accumulated trail rate of .40) in years 11+.

SUPPLEMENT FOR THE R3001 AGREEMENT

**LBL LONG TERM CARE²³
DISCONTINUED PRODUCTS**

SeniorLinc SeniorLinc Premier Countrywide New Business (Excluding State Exceptions)	Renewals	
	Year 2-3	Year 4-10
Non-Endorsed Groups		
Policies only	5	5
Riders only	0	0
10-Pay Option & Riders	2	2
Endorsed Groups		
Policies only	3	3
Riders only	0	0
10-Pay Option & Riders	0	0
State Exceptions – New Business		
Delaware		
Non-Endorsed Groups		
Policies & Riders	14	5
10-Pay Option & Riders	14	2
Endorsed Groups		
Policies & Riders	10	3
10-Pay Option & Riders	10	0
Indiana		
Non-Endorsed Groups	18	18 ²⁴
Endorsed Groups	15	15 ²⁴
Michigan (Ages 65 and over)		
Non-Endorsed Groups - All	15	4
Endorsed Groups - All	15	4
Pennsylvania		
Non-Endorsed Groups - All	5	5
Endorsed Groups - All	3	3
Wisconsin		
Non-Endorsed Groups - All	10	10
Endorsed Groups - All	8	8
State Exceptions – Replacements		
Alabama		
Non-Endorsed Groups		
Policies & Riders	5	5
10-Pay Option & Riders	2	2
Endorsed Groups		
Policies & Riders	5	5
10-Pay Option & Riders	0	0

²³ Product has been discontinued effective 10/31/2005.

²⁴ Renewals paid in years 4-6 only.

**LBL LONG TERM CARE²³
DISCONTINUED PRODUCTS**

SeniorLinc SeniorLinc Premier	Renewals	
California		
Non-Endorsed Groups Policies & Riders	5	5
10-Pay Option & Riders	2	2
Endorsed Groups Policies & Riders	5	5
10-Pay Option & Riders	0	0
Kentucky		
Non-Endorsed Groups - All	5	5
Endorsed Groups - All	5	5
Pennsylvania		
Non-Endorsed Groups - All	5	5
Endorsed Groups - All	4	4
Wisconsin		
Non-Endorsed Groups - All	10	10
Endorsed Groups - All	10	10

SUPPLEMENT FOR THE R3001 AGREEMENT

**Exhibit E Allstate Financial - Allstate Benefits
Commission Schedule (excludes New
York)**

SUPPLEMENT FOR THE R3001 AGREEMENT



Allstate.
Benefits

**COMMISSION SCHEDULE
E Contract Series**

RENEWALS

	1st Year	Year 2	Year 3	Year 4	Year 5	Years 6-10	Service Fees 11th Year & After
WHOLE LIFE ⁴							
IWL, GWL - Paper	70	1.5	1.5	1.5	1.5	1.5	1.5
IWL, GWL - Electronic	75	1.5	1.5	1.5	1.5	1.5	1.5
UNIVERSAL LIFE ³							
UL20P - Paper	70	2.0	2.0	2.0	2.0	2.0 ²	2.0
UL20P CGI - Paper	70	1.5	1.5	1.5	1.5	1.5 ²	1.5
UL20P - Electronic	75	2.0	2.0	2.0	2.0	2.0 ²	2.0
UL20P CGI - Electronic	75	1.5	1.5	1.5	1.5	1.5 ²	1.5
UL21P - Paper	50	1.5	1.5	1.5	1.5	1.5 ²	1.5
UL21P CGI - Paper	45	1.5	1.5	1.5	1.5	1.5 ²	1.5
UL21P - Electronic	55	1.5	1.5	1.5	1.5	1.5 ²	1.5
UL21P CGI - Electronic	50	1.5	1.5	1.5	1.5	1.5 ²	1.5
UL21P CGI - Electronic (large cases) ¹	55	1.5	1.5	1.5	1.5	1.5 ²	1.5
GUL22P SI - Paper	70	2	2	2	2	2	1.1
GUL22P CGI - Paper	70	1.5	1.5	1.5	1.5	1.5	1.5
GUL22P SI - Electronic	75	2	2	2	2	2	1.1
GUL22P CGI - Electronic	75	1.5	1.5	1.5	1.5	1.5	1.5
GUL23P - Paper	70	1.5	1.5	1.5	1.5	1.5	1.5
GUL23P - Electronic	75	1.5	1.5	1.5	1.5	1.5	1.5
TERM							
Horizon 20 Year Term	50	2.0	2.0	2.0	2.0	2.0	1.0
Horizon 20 Year Term CGI	45	2.0	2.0	2.0	2.0	2.0	1.0
GROUP TERM TO 100 ⁴							
Group Term to 100 - Paper	60	2.0	2.0	2.0	2.0	2.0	0.0
Group Term to 100 - Electronic	65	2.0	2.0	2.0	2.0	2.0	0.0

All Riders pay the same commission as the base policy to which attached.

¹ Large cases (1000 + lives) that enroll electronically may be eligible. Requires AHL approval prior to enrollment.

² Renewal rate is doubled in year 6 only.

³ First year premium in excess of Target Premiums will be commissioned at the renewal rate.

⁴ Internal replacements, if any, will only be paid at renewal commission rates

1 = First Year—On premium processed within 14 months of policy date for policy year 1.

R = Renewal—On premium processed: (i) after 14 months of policy date for policy year 1, or (ii) before 11 years of policy date for policy years 2-10.

S = Service Fees—If Producer is appointed and contracted with AHL, on premium: (i) processed 11 years or more after policy date, or (ii) for policy years 11 and after.

The payment of commissions is governed solely by the terms and conditions of the written agreement between AHL and the Producer. This schedule expresses commissions as a percentage of qualifying premium, as determined by that written agreement. Nothing contained herein shall be construed as a contract or offer to contract. The information contained herein is subject to change without notice. Commissions on premium rate increases implemented after policy issue will be determined by AHL at the time of implementation.

Life3 (9/19)

SUPPLEMENT FOR THE R3001 AGREEMENT



**COMMISSION SCHEDULE
MOST STATES*
E Contract Series**

	Electronic			Paper		
	1st Year	Renewals Years 2-10	Service Fees 11th Year & After	1st Year	Renewals Years 2-10	Service Fees 11th Year & After
INDIVIDUAL CANCER/SPECIFIED DISEASE						
CP12 - Base Policy and all riders						
Issue Ages 18-54	27	5	5	27	5	5
Issue Ages 55-80	27	5	5	27	5	5
CP10 - Base Policy and all riders						
Issue Ages 18-54	40	5	5	40	5	5
Issue Ages 55-84	16	0	0	16	0	0
CBP5	25	3.25	3.25	25	3.25	3.25
PROVIDER/ADVANTAGE CANCER SERIES						
FORMS: CBP1/2 AND CBP3/4						
Base Policy and all riders except Return of Premium						
Issue Ages 18-59	50	5	5	50	5	5
Issue Ages 60-64**	25	2.5	2.5	25	2.5	2.5
Base Policy and all riders with Return of Premium						
Issue Ages 18-59	50	4.67	4.67	50	4.67	4.67
Issue Ages 60-64**	25	2.33	2.33	25	2.33	2.33
GROUP VOLUNTARY CANCER 2						
Plan 1	27	5	5	27	5	5
Plan 2	18	5	5	18	5	5
Plan 3	5	5	5	5	5	5
GROUP VOLUNTARY CANCER 3	27	5	5	27	5	5
INDIVIDUAL CRITICAL ILLNESS	45	5	1.5	45	5	1.5
MY LIFELINE GROUP CRITICAL ILLNESS 1	32	5	5	27	5	5
GROUP VOLUNTARY CRITICAL ILLNESS 2						
Full Portability	45	5	5	40	5	5
COIC2 to 70	45	3	3	40	3	3
GROUP VOLUNTARY CRITICAL ILLNESS 4						
Issue Age	45	3	3	40	3	3
Attained Age	16	16	16	16	16	16
INDIVIDUAL DISABILITY INCOME						
DISW	34	6.5	1.5	34	6.5	1.5
DISW Select CGI	29	5	1.5	29	5	1.5
ABR1 Rider to DI	34	6.5	2	34	6.5	2
INDIVIDUAL ACCIDENT						
AP6 - Base Policy and all riders	25	5	5	20	5	5
AP2/AP3	27	5.5	5.5	27	5.5	5.5
AP2/AP3 Select CGI	22	5.5	5.5	22	5.5	5.5
Riders APDIRS, APHCR1, APOPTR1	27	3.25	3.25	27	3.25	3.25
Riders AP2BER, AP3BER, AP2EXT, AP3EXT	27	3.25	3.25	27	3.25	3.25
Rider APDIRC Select CGI	22	3.25	3.25	22	3.25	3.25
Riders AP2BER, AP3BER Select CGI	22	3.25	3.25	22	3.25	3.25
Riders AP2EXT, AP3EXT Select CGI	22	3.25	3.25	22	3.25	3.25
GROUP VOLUNTARY ACCIDENT 1						
Without Riders (1 - 1.5 units)	5	5	5	5	5	5
With/Without Riders (2 or more units)	37	5	5	32	5	5
GROUP VOLUNTARY ACCIDENT 2	37	5	5	32	5	5
GROUP VOLUNTARY ACCIDENT 8	25	5	5	20	5	5
GROUP VOLUNTARY SHOP						
(1 unit) Hosp Benefit	14	5	5	14	5	5
(2 - 6 units) Hosp Benefit	27	5	5	22	5	5
PAYROLL SHOP						
Base and Riders	29	5.5	5.5	28	5.5	5.5
Base and Riders - Select CGI	24	5.5	5.5	24	5.5	5.5
HEART/STROKE						
HSP2 and Riders	45	8	8	45	8	8
DIRECT SHOP	19	5.5	5.5	18	5.5	5.5
GROUP VOLUNTARY DISABILITY INCOME (Issue Age)	29	5	5	24	5	5

*This commission schedule applies to products sold in most states. Please consult the special states commission schedule for any variation in your state.

**No reduction after age 59 on direct sales.

Commission on premium rate increases implemented after policy issue will be determined by AHL at time of implementation. AP2 and AP3 in Florida (non-cancellable version) equal the most states commissions listed above.

1 = First Year - On premium processed within 14 months of policy date for policy year 1.

R = Renewal - On premium processed: (i) after 14 months of policy date for policy year 1, or (ii) before 11 years of policy date for policy years 2-10.

S = Service Fees - If agent is appointed and contracted with AHL, on premium: (i) processed 11 years or more after policy date, or (ii) for policy years 11 and after.

The payment of commissions is governed solely by the terms and conditions of the written agreement between AHL and the Producer. This schedule expresses commissions as a percentage of qualifying premium, as determined by that written agreement. Nothing contained herein shall be construed as a contract or offer to contract. The information contained herein is subject to change without notice. Commissions on premium rate increases implemented after policy issue will be determined by AHL at the time of implementation.

SUPPLEMENT FOR THE R3001 AGREEMENT



COMMISSION SCHEDULE
SPECIAL STATES
E Contract Series

Benefits	Electronic		Service Fees 11th Year & After	Paper		Service Fees 11th Year & After
	Renewals 1st Year Years 2-10	Renewals 1st Year Years 2-10		1st Year	Years 2-10	
HEALTH PLANS						
DISW						
FL	34	5	1.5	34	5	1.5
MI, NH, NJ, VT, WV	24	5	2	24	5	2
DISW SELECT CGI						
FL	29	2	1.5	29	2	1.5
MI, NH, NJ, VT, WV	19	2	2	19	2	2
AP1 (base and addrs)						
DE, DC, KY, ME, OH, SC, VT	20	3.25	3.25	15	3.25	3.25
CO, MD, MN, SD, WA	17	1.5	1.5	17	1.5	1.5
AP2						
MA, MN, NJ, RI	25	3.25	3.25	28	3.25	3.25
FL (Corrective Action) *	14	5	5	14	5	5
AP2 SELECT CGI						
MA, MN, NJ, RI	20	3.25	3.25	20	3.25	3.25
FL (Corrective Action) *	14	5	5	14	5	5
AP3						
MA	25	3.25	3.25	25	3.25	3.25
NJ, RI	18.5	3.25	3.25	18.5	3.25	3.25
FL (Corrective Action) *	14	5	5	14	5	5
AP3 SELECT CGI						
MA	20	3.25	3.25	20	3.25	3.25
NJ, RI	13.5	3.25	3.25	13.5	3.25	3.25
FL (Corrective Action) *	14	5	5	14	5	5
ABR1 - MI, VT, WV	25	5	2	25	5	2
APDR8						
OR	25	3.25	3.25	25	3.25	3.25
ND, NH, VT, WV	15	3.25	3.25	15	3.25	3.25
NJ	8	3.25	3.25	8	3.25	3.25
APDRC						
OR	20	3.25	3.25	20	3.25	3.25
ND, NH, VT, WV	10	3.25	3.25	10	3.25	3.25
NJ	5	3.25	3.25	5	3.25	3.25
APHCR1, APOPTR1						
IN, MI, MN, NH, ND, SC, SD, VT, WV	30	3.25	3.25	30	3.25	3.25
APHCR1, APOPTR1 SELECT CGI						
IN, MI, MN, NH, ND, SC, SD, VT, WV	25	3.25	3.25	25	3.25	3.25
AP3BER, AP3BER, AP3EXT, AP3EXT						
MI, MN, ND, NH, NJ, WV	16	3.25	3.25	16	3.25	3.25
AP3BER, AP3BER, AP3EXT, AP3EXT SELECT CGI						
MI, MN, ND, NH, NJ, WV	10	3.25	3.25	10	3.25	3.25
PAYROLL SHOP						
FL	23.9	3.7	3.7	23.9	3.7	3.7
IN, MI, NH, SC, SD	25	1	1	25	1	1
IN, MI, NH, SC, SD - Select CGI	20	1	1	20	1	1
PA	29	4.4	4.4	29	4.4	4.4
PA - Select CGI	24	4.4	4.4	24	4.4	4.4
DIRECT SHOP						
FL	23.9	3.7	3.7	23.9	3.7	3.7
PA	19	4.4	4.4	19	4.4	4.4
IN, MI, NH, SC, SD	25	1	1	25	1	1
HBP2 - MD, MI, OR, SC, SD	49	2	2	49	2	2
CP1						
ND, MN, NJ, SD (Ages 18-64)	22.5	5	5	22.5	5	5
WA (Ages 18-64)	18	5	5	18	5	5
ND, MN, NJ, SD (Ages 65-80)	22.5	5	5	22.5	5	5
WA (Ages 65-80)	18	5	5	18	5	5
CP10						
WA (Ages 18-64)	15	3.25	3.25	15	3.25	3.25
OR (Ages 18-64)	40	0	0	40	0	0
ND, OR, WA (Ages 65-84)	16	0	0	16	0	0
ND (Ages 18-64)	40	1.75	1.75	40	1.75	1.75
WY (All Ages)	40	5	5	40	5	5
CBP1/2						
WA (All Ages)	16	3.25	3.25	16	3.25	3.25
MI (All Ages)	91	3.25	3.25	20	3.25	3.25
NE, OR (All Ages)	45	3.25	3.25	45	3.25	3.25
ND (All Ages)	50	3.25	3.25	50	3.25	3.25
WY (All Ages)	35	5	5	35	5	5
NJ (Ages 18-89)	25	1.75	1.75	25	1.75	1.75
NJ (Ages 90+)	19	1.75	1.75	19	1.75	1.75
WV (All Ages)	25	3.25	3.25	25	3.25	3.25
GROUP VOLUNTARY CANCER 2 (GVCP2)						
WA - TYPE 3	5	5	5	5	5	5
PA - TYPE 1	18	5	5	18	5	5
PA - TYPE 2	5	5	5	5	5	5
IN and UT - TYPE 1	22.5	5	5	22.5	5	5
IN and UT - TYPE 2	11.5	5	5	11.5	5	5
FL - TYPE 1	27	5	5	27	5	5
GROUP VOLUNTARY CANCER 3 (GVCP3) - KY, ND	18	5	5	18	5	5
GROUP VOLUNTARY ACCIDENT 1						
FL, WA, & WV With/Without Riders (1-1.5 units)	5	5	5	5	5	5
FL, WA, & WV With/Without Riders (2 or more units)	21	5	5	18	5	5
GROUP VOLUNTARY ACCIDENT 2						
CO, KY, MD, ND, WV	9	2	2	4	2	2
OH	28	3.25	3.25	20	3.25	3.25
GROUP VOLUNTARY ACCIDENT 3						
DC, IN, MD, TN	20	3.25	3.25	15	3.25	3.25
CO, KY, MD, ND, WV	8	3.25	3.25	6	3.25	3.25
MI, WA	5	0	0	5	0	0
OH - ALLS, OFFS (Grandfathered rates)	20	3.25	3.25	15	3.25	3.25
OH - NLLS, NEFS (Grandfathered rates)	25	5	5	20	5	5
GROUP VOLUNTARY SHOP						
RD Hosp Benefit	5	5	5	5	5	5
FL	14	5	5	14	5	5
CRITICAL ILLNESS - CRIP1						
MI	25	3.5	3.5	25	3.5	3.5
MD, NH, OR	35	4	1.5	35	4	1.5
MI, NJ, WA	25	2.5	1.5	25	2.5	1.5
GROUP VOLUNTARY CRITICAL ILLNESS 2						
CO, CT, KY, TN, WV	22	3	3	17	3	3
WA	11.5	5	5	11.5	5	5
FL	32	5	5	32	5	5
NJ	5	3.25	3.25	5	3.25	3.25
GROUP VOLUNTARY CRITICAL ILLNESS 4						
FL - Issue Age	40	3	3	35	3	3
FL - Attained Age	14	14	14	14	14	14
CO, NJ, ND, KY, MD - Issue Age	30	3.25	3.25	25	3.25	3.25
CO, ND, KY - Attained Age	9	9	9	9	9	9
NJ, MD - Attained Age	1	1	1	1	1	1
MI, CT - Issue Age	15	2.25	2.25	15	2.25	2.25
MI, CT, NM - Attained Age	9	5	5	5	5	5

SUPPLEMENT FOR THE R3001 AGREEMENT

HEALTH PLAN GROUP VOLUNTARY DISABILITY INCOME (Issue Age)	Electronic		Paper		
	Renewals 1st Year	Service Fees 11th Year & After	Renewals 1st Year	Renewals Years 2-10	Service Fees 11th Year & After
CO, DE, KY, MN, ND	22	5	17	5	5
FL	27	5	22	5	5
WA	13.5	3.25	13.5	3.25	3.25

CP10 RIDERS CLR1, CPR1, CFR1, CER1, ICR2, WBR3 AND WBR5 earn the same commission as CP10 on new issues. CBP1/2 Riders IFR1, ICR3, and WBR3 earn the same commission as CBP1 on new issues.

HSP2 RIDERS CIDR1 AND ICR90 earn the same commission as HSP2 on new issues.

Critical Illness Riders CICR1, CHCR1, WBR3 AND WBR5 earn the same commission as CBP1 on new issues.

AP2 and AP3 Riders in FL (APOIRB, APOIRC, APHCR1, APOPTR1 & BER) earn the same commissions as the base plan.

* Types 1 and 2 are not available in WA. Type 3 is not available in NV, PA, and UT. Type 2 and 3 are not available in FL. Commission on premium rate increases implemented after policy issue will be determined by AHL at time of implementation. **1 = First Year**—On premium processed within 14 months of policy date for policy year 1.

R = Renewal—On premium processed: (i) after 14 months of policy date for policy year 1, or (ii) before 11 years of policy date for policy years 2-10.

S = Service Fees—If agent is appointed and contracted with AHL on premium: (i) processed 11 years or more after policy date, or (ii) for policy years 11 and after.

The payment of commissions is governed solely by the terms and conditions of the written agreement between AHL and the Producer. This schedule expresses commissions as a percentage of qualifying premium, as determined by that written agreement. Nothing contained herein shall be construed as a contract or offer to contract. The information contained herein is subject to change without notice.

Commissions on premium rate increases implemented after policy issue will be determined by AHL at the time of implementation.

SUPPLEMENT FOR THE R3001 AGREEMENT

**NY Exhibit A Allstate Financial – Basis of
Commission (New York other than
Workplace)**

5
9
2
2
4
0
8
1
6
2
0
2
1

SUPPLEMENT FOR THE R3001 AGREEMENT

NY Exhibit A
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Pls. Exhibit 3

The basis for calculating commission varies by product. The following rules apply to business written and issued under the R3001 Agreement:

Commission Basis – New York		
Product	New Business	Renewal/Trail
Whole Life II Whole Life Advantage Whole Life Tribute	Annual premium in advance	Same
TrueFit	Annual premium less policy fee in advance	Same
Monthly Income Term (MIT)	Annual premium less policy fee in advance	Same
Allstate Basic Term	Annual premium in advance	Same
Allstate Bridge UL Allstate Lifetime UL FutureBuilder UL FutureGrowth IUL	Advanced based on the lesser of commission target or planned annual premium and adjusted based on the actual premium paid within the first policy year ¹ Excess 1 st year payments as received	Premiums after 1 st year as received
Annuitization on Deferred Annuities	Annuitized value less premium deposits made within the last five (5) years	N/A
Long Term Care, Disability Income, and Impaired Life ²	Gross Commissions paid to Allstate, as earned	Gross Commissions paid to Allstate
Protective ProSaver Secure II Annuity ³ Protective Indexed Annuity ³ Protective ProPayer Income Annuity ³	Gross Commissions paid to Allstate	Gross Commissions paid to Allstate

Commission Basis Notes:

- For Life replacements, the First Year Commission Basis will be the difference between the First Year Commission Basis calculated for the new policy and old policy. If the old policy terminated within the first policy year, any unearned premium on the old policy will be subtracted from the old policy commission basis when calculating commissions. First Year Excess is not adjusted for Replacements. Refer to chapter 3, section 4a for further information.
- Temporary flat extra premiums on all policies do not receive commissions.
- Primary insured term riders are not included in the commission target but do receive commission as excess first year payments are received.
- Term conversion premium credits applied to the new policy will reduce the Annual Premium, Minimum Annual Premium, and Commission Target and are excluded from Excess 1st Year Payments calculation when calculating the New Commission Basis. Refer to chapter 3, section 4b for further information.

¹ Refer to chapter 2, section 2 for further details.

² The CRUMP Group Inc. is the exclusive distributor for Long Term Care, individual Disability Income, and Impaired Life products for the Allstate producer. Refer to chapter 5, section 4 for further information.

³ The Protective fixed and index annuity products are issued by Protective Life and Annuity Insurance Company. Refer to Chapter 5, section 4 for further information.

SUPPLEMENT FOR THE R3001 AGREEMENT

Commission Basis Notes (continued):

- For all split policies, the commission basis is equal to the original commission basis multiplied by the split percentage that was selected on the application
- Commissions may be reduced on life policies exceeding five million of death benefit on an insured and on annuity deposits in excess of two million dollars. Refer to chapter 2, section 2, subsection 7.0 for further information

**NY Exhibit B Allstate Financial – Production
Credit (New York Only)**

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SUPPLEMENT FOR THE R3001 AGREEMENT

NY Exhibit B
© 2020 Allstate Insurance Company

Pls. Exhibit 3

Production Credit Calculation (New York Only)

Product	Production Credit
Whole Life II Whole Life Tribute TrueFit Monthly Income Term (MIT) Allstate Basic Term	100% of first-year annual premium
Whole Life Advantage Base – Pay to age 121 Base – Pay to age 70 Base – 20 Pay Base – 10 Pay Base – Single Pay Paid Up Insurance Rider	100% of first-year annual premium 95% of first-year annual premium 80% of first-year annual premium 50% of first-year annual premium 5% of single premium 5% of first-year annual premium
Allstate Bridge UL Allstate Lifetime UL FutureBuilder UL FutureGrowth IUL	Lesser of 100% of commission target premium or planned annual premium and adjusted based on the actual premium paid within the first policy year ¹ and 2% of any excess payments during the first policy year
Increases/Add-ons Minimum Annual Premium Annual Premium Products	100% of increase in minimum annual premium or annual premium
Increases/Add-ons Safety Net Premium Products	100% of the difference between the new commission target premium and the old commission target premium ²
Term Conversions (until 4/13/2012) ³	100% of new business production credit. If converted before the 5 th term policy anniversary, the difference between the old and new production credit will be given.
Impaired Life ⁴	100% of the first year annual premium times the Gross Commissions percentage paid to Allstate, as earned
Long Term Care and Disability Income ⁴	100% of the first year annual premium times the gross commission percentage paid to Allstate
ALNY AWD Workplace – New Payroll Case Universal Life, 20 Year Term, Disability, Cancer, Accident, Critical Illness, Group Accident, Group Critical Illness, Guardian Dental	70% of the annualized premium ⁵ for new case premium written during the initial enrollment period ⁶
ALNY AWD Workplace – Existing Payroll Case Universal Life, 20 Year Term, Disability, Cancer Accident, Critical Illness, Group Accident, Group Critical Illness, Guardian Dental	35% of the annualized premium ⁵ on written premiums received after the initial enrollment period ⁶

¹ See chapter 2, section 2 for further details.

² No production credit will be given if the new commission target premium is equal to or less than the old commission target premium or if the new planned annual premium is less than the difference between the new commission target premium and the old commission target premium.

³ For production credit information regarding term conversions effective April 14, 2012, refer to chapter 3, section 4b.

⁴ The CRUMP Group Inc. is the exclusive distributor for Long Term Care, individual Disability Income, and Impaired Life products for the Allstate producer. Refer to chapter 5, section 4 for further information.

⁵ Production credit will be less than the amounts defined above if the premium split coded on the application is less than 30% for the Allstate producers (i.e., the AWD benefit specialist split is greater than 70%). Production credit will be reduced proportionately by the ratio of the percentage coded on the application to the standard 30% commission split.

⁶ The initial enrollment period is defined as the first 12 month period from the date that the D003 Employer Acceptance Agreement is entered into the system.

SUPPLEMENT FOR THE R3001 AGREEMENT

Product	Production Credit
ALNY AWD – Individual Direct Products (Non-Payroll) Accident and Critical Illness	35% of annualized premium
Fixed Annuities Protective ProSaver Secure II ⁷	3.5% of premiums for deposit ages 0-80 2% of premiums for deposit ages 81+
Index Annuities Protective Index Annuity NY (5 & 7 years) ⁷	5% of premiums as received for ages 0-80 3.5% for ages 81+
Single Premium Immediate Annuity Protective ProPayer Income Annuity ⁷	3.5% of premiums as received
Discontinued Fixed Annuities that allow additional premium payments Advantage Plus Saver's Premiere Allstate Preferred Performance Allstate Performance Plus Allstate Treasury Linked Annuity Allstate Flexi Series (78, 83, 86)	3.5% of premiums for deposit ages 0-80 2% of premiums for deposit ages 81+

Production Credit Notes:

- For Life replacements, production credit will be given on the difference between the production credit calculated on the new policy and the old policy. First Year Excess is not adjusted for Replacements. Refer to chapter 3, section 4a for further information.
- Production credit for free-looks is charged back in the month the free look is processed, including prior year policies.
- Production credit for terminations, deletions, decreases of insurance amount and changes is charged back when the activity is processed, including prior year business. Production credit will not be charged back for terminations due to death or annuitization.
- Temporary flat extras on all policies do not receive production credit.
- Primary Term Riders do not receive production credit when the policy is issued and placed but do receive credit as excess deposits are received.
- For all split policies, production credit is equal to the original production credit multiplied by the split percentage that was selected on the application.

⁷ The Protective fixed and index annuity products are issued by Protective Life and Annuity Insurance Company. Refer to Chapter 5, Section 4 for further information.

**NY Exhibit C Allstate Financial – Commission
Schedule (New York Only)**

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SUPPLEMENT FOR THE R3001 AGREEMENT

The following schedule contains new business and renewal commission rates effective January 1, 2020. Rates apply to proprietary life policies written January 1, 2020 and later and to annuity deposits effective January 1, 2020 and later.

**COMMISSION SCHEDULE
(NEW YORK ONLY)**

Product	First Year Commission %					Renewal Commission %					
	Writing Agent			Shared Comm	Excess Prem	Year 2	Year 3	Year 4-5	Year 6-10	Year 11-20	Year 21+
	Scale A	Scale B	Scale C								
Whole Life II	31	41	46	18		3	3	3	3	1.5	
Whole Life Tribute											
Base – Pay to age 121	31	41	46	18		12	11	3	3	1.5	
Whole Life Advantage											
Base – Pay to age 121	50	60	65	18		11	10	3	3	1.5	
Base – Pay to age 70	43	53	57	18		10	9	3	3	1.5	
Base – 20 Pay	26	36	41	14		9	8	3	3	1.5	
Base – 10 Pay	17	24	27	9		5.5	5	3	3	1.5	
Base – Single Pay	4.75	5.25	5.5	0.9							
Paid Up Insurance Rider	4.75	5.25	5.5	0.9							
TrueFit (Base Plan and riders) ¹											
10-13 Year Duration	45	55	60	18							
14-30 Year Duration	55	65	70	18							
Monthly Income Term (MIT)											
Coverage Term 10	45	55	60	18							
Coverage Term 20	55	65	70	18							
Allstate Basic Term	37	42	47	15							
Allstate Bridge UL											
Allstate Lifetime UL											
FutureBuilder UL	55	65	70	18	5 ²	11 ³	3	3	3	3	
FutureGrowth IUL											
Annuitization on Allstate/LBL Deferred Annuities	2.0	2.0	2.0								
<i>The following products are paid as a percent of Gross Commissions paid to Allstate</i>											
Protective Life Insurance Company											
ProSaver Secure II Annuity											
Indexed Annuity	35	45	50	10							
ProPayer Income Annuity											

¹ Riders and benefits (e.g., primary term rider, additional insured rider, children's term rider, accidental death, waiver of premium, etc.) will be paid at the same commission rate of the base plan duration; except for additional insured riders that have a duration shorter than the base plan. These additional insured riders will be paid at commission rates on the duration of the additional insured rider.

² Excess premium in the 2nd year is paid at 3%.

³ This rate will be applied to premium paid up to the 2nd year commission target. Excess will be paid on premiums received over the 2nd year commission target.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
(NEW YORK ONLY)**

<i>Product</i>	<i>First Year Commission %</i>					<i>Renewal Commission %</i>					
	<i>Writing Agent</i>			<i>Shared Comm</i>	<i>Excess Prem</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4-5</i>	<i>Year 6-10</i>	<i>Year 11-20</i>	<i>Year 21+</i>
	<i>Scale A</i>	<i>Scale B</i>	<i>Scale C</i>								
The CRUMP Group, Inc Long Term Care, Disability Income, and Impaired Life	52	62	67	10		80	80	80	80	80	80

SUPPLEMENT FOR THE R3001 AGREEMENT

**NY Exhibit D Allstate Financial – Commission
Schedule for Discontinued Products
(New York Only)**

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SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(New York Only)**

Product	First Year Commission Amounts %				Renewal Commission Amounts %					
	12MM Solo Production Credit			Excess Premium	Year 2	Year 3-5	Year 6-10	Year 11-20	Year 21+	Trail Comm Year 2+
	Scale A	Scale B	Scale C							
Revised Whole Life	26	36	41		3	3	3	3		
Universal Life Premiere	50	60	65	5	3	3	3	3	3	
Additional Insured Rider	50	60	65							
UL Children's Level Term Rider	50	60	65							
Primary Insured Term Rider	50	60	65							
Legacy Premier Universal Life	50	60	65	5	3	3	3	3		
Jefferson Pilot Duet UL	50	60	65	3	3	3	3			
Level Best Term Gold & Platinum	40	50	55		2	2				
Maximum Term (IRT)	40	50	55		3	3	3	3	3	
Protector Plus (SRT)	40	50	55		3	3	3	3	3	
Home Mortgage Protection	40	50	55							
GoodForLife	10	10	10		10	10	10	10	10	
Guaranteed Term Gold & Platinum	40	50	55		2	2				
TrueTerm2009 (Base Plan and ROP rider) ¹										
10-Year Duration ²	40	50	55							
15-Year & 20-Year Duration	50	60	65							
30-Year Duration	50	60	65							
TrucTerm 2012 (Base Plan and riders) ³										
10-13 Year Duration	40	50	55		2	2				
14-18 Year Duration	50	60	65		2	2				
19-25 Year Duration	50	60	65		2	2				
26-30 Year Duration	50	60	65		2	2				
Legacy Choice UL	50	60	65	1 ⁴	11 ⁵	3	3	3		
Legacy Choice II	50	60	65	1 ⁴	11 ⁵	3	3	3	3	
Legacy Secure UL	50	60	65	5 ⁴	11 ⁵	3	3	3		
Legacy Secure II	50	60	65	5 ⁴	11 ⁵	3	3	3	3	

¹ The AIR commission rate is based on the term of the rider not the term of the base plan.

² The Return of Premium (ROP) rider is not available on the 10-year duration.

³ Riders and benefits (eg., primary term rider, additional insured rider, children's term rider, accidental death, waiver of premium, etc) will be paid at the same commission rate of the base plan duration; with the exception of additional insured riders that have a duration shorter than the base plan. These additional insured riders will be paid at commission rates on the duration of the additional insured rider.

⁴ Excess premium in the 2nd year is paid at 3%.

⁵ This rate will be applied to premium paid up to the 2nd year commission target. Excess will be paid on premiums received over the 2nd year commission target.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(New York Only)**

Product	First Year Commission Amounts %				Renewal Commission Amounts %					
	12MM Solo Production Credit			Excess Premium	Year 2	Year 3-5	Year 6-10	Year 11-20	Year 21+	Trail Comm Year 2+
	Scale A	Scale B	Scale C							
Legacy Secure SL (effective through 05/03/2008)	50	60	65	5 ⁶	11 ⁷	3	3	3		
Legacy Secure SL (effective 05/04/2008 and later)	50	60	65	5 ⁶	11 ⁷	3	3	3	3	
Ultra UL	50	60	65	3.75 ⁶	12 ⁷	3	3	3	3	
Ultra Index UL	50	60	65	5 ⁶	11 ⁷	3	3	3	3	
Ultra Plus UL	50	60	65	5 ⁶	11 ⁷	3	3	3	3	
Accumulation Index UL	50	60	65	5 ⁶	11 ⁷	3	3	3		
Impaired Life (CBIZ ⁸) % of Gross Commissions, as earned	68	68	68							
Treasury Linked Annuity Deposit Ages 0-75	1.05	1.40	1.58							
76-80	0.31	0.31	0.30							
81-90	0.09	0.13	0.15							
Advantage Plus Annuity Deposit Ages 0-80	1.05	1.40	1.58							
81-85	0.80	1.12	1.30							
86-90	0.43	0.70	0.90							
Performance Plus Annuity Deposit Ages 0-75	1.05	1.40	1.58							
76-80	0.51	0.81	1.01							
81-90	0.06	0.09	0.11							
Preferred Performance Annuity Deposit Ages 0-75	1.05	1.40	1.58							
76-80	0.50	0.80	1.01							
81-90	0.02	0.05	0.07							

⁶ Excess premium in the 2nd year is paid at 3%.

⁷ This rate will be applied to premium paid up to the 2nd year commission target. Excess will be paid on premiums received over the 2nd year commission target.

⁸ Refer to chapter 5, section 4 for further information on CBIZ.

SUPPLEMENT FOR THE R3001 AGREEMENT

**COMMISSION SCHEDULE
DISCONTINUED PRODUCTS
(New York Only)**

Product	First Year Commission Amounts %				Renewal Commission Amounts %					
	12MM Solo Production Credit			Excess Premium	Year 2	Year 3-5	Year 6-10	Year 11-20	Year 21+	Trail Comm Year 2+
	Scale A	Scale B	Scale C							
Choice Rate Annuity ⁹										
Guarantee Period 5 yrs & 7 yrs										
Deposit Ages 0-75	1.23	1.73	2.23							
76-80	0.61	1.11	1.61							
81-90	0.45	0.95	1.45							
Guarantee Period 3 yrs/Syndication ¹⁰										
Deposit Ages 0-75	0.21	0.26	0.31							
76-80	0.18	0.23	0.28							
81-90	0.17	0.22	0.27							
Guarantee Period 1 Year										
Deposit Ages 0-75	0.12	0.17	0.22							
76-80	0.05	0.10	0.05							
81-90	0.01	0.06	0.11							
Voya Financial Secure Index Five	30	40	45							
Voya Financial Secure Index Seven	30	40	45							
Voya Financial Secure Index Opportunities	30	40	45							
Voya Financial Secure Index Outlook	30	40	45							
Voya Financial Income Provider NY (SPLA)	30	40	45							

⁹ Refer to chapter 2, section 2 for commission information on Window Period Renewals.

¹⁰ Syndications will be announced by the Company at its discretion and are typically available for a limited time period. Syndications will always be paid at the 3 year guarantee period rates.

SUPPLEMENT FOR THE R3001 AGREEMENT

**NY Exhibit E Allstate Life Insurance Company of
New York Allstate Benefits Business
Commission Schedules**

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SUPPLEMENT FOR THE R3001 AGREEMENT

Allstate Life Insurance Company of New York
K COMMISSION SCHEDULE

	1st Year	RENEWAL					Service Fees 11th Year & After
		Year 2	Year 3	Year 4	Year 5	Years 6-10	
UNIVERSAL LIFE*							
NY UL20P - Paper ²	60	1.9	1.9	1.9	1.9	1.9	1.9
NY UL20P CGI** - Paper ²	55	1.9	1.9	1.9	1.9	1.9	1.9
NY UL20P - Electronic ²	65	1.9	1.9	1.9	1.9	1.9	1.9
NY UL20P CGI** - Electronic ²	60	1.9	1.9	1.9	1.9	1.9	1.9
NY UL21P - Paper ²	30	1.5	1.5	1.5	1.5	1.5	1.5
NY UL21P CGI** - Paper ²	25	1.5	1.5	1.5	1.5	1.5	1.5
NY UL21P - Electronic ²	35	1.5	1.5	1.5	1.5	1.5	1.5
NY UL21P CGI** - Electronic ²	30	1.5	1.5	1.5	1.5	1.5	1.5
NY UL21P CGI** - Electronic (large cases) ^{1 2}	35	1.5	1.5	1.5	1.5	1.5	1.5
TERM							
NY 20 Year Term	35	1.5	1.5	1.5	1.5	1.5	1.5
NY 20 Year Term CGI**	30	1.5	1.5	1.5	1.5	1.5	1.5
DI5W							
NY	35	5	5	5	5	5	2
NY CGI**	30	2	2	2	2	2	2
RACC4NY							
NY Accident Rider to DI5W	30	4	4	4	4	4	2
CBP2PNY							
Issue Ages 18-59	25	2	2	2	2	2	2
Issue Ages 60-64	15	2	2	2	2	2	2
AP4NY							
NY Accident Plan	20	2	2	2	2	2	2
AP5NY							
Electronic	25	3.25	3.25	3.25	3.25	3.25	3.25
Paper	20	3.25	3.25	3.25	3.25	3.25	3.25
Group Voluntary Accident							
Electronic and Paper	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Group Voluntary Critical Illness							
Electronic and Paper	27	3.25	3.25	3.25	3.25	3.25	3.25
***NY Critical Illness							
CCIP1NY Ages 18-59 - Electronic	30	3	3	3	3	3	1.42
CCIP1NY Ages 60+ - Electronic	20	3	3	3	3	3	1.42
CIP1NY Ages 18-59 - Electronic	18	2	2	2	2	2	2
CIP1NY Ages 60+ - Electronic	11	2	2	2	2	2	2
CCIP1NY Ages 18-59 - Paper	25	3	3	3	3	3	1.42
CCIP1NY Ages 60+ - Paper	15	3	3	3	3	3	1.42
CIP1NY Ages 18-59 - Paper	13	2	2	2	2	2	2
CIP1NY Ages 60+ - Paper	6	2	2	2	2	2	2

All riders pay the same commission as the base policy to which attached except the RACC4NY Accident Rider which is listed separately.

*First year premium in excess of Target Premiums will be commissioned at the renewal rate.

**CGI = Contingent Guaranteed Issue

***Rider WBR4NY follows commission schedule of attached policy form. SI = Simplified Issue

¹ Large cases (1000 + lives) that enroll electronically may be eligible. Requires ALNY approval prior to enrollment.

² R = Renewal rate is doubled in year 6 only.

1 = First Year - On premium processed within 14 months of policy date for policy year 1.

R = Renewal - On premium processed: (i) after 14 months of policy date for policy year 1, or (ii) before 11 years of policy date for policy years 2-10.

S = Service Fees - If Producer is appointed and contracted with ALNY, on premium: (i) processed 11 year or more after policy date, or (ii) for policy years 11 and after.

The payment of commissions is governed solely by the terms and conditions of the written agreement between ALNY and Producer. This schedule expresses commissions as a percentage of qualifying premium, as determined by that written agreement. Nothing contained herein shall be construed as a contract or offer to contract. The information contained herein is subject to change without notice. Commissions on premium rate increases implemented after policy issue will be determined by ALNY at the time of implementation.

NY-3 (8/14)

SUPPLEMENT FOR THE R3001 AGREEMENT

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REFERENCE GUIDE REVISION NOTICE

To holders of: Exclusive Agency Independent Contractor
Reference Guide

Date: June 5, 2020

No: 15

From: 360° Finance and Distribution Strategy & Program Development

This is a complete revision of the Exclusive Agency Independent Contractor Reference Guide. This version of the Reference Guide replaces the previous version of the Reference Guide, and each page of this Reference Guide has a date of June 5, 2020. If you have a previous version of the Reference Guide, please replace it with this version. The following highlights some of the changes that have been made to the Reference Guide:

Section	Explanation of Change
Sub-Producer Reports	<ul style="list-style-type: none">• Updated to reference the current tool (Manage My Staff) used to enter staff information
Legal Compliance	
Satellite Agencies, Enhanced Satellite Agencies, and Local Agency Extensions	<ul style="list-style-type: none">• Updated the general information about certain state law requirements that the Company has become aware of in the following states: Georgia, Maine, Montana, New York, Texas, Washington• Added general information about certain state law requirements that the Company has become aware for the following states: Louisiana, Michigan, Nebraska, Oregon
Office Locations within a Financial Institution	<ul style="list-style-type: none">• Updated the state and federal law requirements that the Company has been made aware of relating to the operation of an LAE in a financial institution in the following states: Arkansas, California, Georgia, Illinois, Indiana, Louisiana, Maine, Mississippi, New Hampshire, New Mexico, New York,• Added the state and federal law requirements that the Company has been made aware of relating to the operation of an LAE in a financial institution for the following states: Connecticut, Massachusetts, Michigan, Oregon, Rhode Island, Tennessee, Texas, Vermont, Virginia, Wyoming
Ordering Printed Material	<ul style="list-style-type: none">• Updated to be consistent with the current guidelines
Allstate Branded Retail Environment	<ul style="list-style-type: none">• Updated to be consistent with the current guidelines

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EXCLUSIVE AGENCY
INDEPENDENT CONTRACTOR
REFERENCE GUIDE
(Applies to all states except New Jersey)

©Allstate Insurance Company, 2020

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Preface

The following material is confidential and proprietary information which is the exclusive property of Allstate Insurance Company and may not be disclosed to third parties, other than outside advisors or as required by law, without first having obtained written permission from the Company.

This Exclusive Agency Independent Contractor Reference Guide (“Reference Guide”) is provided for informational purposes only. It contains additional information concerning the operation of the EA program, certain legal compliance issues, and suggestions for operating an insurance agency based on Allstate’s past experience.

Although the Company believes that this Reference Guide will be helpful to you, you are not required to adopt any particular procedures suggested in this guide.¹

This Reference Guide is not incorporated into the R3001 Agreement and does not alter or effect that Agreement’s terms in any way. The Reference Guide does not create any rights, duties or obligations of any kind for either you or the Company.

¹ Portions of the Reference Guide discuss various laws that may apply to your agency operation. As provided in the R3001 Agreement, you are required to comply with all applicable laws. The information provided in this guide is intended to assist you in understanding your legal obligations. It does not create any additional duties or responsibilities. This Reference Guide is not intended as legal advice and if you have questions regarding any specific legal requirements, you should consult with a qualified legal advisor.

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References

- References to “he,” “him” or “his” in this manual are for readability purposes only and are intended to include both males and females.
- References to “you,” or “your,” or “R3001 Agent(s)” include agents under the R3001 and R3001S Agreements and “Key Persons” under the R3001A and R3001C Agreements, or successor agreements, except as otherwise noted. These references also include the corporation or limited liability company, as appropriate, under the R3001A and R3001C Agreements.
- References to the R3001 Agreement include the R3001, R3001A, R3001S and R3001C Agreements, or successor agreements, except as otherwise noted. The R3001 Agreement and the R3001A Agreement (the former sole proprietor agreement and the former corporation/LLC agreement, respectively) are no longer offered.
- References to the EA Manual mean the Exclusive Agency Independent Contractor Manual.
- References to the Supplement mean the Supplement for the R3001 Agreement.

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<u>Exhibit G</u>	Assignment and Assumption of Lease Form
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General Program Information

What Is an EA?

An R3001 Exclusive Agent is an independent contractor who is an exclusive writer of Allstate insurance, except for certain types of business specified in the R3001 Agreement and the Supplement for the R3001 Agreement ("Supplement"), e.g., residual market business, accommodation business, and expanded market coverage business. The Exclusive Agent (EA) program provides you with the opportunity to build a profitable book of business within the Company's business system. You will operate in a commercial office, have the opportunity to invest in your future, and make the kinds of business decisions necessary to achieve your business objectives and those of the Company. This program gives you the opportunity to build an economic interest in accounts developed as an R3001 Agent.

Becoming an R3001 Agent

Direct Appointment or Purchase an Agency

You may become an R3001 Agent via direct appointment or by buying an existing R3001 Agent's (selling agent) economic interest in business produced under the R3000 and/or R3001 Agreements if you are approved as a buyer by Allstate at its sole discretion.² You may also purchase the selling agent's interest in the business produced under any prior Allstate agent agreement.

To be approved by the Company as a direct appointment or as a buyer, you must have met the following conditions:

You

- Must have the available start-up liquid capital³ to meet the cash flow market requirement
- Must complete the Agency Purchase Approval Form via eSign – this form will be completed by the seller and buyer when presenting a Buyer for approval.
- Must complete the Agent Selection Questionnaire (ASQ) and obtain a PASS score (this requirement does not apply if the candidate was formerly in the agent position or in sales, or if the candidate is applying to become an agent in the Allstate Dealer Agency Program)
- Must have results on the background check (credit and criminal records), which are satisfactory to the Company

² Allstate Financial Specialists will only be considered as potential buyers of R3001 agencies if the agency location is outside the market(s) where the Financial Specialist currently works, all existing Allstate Financial accounts are transferred to the agent of record or to an approved Financial Specialist, and the person has demonstrated success in the role of Financial Specialist.

³ Acceptable forms of liquid capital are checking accounts, money market accounts, short-term certificates of deposit (CDs), and savings accounts.

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- Must submit an acceptable updated business plan that includes goals for such items as P&C Growth, Allstate Financial, marketing, and agency management; your business plan must be consistent with Company and market objectives; further, for buyers only, the business plan must include clearly defined strategies to address any areas that need improvement in the selling agent's agency as identified by the Company

Note: We will rely on your business plan to establish the basis for our ongoing relationship. The business plan you submit is also your commitment to achieving the results stated in the plan once you become an R3001 Agent. Improved results in areas in which the agency is deficient will be expected.

- Must read the Form U-4, Uniform application for Securities Industry Registration or Transfer, and must read and sign the appropriate Letter of Understanding
- Must obtain the appropriate individual resident (and non-resident, if applicable⁴) licenses (Property, Casualty, Life, Health, Motor Club, and Securities⁵ as applicable in your state) and an agency license and/or registration, where required by law, if you are signing the C version of the R3001 Agreement; the agency license and/or registration are in addition to your individual license; the agency license and/or registration must be obtained prior to the execution of the C Agreement refer to the section on Agency Licenses in this guide for additional information

Note: Some states may also require your agency name or d/b/a to be registered or recorded with the government authority responsible for registering and recording general business names. Some states will not permit anyone other than a natural person to obtain a resident license. Also, some states will not issue a non-resident license to a corporation or limited liability company.

- Must obtain errors and omissions (E&O) coverage through CalSurance⁶ prior to the execution of the R3001 Agreement
- Must sign the Education Agreement

⁴ If the selling agent's office is an approved border location, your office must also qualify as an approved border location. Otherwise, the sale will not be approved.

⁵ If you signed an R3001 Agreement effective 8/1/2000 or after, you must obtain a Series 6 license, obtain a Series 63 license (where required by state law), obtain variable authority (where required by state law), and successfully complete the associated registered representative required education. Failure to meet the above requirements within the allotted timeframe may result in termination of your agency relationship by the Company. Further, failure to maintain securities licensure and maintain your affiliation with Allstate Financial Services, LLC (or LSA Securities) will result in the termination of your R3001 Agreement by the Company.

⁶ If you are in New York and choose to opt out of participation in the Allstate Sponsored Group E&O Program, you still must provide proof of coverage to Allstate from the new insurance carrier. This must be done prior to the execution of the R3001 Agreement.

- **Must complete the following education prior to the execution of the R3001 Agreement:**
 - Agency Foundations, Essentials, and Agency Operations Center education (unless the agency owner meets specific opt-out qualifications)
 - Allstate University education
 - Other education as designated by the Company

Note: Agency owner candidates must have their P&C licenses before beginning education. Field sales leadership will arrange for this education prior to the execution of the R3001S (or C) Agreement. You should understand that during this education period, Allstate will not pay you compensation or reimburse expenses associated with your education. However, upon successful completion of the education program and after signing the R3001 Agreement, you will receive an education bonus.

- **Must meet other criteria as the Company may adopt from time to time**

Please note that becoming an R3001 Agent is always subject to final Company approval.

Note: Buyers who are existing:

- **Agency Staff**

If you are an existing agency staff person in an Allstate agent's office, you must meet all of the requirements listed above in order to be approved as a buyer. In addition, as part of the approval process, the Company will consider the skills that you have demonstrated which would indicate the potential to successfully run the agency. This includes such things as your management skills, sales skills, people skills, product knowledge, etc.
- **Non-agent Company Employees**

If you are an existing non-agent Company employee, you must meet all of the requirements listed above in order to be approved as a buyer, except for completing the ASQ if you were formerly in the agent position or in sales leadership. Approval is also contingent on the Company's assessment of its staffing needs and readiness to fill your current position.

In addition, your background and work history must support a reasonable expectation that you will have the ability to successfully operate and manage an agency. Further, you must have a satisfactory business relationship with Allstate, which includes an evaluation and consideration of your most recent performance review. This also includes acting professionally with all representatives of the Company, and demonstrating a willingness to work with Company leadership to achieve desired business results.

If you are approved as a buyer, the termination of the selling agent's R3001 Agreement and execution of a new R3001S (or C) Agreement by you must occur simultaneously.

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C Version of the R3001 Agreement⁷

The C version of the R3001 Agreement has been developed as an option for R3001 Agents who form corporations or limited liability companies (LLCs).

The C Agreement is between the Company and the corporation or LLC, with the agent named as the Key Person. Under the C Agreement, there is only one Key Person associated with the particular entity (one employer tax identification number); that person is the agent. The Key Person is the one who executes the agreement.

Note: The Company will not enter into or continue the C Agreement with a corporation or LLC, which is used to run any other insurance agency operation.

The C agreement may be executed upon entering the EA program or after you have entered the program and subsequently form a corporation or LLC. As an employee of the corporation or LLC, you, as the Key Person must also execute the Confidentiality and Non-Competition Agreement [(Form R2459A/C for countrywide excluding Montana (Exhibit D) and form R2459A/CMT for Montana only (Exhibit E)].

Note: If you wish to switch from the R3001C (or A) Agreement to the R3001S Agreement, you must provide documentation or information satisfactory to the Company that demonstrates you have the authority to terminate the agency agreement on behalf of the corporation or LLC and enter into an agency agreement with the Company as a sole proprietor.

Continuation Planning for Key Person Change

It is possible for an agency to get a new Key Person pre-approved for a future date so that the process of changing to a new Key Person is less disruptive to the agency. The Key Person pre-approval process requires Allstate's approval as well as the completion of the Continuation Planning Letter of Intent (LOI), Exhibit H, and the future date of the Key Person change does not need to be entered on the LOI. However, a Key Person pre-approval is only valid for two years from the date entered on the Continuation Planning LOI (i.e., the date the LOI is completed). The execution of the LOI is at the region's discretion, and any requirements to pre-approve a Key Person change are determined by the region.

A Key Person pre-approval is a rare circumstance that only occurs under special circumstances, as determined by the region. The Continuation Planning LOI and Key Person pre-approval process simply aids an agency in its effort to plan ahead for a possible Key Person change.

⁷ Please refer to the EA Manual for additional information on this topic.

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Agency Licenses

An R3001 Agent may or may not need to get an agency license. The answer will vary depending on how the R3001 Agent operates and the licensing requirements of the particular state(s). Please note that this information does not encompass life insurance. For agencies participating in the Ivantage expanded markets programs, you may, in some cases, be required to obtain a broker's license and/or a broker bond. Agencies are expected to be properly licensed or agencies will be refused from participation. In addition, this information is subject to changes in the laws and regulations of each state. As with all legal matters, you are encouraged to seek independent professional assistance on these issues. If there is a requirement that an agency license be obtained, it must be obtained prior to the execution of the R3001C Agreement.

Use of R3001 Agency Name or D/B/A with Allstate Name

You should be aware that some states may: 1) restrict your ability to use certain words as part of your agency name; 2) require the registration of your agency name or d/b/a whether or not it includes your true name; or 3) require you to obtain a separate insurance license for the agency, regardless of whether the agency name includes your true name or whether the business is incorporated.

It is your responsibility to work with your legal advisor to make sure that your agency name or d/b/a is legally acceptable for use in your state. The Company does not make this determination. It only evaluates the entity name or d/b/a to determine that it is appropriate to use with the Company's name. You also need to make sure that your agency name or d/b/a is registered, recorded, or licensed with the appropriate government authorities where required. You should be aware that some states may require you to register or record your agency name or d/b/a with both the government authority responsible for registering or recording general business names and the state's insurance regulatory authority.

Before You Sign the Agreement

Here are the steps you'll take before you sign the R3001 Agreement.

- Read the EA Independent Contractor Manual, the EA Independent Contractor Reference Guide, the Supplement, the R3001S⁸ (or C) Agreement, and the Allstate Agency Standards
- Discuss the program with outside business advisors
- Read the Form U-4, Uniform application for Securities Industry Registration or Transfer, and read and sign the appropriate Letter of Understanding
- Get licenses in Property/Casualty, Life/Health, and Motor Club, as applicable in your state
- Get an agency license and/or registration, if your state requires it, if you are executing the C version of the R3001 Agreement
- Get your agency name recorded, registered or licensed, if your state requires it

⁸ The R3001S Agreement is not available in Montana.

- If you are purchasing an existing agency, sign the Education Agreement and complete the required education program⁹ (Additionally, it is your responsibility to conduct due diligence on the book of business you are purchasing. Allstate is not responsible for any failure to seek appropriate information and documentation from the seller as to past, present or future performance of the book of business.)
- Negotiate the lease or sub-lease for your office. The Company must approve your sales location
- Make arrangements with the Company or the selling agent for furniture, equipment, phones, signs and supplies; these arrangements are discussed in detail in the section on Setting up Your Office in this guide

Additional Optional Insurance

The EA Manual describes the insurance coverages that you are required to maintain as an R3001 Agent. In addition to the required coverages, you should also consider carrying employers non-owned liability coverage for non-owned autos used in the business by anyone other than you (e.g., agency staff). This coverage is available on an Allstate Customizer policy. Agents who qualify for an Allstate commercial auto policy can add the employers non-owned liability coverage to that policy.

As an R3001 Agent, you may want to purchase Fire and Extended Coverage protection for your personal and business property. If required by your lease agreement, you may need glass coverage. You may also want to consider purchasing coverage for possible employee dishonesty exposures. The Allstate Customizer policy may be endorsed to provide coverage for money, securities and property taken by dishonest acts of employees or contract employees.

If you intend to have employees, you may want to consider obtaining Employment Practices Liability (EPLI) coverage. Typically, EPLI policies include coverage for discrimination, sexual harassment and wrongful termination. The Company has made available an opportunity for you to enroll in an EPLI program offered through CalSurance. This optional coverage will be attached to the Errors and Omissions insurance coverage, but with separate limits and deductible. The CalSurance Website can be accessed at www.calsurance.com/allstateagent.

Recognition

As an R3001 Agent, you may earn achievements to participate in the Company's recognition programs. The Company earned conferences, such as Regional Honor Ring, National Conference, Circle of Champions, and Inner Circle Elite, will include the award trip plus an award tax offset. The monetary value of the award plus any award tax offset amount will be included in your Form 1099 for income tax reporting purposes. Leaders/National Forum is also an earned meeting featuring key messages and award recognition. This business meeting is not taxable to participants. Other awards and trips, such as the regional award trip, may not include an award tax offset and all taxes will be the responsibility of the agent. Participation in all awards and recognition programs is voluntary.

⁹ Agency owner candidates must have their P&C licenses before beginning education.

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Awards are **not** transferable to any other individual, except as permitted by the Company. (See the Manual of Achievement for details.) The Company will not give awards directly to your agency staff to recognize them for their services. You will be the recipient of the award, as our relationship is with you.

Stand-alone satellites and any other agency locations that are eligible to receive individual Agency Bonuses, regardless of the relationship to the primary agency, must qualify for awards based on individual agency results. See the Manual of Achievement for details.

You must have a valid in-force R3001 Agreement at the time that the award is received or the conference/forum takes place. Please note that Honor Ring jewelry can only be awarded to the R3001 Agent.

Continuing Education Requirements

You may attend ongoing professional education courses offered by the Company to meet continuing education requirements.

Incentives for Obtaining Professional Designations

As an R3001 Agent, you may receive a cash incentive for successfully completing a course and passing the exam which is in the curriculum of one of the professional designations approved by the Company, e.g., CFP, ChFC, CLU, and LUTCF. The incentive amount will be based on education costs up to stated maximums. Allstate is providing easy access to Continuing Education resources through *RegEd*. For further information regarding approved professional designations, access the [EA/EFS Professional Designations/Certifications/Professional Memberships](#) website located on Gateway.

Agency Affiliation Recognition Award

Your long-term agent relationship with Allstate is valued by the Company and does not go unnoticed. Your time representing Allstate, as an agent, will be recognized through the Agency Affiliation Recognition Award.

The recognition will be applicable for your accumulated relationship time, as an Allstate Agent, and will be measured in five-year increments. Affiliation will be counted from the date you or your agency (corporation or LLC), whichever is earlier, began acting as an agent on behalf of the Company. For example, if you began an agency affiliation with the Company on September 1, 1975, you would have reached your 30-year milestone as of September 2005.

When you reach these milestone anniversaries, you or your agency will receive an Allstate Agency Affiliation plaque. Either your name or the name of your agency will be etched on a nameplate. Additional medallions will be presented to you to be added to the plaque as future five-year milestones are reached.

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Matching Grant Program

As an R3001 Agent, you may participate in the Allstate Foundation Good Hands Matching Grant Program for Higher Education.

Allstate Deferred Compensation Plan for Independent Contractor Exclusive Agents¹⁰

As an R3001 Agent, you are currently eligible to participate in the Allstate Deferred Compensation Plan for Independent Contractor Exclusive Agents (the Plan) if you operate your business as a sole proprietorship and have submitted a Form W-9 to Allstate substantiating your business as a sole proprietorship. When you enroll in the Plan, you are required to elect a distribution option.

When you separate from service you will be eligible for a distribution of your account balance based upon the distribution option you selected. If you have questions about your distribution election or the deferred compensation plan in general, you should call the Allstate Benefits Center at 1-888-255-7772.

Identified Benefit Options

As an R3001 Agent, you will be responsible for the cost of the personal benefits you select.

Agent Information

As an R3001 Agent, you will have access to view your business results in one easy-to-use dashboard (DASH). DASH provides such measures as sales production, customer retention, agency profitability, and compensation. The tool allows you to set personalized goals, track staff production, and identify effective marketing campaigns. Refer to the DASH information page for additional details.

Sub-Producer Reports

You will have the ability to identify PP&C and Commercial Non-Fleet Auto business written by your Licensed Sales Professionals by using special sub-producer codes. These numbers will be assigned and controlled by you through to the Manage My Staff (MMS) tool. Monthly individual sub-producer production reports will be provided to you on DASH. This number should follow your agent number on any new business applications submitted to the Support Center for input.

¹⁰ Complete details of the Plan are contained in the Plan document. If there are any discrepancies between the information provided above and the Plan document, the Plan document will govern. Allstate reserves the right to change or terminate this Plan at any time. The Plan document can be found on the Incentives & Compensation page of Gateway or by using the following link: <https://agencygateway1.allstate.com/wps/myportal/id/56684>.

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The sub-producer code input when new business is processed will also appear on any subsequent renewals. The system will not handle multiple sub-producer codes on a policy. Therefore, if a new sub-producer code is input at a later time, the new sub-producer code will replace the original sub-producer code. Any subsequent activity to the policy, including renewals, will show the new sub-producer code instead of the sub-producer code originally input when the new business was processed. It is recommended to never reuse sub-producer codes to eliminate confusion between written business from previous staff or current staff.

Agent Identification

The EA program requires the use of separate agent number classifications to identify processed new business for P&C New Business Summary report, production and commission statements.

The Allstate agent number on your agent stamp will begin with a "0" as the leading number and be followed by your 5-digit Allstate agent number. This number, e.g., 012345, will be used when processing new Allstate business, service request forms, and ordering supplies.

For P&C New Business Summary report, production and commission statements, and agent commission inquiries, the prefix will be changed to a two-digit agent type, i.e., agent type 41.

Additional agent numbers are required for American Heritage Life (excludes New York), Allstate Financial Services, LLC¹¹, Prudential, mutual fund business, and other third-party products (i.e., Crump).

Lease Negotiations

If you should decide to change your office location, you must select a location within a geographical area specified by the Company that is subject to Company approval.¹² All lease agreements executed by you must be solely in your name or agency name. Allstate's name must not appear in the lease. The following disclaimer should be included in the lease:

"The obligations under this lease are the obligations of the Lessee personally and not that of any insurer with which Lessee may be affiliated. Lessor agrees that this agreement is solely between itself and the Lessee personally and Lessor hereby waives any claims, rights of action, or liabilities whatsoever against any insurance company with which Lessee may be affiliated which may arise out of this lease."

The following language should also be added to any lease form:

Lessor responsible for common areas, lessee responsible for leased premises:

"Lessor shall be responsible for any changes necessary to comply with any federal or local disability discrimination laws and regulations in the common areas of the building or project. Lessee shall be responsible for any changes required to the

¹¹ LSA Securities in the states of PA and LA.

¹² Refer to the section on Relocating Your Office in this reference guide for additional information.

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Leased Premises necessary to comply with such laws and regulations, and any requirements which may impose any duty upon Lessor or Lessee applicable to the Lessee's use or occupancy of the Leased Premises. Lessor agrees to indemnify and hold Lessee harmless against all claims and liability for Lessor's failure to comply with Title III of the Americans with Disabilities Act with respect to the common areas of the building or project or improvements to the Leased Premises constructed by Lessor."

A provision of the Americans with Disabilities Act of 1990 (ADA) requires that facilities be made accessible to qualified applicants and employees with disabilities as a reasonable accommodation, unless this would cause undue hardship. Accessibility must be provided to enable a qualified applicant to participate in the job application process, to enable a qualified individual to perform the essential functions of a job and to enable an employee with a disability to enjoy benefits and privileges of employment available to other employees. Places of public accommodation and commercial facilities, including insurance offices, are required to provide accessibility for disabled persons in both new construction or when making alterations to existing structures. You should seek to lease space in an office building that has met this requirement. As you add agency staff, you will want to make certain that your office space also provides accessibility for disabled applicants and personnel.

Subleasing Allstate Space

R3001 Agents who would like to lease an existing office leased by Allstate may do so, subject to Company approval. We have included the sublease agreement (Exhibit G) that must be signed by you if you have received approval to sublease space in a Company leased building. This form is called the Assignment and Assumption of Lease. By signing this form, you will assume all responsibility for the lease with Allstate's consent.

Review Process for "Company Initiated" Terminations of R3001 Agreements

The Company has a review process in place with respect to all "Company Initiated" terminations of R3001 Agreements.

Sale of Agency¹³

Valuing an Agency

There are numerous accepted methods used to value an agency and the value will vary depending on the method chosen. The sale value is generally tied to market conditions at the time of sale and is determined by what an approved buyer is willing to pay. If the agency is being valued based on earned premium, please keep in mind that the earned premium appearing in the Business Metrics reports includes earned premium on policies that have terminated.

¹³ Any reference in this Reference Guide to the sale of an agency or the sale, transfer, or purchase of a book of business means the sale, transfer, or purchase of the economic or other interest in the book of business only. Allstate retains ownership of the book of business. Please refer to the EA Manual for additional information on this topic.

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Sale of an Ivantage Expanded Market Book of Business

As an independent contractor, it is up to you to determine the sale price and whether to factor in the expanded market book of business in your sale negotiations. As stated in the Supplement for the R3001 Agreement, Chapter 5, an Exclusive Agent may not have ownership rights to the business written in the Ivantage expanded markets programs except as specifically provided. However, in the event that you sell the economic interest in your book of business to an approved purchaser and you comply with Ivantage's termination processes, Ivantage will always attempt to designate the buying EA as the new servicing producer on the Ivantage book of business serviced by the agency. The new servicing producer must: 1) be enrolled with all appropriate expanded market companies prior to the completion of the transfer of policies; 2) possess all applicable licenses required to service the business; and 3) have a valid in force R3001 Agreement.

All Ivantage expanded market programs prohibit the practice of splitting books among agencies.

When commissions are processed through Ivantage, any commissions earned by the selling agent within 30 days prior to termination will be paid to the buying agent, if there is one. Otherwise, all such commissions will be retained by Ivantage. Commission details can be found in the Supplement for the R3001 Agreement.

Audit of the Book of Business Serviced by a Selling Agent

Prior to the sale of your agency, an audit should be run. The audit will be helpful to a buyer to verify that policies which were identified as eligible for sale have been transferred to the buying agent's number.

Transfer of Business

The entire book of business, except for securities policies, must be transferred. In other words, you cannot transfer some policies and not others. Therefore, you cannot transfer some policies and take the Termination Payment on others.

Outside Buyer Approval

If you elect to sell your economic interest in the book of business serviced by your agency to an outside buyer, the following process should be followed:

STEP	PROCEDURE
1	You must secure a buyer candidate sufficiently in advance to allow the Company time to determine whether the buyer is qualified and to give the candidate time to obtain the appropriate resident (and non-resident) licenses, read the Form U-4 (Uniform application for Securities Industry Registration or Transfer), read and sign the appropriate Letter of Understanding, and complete the education requirements. ¹⁴

¹⁴ Agency owner candidates must have their P&C licenses before beginning education.

STEP	PROCEDURE
2	You must submit the buyer candidate to field sales leadership for approval along with a completed Agency Purchase Approval Request. ¹⁵
3	<p>If the candidate is not approved, you may want to submit another buyer candidate. If approved, all remaining terms of the sale should be finalized between you and the approved buyer. The purchase must be effective on the first calendar day of the month and all transfers of the book of business will be done as described in Sale Processing. The following education must be completed by the buyer prior to the sale becoming final:</p> <ul style="list-style-type: none"> • Agency Foundations, Essentials, and Agency Operations (unless the agency owner meets specific opt-out qualifications) • Allstate University • Other education as designated by the Company
4	Your R3001 Agreement should be terminated pursuant to the termination provision in the agreement. Although your agreement has been terminated, your agent number will remain active on SAP until the eligible policies have been transferred to the new agent number. The buying agent should execute a new agreement effective the first calendar day of the month. (See Timeline for Transferring an R3001 Exclusive Agent's Book of Business to an Approved Buyer.)

Sale Processing

The PP&C and Commercial Non-Fleet Auto book of business will be transferred on the system during the first workweek following the effective date of the sale and all other Commercial and Allstate Financial policies¹⁶ beginning in the second workweek. Once the policies have been transferred, the buying agent will be able to access PP&C policies in Alliance Policy View and the Commercial policies in Connexus. If the buying agent cannot access the transferred policies, he should contact the Allstate Technology Support Center (ATSC) for a refresh of the book of business. It should be noted that it might take at least two refreshes before all the transferred policies are accessible on Alliance Policy View or Connexus.

Note: Even though the physical transfer may not occur on the first day of the month, commissions on all premium transactions processed under your (selling agent's) number after the effective date of the sale and prior to the transfer will be paid to the buying agent.

The buying agent will receive multiple Business Metrics views available via the filtering options, including: 1) Agent Only, 2) Purchased, 3) Assigned, and 4) All (combined). The Agent Only view is the buying agent's Business Metrics report. The Purchased Business Metrics view is for the purchased book, which includes the selling agent's agent number. The All view is a combination of the Agent Only, Purchased, or Assigned view. Please note that if an agent has purchased more than one book, the buying agent will receive views for each book purchased.

¹⁵ Sale of Agency as a result of permanent incapacity or death of Agent/Key Person – Documentation must be provided that demonstrates that the seller of the economic interest in the book of business has authority to act on behalf of the Agent/Key Person or on behalf of the estate of the Agent/Key Person (e.g., letters of administration or letters testamentary). This documentation must be forwarded to HRPART for review and approval before the sale can take place.

¹⁶ If the buyer does not obtain a securities license within 120 days of the effective date of the sale of agency, the variable policies may be moved into a house account and subject to reassignment to an active agent.

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An outside buyer should be issued a new agent number a minimum of 15 days prior to the effective date of the purchase and the new agent number should be transmitted for BOAT deck purposes a minimum of 15 days prior to the end of the month. (The effective date for setting up a new agent number on the SAP/BOAT deck has to be the first of the month, but it can be processed prior to the sale date).

In a full sale situation, quotes will be moved to the buyer. In a split sale situation, since the system does not have the ability to move quotes via zip code, quotes will not be moved to the buyers.

Commissions Applicable to Purchased Book of Business

A sale of agency audit will be run that will change the old agent number on active **eligible** policies to the new agent number. Any positive or negative activity recorded after the sale of agency effective date regarding policies (selling agent's active and terminated policies) will be recorded under the new agent number, e.g., endorsements, charge backs, etc. Consequently, the buying agent may receive a charge back on a policy where the commission on the policy was paid to the selling agent. Both the selling and buying agents may want to take this into consideration when structuring the sale. Please consult the Exclusive Agency Independent Contractor Manual for additional details.

For purchases prior to 7/1/2014, if there are any Plus Policies in the book of business serviced by the selling agent, the policies will remain as Plus Policies and the Plus Policy commission amount will be in effect for five (5) full annual renewal periods after the policies are transferred to the buying agent. Any completed portion of the five annual renewal periods, in which the Plus Policy commission amounts were in effect for the selling agent, will not apply to the buying agent.

For purchases effective 7/1/2014 and subsequent, agency owners who purchase books of business that include Plus Policies will only be required to vest in the remainder of the Plus Policy period (the Plus Policy counter will not be reset). The Plus Policy commission rate is in effect for five full annual renewal periods. Upon completion, the policies will be treated as secured business, and the agency owner will be eligible for full commissions and economic interest.

Impact of Purchase on Buying Agent's Business Metrics Reports

Business Metrics measurements applicable to the selling agent are transferred to the buyer at the time of purchase. This includes all positive and negative impacts. The Business Metrics All view will be used in all instances for Agency Business Objectives, awards and recognition, and the Agency Bonus.

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Assigning Sub-Producer Codes to Purchased Book of Business

In a sale of agency situation, the buyer has three options with regard to sub-producer codes:

1. Assign a single sub-producer code to the entire PP&C book transferred from the selling agent. This will allow the buyer to distinguish the book transferred from the selling agent from his existing book.
2. Retain existing sub-producer codes. This will allow a buyer, who is retaining the selling agent's Licensed Sales Professionals, to identify the business written by these Licensed Sales Professionals.
3. Do nothing and the existing sub-producer codes will be reset to zero.

If the buying agent wants to either add a sub-producer code to the book transferred from the selling agent or retain the existing sub-producer codes on the book transferred from the selling agent, he must contact the region at least 5 days PRIOR to the effective date of the sale. The sub-producer codes will be mechanically assigned to these policies at the time of transfer.

Timeline for Transferring the Economic Interest in an R3001 Exclusive Agent's Book of Business to an Approved Buyer

Below are key timeline highlights, which you should follow in order to transfer the eligible book of business to the buying agent:

Approximately 10 work days prior to the effective date of the sale:

You (selling agent), or your legal representative, must provide a letter stating that a sale agreement has been executed by both parties and notifying the Company of the effective date of the sale.

Approximately 7 work days prior to the effective date of the sale:

The Agency Establishment Coordinator in the region should provide the Commissions COE (COMCOE), a completed Agency Purchase Approval Request form.

If the office is a new border location, the Non-Resident License Request form should be submitted at this time to Licensing at IAMKTSO.

NOTE: ALL SALES MUST BE EFFECTIVE THE FIRST CALENDAR DAY OF A MONTH.

Existing R3001 Agent Buying the Book of Business Serviced by Another R3001 Agent

If the buyer is another R3001 Agent, and the Company has approved the sale, the Company should get a letter from you (selling agent) at least 10 days prior to the effective date of the sale stating that a sale agreement has been executed by both parties and notifying the Company of its effective date.

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Splitting a Book of Business

You can request approval from field sales leadership to split the book of business serviced by your agency so that you can sell your economic interest in the book to multiple buyers. If field sales leadership approves the splitting of the book of business, the book will only be split by zip code. The Company will not allow the splitting of policies within individual zip codes.¹⁷ **The buying agent will only receive Agency Bonus measurements on transferred P&C policies; the selling agent's AF production credit on transferred AF policies and new life policies written by the selling agent will not be transferred to the buyer.**

All Ivantage expanded market programs prohibit the practice of splitting books among agencies.

Approval to Split a Book of Business

You must present the business case to field sales leadership on the proposed split of the book of business and, as noted above, obtain field sales leadership approval prior to selling your economic interest in the book to multiple buyers. The business case must include the proposed zip codes that would be sold to a potential buyer. Customers must be within a reasonable distance from any potential buying agent's existing or proposed location in order to provide a proper level of customer service and to help ensure customer satisfaction and retention of the book of business.

Buying a Split Book of Business

Existing R3001 Agents who have been approved to purchase the economic interest in a split book of business may either merge the split book with the existing book of business serviced by the agency (referred to as "mergers")¹⁸ or set up a second agency. In order to operate Satellite Agency locations and Enhanced Satellite Agency (ESA) locations, R3001 Agents must be under the R3001S¹⁹ (or C) Agreement at both locations. In addition, an ESA must sign the appropriate Letter of Understanding.

R3001 Agents Going into Field Sales Leadership

R3001 Agents who go into field sales leadership have the option to either sell their interest in their entire book of business upon presenting a qualified buyer who has been approved by the Company, or elect the termination payment, subject to the terms and conditions of the R3001 Agreement. You should be aware of the following key points if you are interested in going into field sales leadership.

¹⁷ Commercial, Allstate Financial, and Allstate Benefits are split by policy.

¹⁸ In some markets, sales between agents will not be approved unless the buying agent sets up a Satellite Agency or Enhanced Satellite Agency for the purchased agency.

¹⁹ The R3001S Agreement is not available in Montana.

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If you elect to sell your economic interest in the book of business serviced by your agency:

- The buyer can be an outside buyer, including a family member, if the buyer meets the established qualifications and if approved by the Company.
- The buyer can be another existing R3001 Agent if he meets the established qualifications. The book may be merged into the existing book of business serviced by the buyer, or the buying agent may operate the location as a Satellite Agency or Enhanced Satellite Agency, if approved.²⁰

Note: If you are operating as a corporation under the R3001C (or A) Agreement and as part of the sale transaction, the buying agent obtains the right to use your corporation, the Company will enter into a new R3001C Agreement with that corporation which designates the buying agent as the Key Person. In this situation, the buying agent may use the corporation's existing TAX ID number. If the name of the corporation or d/b/a being sold includes your name, then the corporation or d/b/a name will have to be changed to one that is acceptable to the Company.

You cannot go into field sales leadership until the Company has approved the new buyer and the sale of the agency has been completed.

The effective date of sale must be the first calendar day of a month.

If the buyer is a family member, you will not be allowed to:

- Work as a field sales leader in the market where the agency is located
- Maintain any involvement in the running of the agency operation
- Participate in any day-to-day business activities of the agency, including, but not limited to, financial or personnel matters
- Be located in the same building as the agency

Please note that if you go into field sales leadership, you will still receive one more commission check after your termination as an agent.

Also, you may receive the following bonuses, if eligible, even though you would not be an agent for the entire bonus period.

- **Agency Bonus** To receive the Agency Bonus, you must complete the calendar year under the R3001 Agreement. If you qualified for a bonus at the end of the calendar year, but go into field sales leadership prior to the bonus payout, you will receive the bonus payment.

²⁰ In some markets, sales between agents will not be approved unless the buying agent operates the location as a Satellite Agency or Enhanced Satellite Agency.

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Note: The Controller Department should submit an Agency Compensation WSR regarding the Allstate Financial/Allstate Life & Retirement Bonus. Any bonus due will be paid to you as 1099 income at the time the bonus is calculated.

Prior to appointment to a field sales leader position, new leaders must adhere to the following guidelines: obtain all required security license designations including: Series 6, 26, and 51 securities licenses as well as Series 63 license if required in their state; obtain variable authority; and successfully complete the associated registered representative required education. Note: securities licenses are not required prior to appointment to FSA; however, the appropriate licenses are required prior to appointment to FSL, TSL, SDL, SAL, FSC, RFSL, or RSL.

Access to Insurance

Allstate has always had a strong policy promoting fairness and consistency in its dealings with customers and prospective customers regardless of race, color, religion, national origin, sex, family status or disability. In order to eliminate any incorrect perceptions that Allstate is engaged in improper sales practices, when speaking to prospective customers we recommend that your agency:

- Use the same process to quote business. Example: If your practice is not to provide proposals over the phone, apply this practice consistently.
- Qualify business in a consistent manner. Example: Be consistent in asking questions related to prior insurance and claim history. Also, be consistent in explaining any restrictions we may face due to our efforts to reduce our catastrophe exposure.
- Take the time to explain why a particular piece of information is needed. Example: Inspections and consumer reports.
- Handle business with similar risk characteristics consistently so there are no unsubstantiated differences in the policy form selected or the coverage offered.
- Convey consistent information regarding the requirements for issuance of a policy to all potential customers. Example: The need for an inspection prior to binding coverage, if applicable.
- Use a consistent sales presentation when discussing available products and coverages, as well as the Company's underwriting guidelines, policies and procedures.
- Have a process in place to ensure that all calls are returned by a Licensed Sales Professional (LSP) the same day if possible (if not, within 24 hours).
- Use the same follow-up procedure for all callers. Example: If your practice is to mail the proposal or to call back within 24 hours, it should be done in all cases.
- Treat all potential customers courteously and professionally.

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Office Security/Acceptance of Cash Payments

As you know, most businesses accept cash and a certain segment of the population prefers that method of payment. Allstate customers are no different. Although we want to meet the customers' requirements, we understand the safety concerns associated with taking cash payments. Therefore, we have developed some helpful tips.

In a number of studies, authorities have determined some of the factors that make businesses most vulnerable to robberies. These factors include: keeping large amounts of cash at hand, a single agency staff member working alone after dark, an obstructed view of the location where cash is kept, inattentive agency staff members, poor outdoor lighting, and easy escape routes.

In incorporating safety awareness into your professional life, you should keep those factors in mind. This can be done by evaluating your business practices and taking the necessary precautions for your safety and that of your agency staff. If this is an issue in your market, here are some preventive strategies you may wish to consider:

- Consult with other local merchants and building landlords on joint safety/security programs, including a "Neighborhood Watch" program.
- Don't keep excessive cash in your office. Make frequent bank deposits during the day at peak daylight hours, but vary your schedule for deposits every day to avoid being predictable.
- Keep cash payments and any other money out of view, but keep it in a location that is visible from almost all of the office.
- If the location in which cash is kept is not easily visible from the rest of the office, consider using mechanisms that permit you and your agency staff to have a complete view of the office surroundings, such as convex mirrors.
- If within your control, maintain an unobstructed view of the office from the street. If necessary, consider clearing shrubbery, trees, or any form of clutter.
- If within your control, maintain adequate outdoor lighting of the parking area and approach to the office during nighttime hours, as well as adequate indoor lighting at all times.
- Consider locking your doors to screen customers, especially after dark. If you or a member of your agency staff is alone in the office near closing or at any time other than normal business hours in the area, keep the door locked.
- Consider locking your doors and permitting access only to those who ring a buzzer, as long as such a system meets fire code requirements.
- Take note of suspicious looking individuals lurking or congregating outside the office.
- Post emergency numbers (including police and ambulance services) near each telephone.
- Make sure that you and the members of your agency staff keep each other informed of irate customers, former agency staff members, spouses or former spouses, etc.

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- If you or a member of your agency staff becomes a victim of a crime, do not resist. Cooperate fully, remain calm, and try to focus on the criminal's distinguishing features. Do not try to be a hero.
 - Obtain incident report forms, which may be available from your local police, to write down information about any crime that occurs. The incident report forms should prompt the victim to write down the criminal's distinguishing features (such as sex, height, build, age, and race) and should be completed immediately after any crime occurs. In the event of a burglary, robbery or theft, you should immediately contact the police and file a police report. Failure to do so may result in your being held responsible for the missing funds.

You may also want to consider counseling customers on risks associated with taking cash payments. Please understand, however, that if a customer still wants to pay in cash, you must accept the payment, unless it is prohibited by Company policy.²¹ If you believe it would help deter robberies or other criminal activity, you may want to go one step further and post a "No Cash on Premises" sign with the approval of Company leadership.

Your safety is very important to us. The preceding strategies are not an exhaustive list. You are in the best position to determine what steps, including some of those listed above, are appropriate to deter crime at your office. Of course, any other steps you consider to deter crime at your office must comply with Allstate's policies and not create other risks.

Referral of Attorneys for Estate, Retirement and Business Planning

In many situations, agents and financial specialists may be asked by customers for names of attorneys to refer questions about estate, retirement, and business planning strategies, particularly those that make use of life insurance and annuity products. There are other situations where you would like to have a relationship with a local attorney pre-established in order to facilitate mutually beneficial arrangements between customers and attorneys, whereby you can continue your role as an insurance representative and be included as a member of customers' planning team.

We agree with this concept and ask that you keep the following guidelines in mind as you work toward these relationships:

- Where possible, have a list of several licensed attorneys with their areas of specialization (e.g., estate planning) to offer the customers.
- In remote locations where only one attorney is available in close proximity, also provide a list of some additional attorneys located within a reasonable geographic area.
- Advise customers that these are **not recommendations**, but rather a list of attorneys for consideration.
- Advise customers to visit with several attorneys and to develop a relationship with the attorney of their choice.

²¹ For traditional life insurance products, you may accept cash from customers, but a money order must be used for submitting payments to Allstate Financial. Or, if you have a Premium Fund Account (PFA), you may deposit the cash in the PFA for remittance to Allstate Financial. For securities products, no cash payments are allowed.

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Because legal representation is necessary in many of these planning scenarios, it makes a great deal of sense for agents and financial specialists to forge relationships with local attorneys. Some customers may feel strongly that they know how best to manage their affairs, yet still need an attorney to draft the required documents. Others would like access to an attorney to help offer suggestions. Often these advisors require assistance from insurance agents to fund the strategies created to meet their customers' needs. Once again, the importance of this issue rests in our method of communicating how these attorneys were referred. It should be your intent to provide a list of possible resources that customers can use as a stepping stone in their attorney selection process.

Representation in the Event of Death or Permanent Incapacity

If you should die, the economic interest in the book of business can be a valuable asset that you may have overlooked in your estate planning. You may want to consider planning your estate so that you have a business entity, such as a corporation or LLC, which designates a representative upon your death to take control of the corporation or LLC. This representative can then immediately make important decisions about the disposition of your economic interest in the book of business within the required time period, without the necessity of court administration. If you do not form a corporation or LLC, then you should designate a legal representative in your will. However, it may take time for this representative to be appointed by the probate court to act on your behalf. Keep in mind if a legal representative is not in a position to act quickly, it can have a serious adverse impact on the value of your business since it will become more difficult to retain customers.

You should also consider taking steps to make sure that someone can act on your behalf if you become permanently incapacitated and don't have the mental capacity to make decisions about your business.

Legal Compliance

As an independent contractor, it is your responsibility to ensure that your agency's operations are in compliance with the law and any insurance department requirements.

Satellite Agencies, Enhanced Satellite Agencies, and Local Agency Extensions (LAEs)

The information contained in this section is not intended as legal advice, and if you have any questions concerning state and federal law requirements, you should consult with your independent legal advisor. It is important to note that there may be additional state law requirements of which the Company is not currently aware and legal requirements can change at any time. Further, while the Company might notify you of significant changes in the law that may impact the operation of a Satellite Agency, Enhanced Satellite Agency (ESA), or LAE, you remain responsible for your agency's legal compliance.

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The following is some general information about certain state law requirements, particularly relevant to the operation of Satellite Agencies, ESAs, and LAEs that the Company has become aware of:

Florida - A primary licensed sales professional responsible for the Satellite Agency, ESA, or LAE must be designated, and the name of that primary licensed producer must be filed with the Department of Insurance. If the primary licensed producer is changed, notice of the change must be filed with the Department of Insurance within the 30 days following the change.

Georgia - An agency license must be obtained from the Insurance Department for each Satellite Agency, ESA and LAE prior to operating any insurance sales activity at the location. An agency with a Satellite Agency, ESA or LAE must designate a primary agency. Each Satellite Agency, ESA and LAE must be the principal office of at least one licensed sales professional.

Louisiana - An agency must provide written notice of the location of each Satellite Agency, ESA or LAE within 30 days of establishing the Satellite Agency, ESA, or LAE location to the Department of Insurance. Each Satellite Agency, ESA, and LAE must have at least one licensed sale professional at the location and registered with the Department of Insurance.

Maine - An agency must obtain an agency branch registration for each Satellite Agency, ESA and LAE from the Department of Insurance. A Satellite Agency, ESA or LAE that is a separate legal entity from the licensed agency must obtain a separate agency license from the Department of Insurance instead of an agency branch registration. A primary licensed sales professional designated as responsible for the primary agency is responsible for each Satellite Agency, ESA and LAE.

Michigan - An agency must register the location of each Satellite Agency, ESA and LAE with the Department of Insurance. A primary licensed sales professional designated as responsible for the agency is responsible for each Satellite Agency, ESA and LAE. An agency must provide written notice to the Department of Insurance within 5 business days if it moves or closes its Satellite Agency, ESA or LAE.

Missouri - Each Satellite Agency, ESA and LAE must be the principal office of at least one licensed sales professional.

Montana - The agency's insurance license must include the name and primary business address of the licensee as well as the name of each individual authorized to exercise the license power.

Nebraska - Each Satellite Agency, ESA and LAE must be licensed under the primary agency with the same legal name. An agency may register the location of each Satellite Agency, ESA and LAE with the Department of Insurance. An agency must maintain a list of each Satellite Agency, ESA and LAE location and each licensed sales professional at each location.

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New York - An agency must provide written notice of the location of each Satellite Agency, ESA or LAE and the licensed sales professionals responsible for it to the Superintendent of Insurance within 10 days of establishing the Satellite Agency location, ESA or LAE. Such notice must also be provided within 10 days following any change in address of an existing Satellite Agency, ESA or LAE, or any replacement of a designated licensed sales professional responsible for the Satellite Agency, ESA or LAE. The notice must include the license numbers and signatures of the agency and designated licensed sales professional responsible for each Satellite Agency location, ESA or LAE.

Oregon - An agency must provide the address of each Satellite Agency, ESA and LAE location to the Department of Insurance.

Texas - An agency must register the location of each Satellite Agency, ESA and LAE with the Department of Insurance.

Washington - An agency must obtain a duplicate insurance license for each Satellite Agency, ESA or LAE from the Department of Insurance. The full licensing fee is charged for each duplicate license. Each Satellite Agency, ESA and LAE must be under the "charge" of a designated licensed sale professional properly licensed for the insurance transactions being conducted at the Satellite Agency, ESA or LAE. The licensed sales professional "in charge" of the Satellite Agency, ESA or LAE must be physically present in the Satellite Agency, ESA or LAE during business hours.

Office Locations within a Financial Institution

If you want to open an LAE in a financial institution such as a bank, there are legal requirements that may apply. The sale of insurance in financial institutions is regulated by certain states, and, if the bank is nationally chartered, the Office of the Comptroller of the Currency. Generally, the purpose behind that regulation is to clearly distinguish financial deposit activities from insurance activities and prohibit the "tying" of providing financial services to the sale of insurance. As always, you are strongly encouraged to seek independent legal assistance, however, the state and federal law requirements that the Company has been made aware of relating to the operation of an LAE in a financial institution are set forth below:

Arkansas - Arkansas regulates insurance sold by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to an LAE. Among other things, that regulation insurance sales activities are to be physically separated from the area where retail deposits occur, and appropriate signs must distinguish insurance sales areas from areas where deposit activities of the financial institution occur, where practicable. There may be additional disclosure requirements, including for the sale of annuities of life insurance policies.

California - California regulates insurance sold by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to an LAE. Among other things, the regulations require physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. Customer referrals from the person who accepts deposits from the public to the insurance

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business are subject to additional regulations. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Colorado - Colorado regulates insurance sold by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to an LAE. Among other things, that regulation requires, to the extent practicable, insurance sales activities be physically located so that it is distinct from the area where retail deposits occur. Unlicensed employees of financial institutions shall not sell insurance or annuities but may direct customers to licensed sales professional. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Connecticut - Connecticut regulates insurance sold by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to LAE. Among other things, that regulation requires separation between credit transactions and insurance transactions if any insurance, other than credit life and disability insurance, is required as a condition of obtaining a loan. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Georgia - Georgia regulates insurance sold by, or located on the premises of, financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to an LAE. Among other things, that regulation requires sufficient separation and distinction between the area used to solicit insurance or annuities at a financial institution and where deposits occur. Insurance or annuity transactions must not occur from a teller area. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Illinois - Illinois regulates the sale of insurance by financial institutions or by any registered firm and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to an LAE. Among other things, that regulation requires separate physical location and sales force where insurance is required as a condition or in connection with a loan. Signs concerning insurance products within the financial institution must be displayed in the area applications for loans are taken and must include appropriate disclosures. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Indiana - Indiana regulates insurance sold by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation could be construed to apply to an LAE. Among other things, the regulation requires, to the extent practicable, physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Louisiana - Louisiana regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires that if the financial institution solicits the purchase of insurance from a customer who is applying for a loan or extension of credit, the insurance solicitation shall be conducted in an area

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physically separate and distinct from the loan transaction, unless the size of the facility is too small to make the physical separation possible. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Maine - Maine currently regulates the operation of an LAE located in a financial institution. Among other things, Maine requires that, to the extent practicable, the space used for insurance transactions must be separate and distinct from the area used for routine retail deposits in order to avoid confusion. Insurance transactions must occur in a self-contained area with non-transparent and sound-resistant surfaces separating the insurance transactions area from the retail deposits area. The door that consumers use to enter and exit the insurance transactions area must lead directly to a location outside the financial institution's retail deposits area. The insurance transactions area must be located so that the financial institution employees cannot regularly observe the insurance transactions, including the entry and exit of consumers. Clear and conspicuous signage must be used to identify the insurance transactions area and minimize consumer confusion. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Massachusetts - Massachusetts regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires, to the extent practicable, physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. The financial institution must have procedures that eliminates consumer confusion and distinguish between insurance products and other financial institution functions. A state financial institution may request a waiver of the physical separation requirement from the state's Commissioner of Banks. If the waiver is granted, the state financial institution must promptly forward the waiver to the Department of Insurance. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Michigan - Michigan regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted, except where physical or employee considerations prevents separation. If physical or employee consideration prevents physical separation between insurance and routine retain deposit transactions, appropriate steps must be taken to minimize consumer confusion. Clear and conspicuous signage must identify the area where insurance is transacted. Signs and other informational material about availability of insurance products must not be displayed in areas where retail deposits routinely occur. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Mississippi - Mississippi regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. Insurance transactions conducted on the financial institution's premise must occur within a "leased area." A "leased area" is a specific location where insurance is transacted in accordance with the leasing agreement. A financial institution employee must not partake in any insurance transaction. Signs may be used to direct consumers to the "leased area"

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5 where insurance is transacted. There may be additional disclosure requirements, including for the
9 sale of annuities or life insurance policies.
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6 New Hampshire - New Hampshire regulates the sale of insurance by financial institutions and,
9 depending on the nature of the agreement between the financial institution and the agency, that
0 regulation requires, to the extent practicable, physical separation and distinction between the area
8 where retail deposits routinely occur and insurance is transacted. If the staffing level, size or
1 design of the financial institution prevents the physical separation between the insurance and
6 retail deposit transactions area, appropriate plans must be submitted to the Department of
2 Insurance for approval. The leases for space in an unlicensed financial institution must provide a
0 fixed dollar amount for rent that is not based on a percentage of premium income and is not
2 otherwise tied to insurance transactions. The lease must also contain a clause negating the
1 existence of a partnership or joint venture, stipulating that the landlord has no right to exercise
0 control over the tenant LAE except to collect rent or perform other typical landlord-tenant
2 activities, and requiring the LAE to comply with requirements for disclosures and separation of
1 activities. There may be additional disclosure requirements, including for the sale of annuities or
life insurance policies.

New Mexico - New Mexico regulates the sale of insurance by financial institutions and,
depending on the nature of the agreement between the financial institution and the agency, that
regulation requires physical separation and distinction between the area where retail deposits
routinely occur and insurance is transacted. Signs or labels must be used to identify the LAE and
the area where insurance is transacted. There may be additional disclosure requirements,
including for the sale of annuities or life insurance policies.

New York - New York regulates the sale of insurance located within a financial institution and,
depending on the nature of the agreement between the financial institution and the agency, that
regulation requires separation of insurance transactions from retail deposits and other financial
institution documentations. There may be additional disclosure requirements, including for the
sale of annuities or life insurance policies.

Oregon - Oregon regulates the sale of insurance by financial institutions and, depending on the
nature of the agreement between the financial institution and the agency, that regulation requires,
to the extent practicable, physical separation and distinction between the area where retail
deposits routinely occur and insurance is transacted. There may be additional disclosure
requirements, including for the sale of annuities or life insurance policies.

Pennsylvania - Pennsylvania regulates the operation of the sale of annuities and life insurance on
the physical premises of a financial institution. Written disclosure is required to be provided at
or prior to the time of application for the life insurance or annuity. Sales of annuities or life
insurance, except credit insurance, by a financial institution or by a licensee employed by or
affiliated with the financial institution shall take place in a location distinct from the area where
deposits are taken and loan applications are accepted. Signs or other means must be used to
distinguish the insurance sales area. The commissioner may exempt a financial institution from
certain requirements if number of staff or size of facility prevents compliance.

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Rhode Island – Rhode Island regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. Physical separation may be done by, but is not limited to, the use of a separate building, separate walls or separation by doors or dividers within an area of the same building. In locations with a single multi-purpose meeting room, clearly communicating the room’s purpose to consumers may satisfy the physical separation requirement. But, the single multi-purpose must not be used for retail deposits. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Tennessee – Tennessee regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. The insurance transactions area must be located so that the financial institution employees cannot regularly observe consumer’s insurance transactions. Signs may be displayed in the vicinity of the where insurance is transacted. Signs must not indicate any relationship between the LAE and the financial institution. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Texas – Texas regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires separation and distinction between the area where retail deposits routinely occur and insurance is transacted. Signs must indicate the distinction between the area where retail deposits routinely occur and insurance is transacted. A financial institution may request a waiver of the separation requirement by submitting its written request to the Department of Insurance detailing the reasons preventing compliance and proposed steps aimed at minimizing consumer confusion. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Vermont – Vermont regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires, to the extent practicable, physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. Sign may be used to distinction between the area where retail deposits routinely occur and insurance is transacted. If physical circumstances prevent compliance, the financial institution may achieve separation if the financial institution ensures appropriate procedures are in place to minimize consumer confusion. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Virginia – Virginia regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires, to the extent practicable, physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

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West Virginia - West Virginia regulates any person soliciting or selling insurance on the premises of a financial institution. Written disclosure is required and a separate acknowledgement is to be received from the customer. Signage for the solicitation/sales of insurance is to be readily distinguishable by the public as separate and distinct from the financial institution's lending and deposit-taking activities. Waiver of requirements by the commissioner may be granted in certain circumstances if the size of the facility prevents compliance. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

Wyoming - Wyoming regulates the sale of insurance by financial institutions and, depending on the nature of the agreement between the financial institution and the agency, that regulation requires physical separation and distinction between the area where retail deposits routinely occur and insurance is transacted. Insurance transaction must be conducted in a manner that is not misleading or confusing to consumers. There may be additional disclosure requirements, including for the sale of annuities or life insurance policies.

If you lease office space for an LAE in a bank or any other business that provides settlement services in connection with real estate transactions (e.g., real estate offices, mortgage brokerage offices, or title insurance offices), you should also familiarize yourself with the requirements of the federal Real Estate Settlement Procedures Act (RESPA).

Please note: Additional restrictions may apply for insurance sold by a financial institution and/or an affiliate of a financial institution.

Office Locations within Other Businesses

If you lease space in another business to operate an LAE there may be state laws that apply to the way the lease is structured. In the past, many states prohibited the sharing of commissions with an unlicensed person or entity. Under their older licensing laws, a number of states found that calculating rent based on the amount of insurance business sold at the location is an unlawful commission split. While this practice may be permitted under many of the recently enacted licensing laws, the Company is not yet aware of any states which have specifically addressed this issue. Also, the prohibitions contained in the federal Real Estate Settlement Procedures Act (RESPA) should be considered. Before entering into this type of lease arrangement, you should consult with your legal advisor to determine whether it would be legally permissible under state and federal law.

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Referrals of Business in Connection with Real Estate Transactions (RESPA)

If you receive referrals from, or make referrals to, real estate agents, mortgage brokers, representatives of title insurance companies, or other businesses which provide services in connection with residential real estate transactions, you need to be sure you understand and comply with the requirements of the federal Real Estate Settlement Procedures Act ("RESPA").

RESPA prohibits certain referral fee arrangements. It provides:

"No person shall give and no person shall accept any fee, kickback, or other thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a settlement service involving a federally related mortgage loan shall be referred to any person."

There are five components which together constitute a violation of the law:

1. **Transfer of a fee, kickback, or thing of value:** A "thing of value" is very broadly defined. It includes, but is not limited to: money, things, discounts, salaries, commissions, fees, stock, special loan terms, services at special rates, sales or rentals at special prices or rates, trips, lease or rental payments based on the amount of business referred, payment of another person's expenses, and agreements to refer business back and forth.
2. **The transfer is pursuant to an agreement or understanding:** The agreement or understanding need not be formal to be prohibited; it can be oral or written and includes a practice, pattern, or course of conduct pursuant to which the parties could be said to understand that the payment or other consideration is in return for the referral of business. When a thing of value is received repeatedly and is connected in any way with the volume or value of the business referred, the receipt of the thing of value is evidence that it is made pursuant to an agreement or understanding for the referral of business.
3. **The agreement or understanding relates to the referral of business:** In addition to its commonly understood meaning, "referral" is defined to include any oral or written action directed to a person which has the effect of affirmatively influencing the selection by any person of a provider of settlement services (or business incident to or part of a settlement service).
4. **The business is incident to or a part of a settlement service:** Generally, "settlement" refers to the process of creating a lien on property with a federally related mortgage loan. It's sometimes also referred to as "closing" or "escrow." A "settlement service" includes any service provided in connection with a prospective or actual real estate settlement, including, but not limited to: title insurance; home warranties; life insurance required by the lender; homeowners or property insurance; mortgage insurance; services rendered by a real estate agent or broker, mortgage broker, or attorney; property surveys; pest and fungus inspections; and the making, origination, processing or funding of a federally related mortgage loan, including home equity loans.

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5. **The settlement service is performed in connection with a federally related mortgage loan:** Most loans made on residential real property are federally related mortgage loans. Residential real property is property upon which there is located, or will be constructed or placed using the proceeds of the loan, a structure designed principally for the occupancy of from one to four families, including individual units of condominiums and cooperatives, or a manufactured home.

RESPA also regulates fee-splitting arrangements. It provides:

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“No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.”

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The law restricts fee-splitting to situations where services are actually performed. The amount paid must not exceed the reasonable value of the services rendered, and the payment must not be for services which, even without the payment, the person would normally perform as part of his regular services or duties.

Note: The insurance laws in most states prohibit compensation/commission splitting with unlicensed entities or individuals.

RESPA does not prohibit:

1. Normal promotional and educational activities that are not conditioned on the referral of business and that do not involve the defraying of expenses that otherwise would be incurred by persons in a position to refer settlement services or business incident thereto. For example, it would be permissible to give free insurance seminars on insurance matters to professionals, or to distribute calendars and other promotional material of a nominal value, provided they are not conditioned on the referral of business and do not defray expenses that would otherwise be incurred by persons in a position to refer settlement services or business incident thereto; or
2. Payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed. The services must be real, substantial, valuable and legitimate. They cannot duplicate services that are performed by others and they must be necessary to the process. To the extent that the amount of payment exceeds the reasonable value of the goods or services provided, the excess may be considered a kickback or referral fee, which is prohibited. In determining whether the payment is reasonable, the value of referrals is not to be taken into account.

If you have another business which provides settlement services, you need to be familiar with RESPA's affiliated business arrangement provisions. Prior to referring a person to one of your businesses for settlement services, you must disclose, in writing, the affiliation of the businesses and the charges which are likely to be made by the referred company. You cannot, in most instances, require the use of that company and you cannot receive any thing of value for your referral other than things permitted under RESPA or a return on your ownership interest (e.g., a dividend based on your ownership percentage of the business and not on the amount of business

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you refer). Finally, HUD has broadly construed what “your business” encompasses. Thus, you cannot avoid the law by putting ownership of the business in the name of your spouse or children, and you must make disclosure even if you refer services to a business owned by your partner or employer. The rules on affiliated businesses are quite complex. The foregoing is only a very general description. **If you are engaged in this type of activity, you should consult with your legal advisor on the steps required to be in compliance with the law.**

The Secretary of Housing and Urban Development and the Attorney General or Insurance Commissioner of any state may bring actions to enjoin violations of RESPA. There are criminal penalties for violating RESPA, which include fines up to \$10,000 and/or imprisonment for up to one year. In addition, civil damages may be recovered in an amount equal to three times the amount of any charges paid for the settlement service involved, plus court costs and reasonable attorney’s fees.

OSHA Requirements for Your Office

When you have agency staff, you may fall under the regulation of the Occupational Safety and Health Administration (OSHA) as well as any applicable federal, state or local laws regarding workplace safety. OSHA has developed rules and regulations regarding the conditions under which the workplace is to be maintained.

1. All workplaces, including passageways, store rooms, and service rooms should be kept clean, orderly and in a sanitary condition.
2. Floors should be kept clean and as dry as possible.
3. Floors should be kept free from protruding nails, splinters, holes, or loose boards.
4. Covers and/or guardrails must be provided to protect against the hazards of any open pits, ditches, etc.
5. It is unlawful to place or permit to be placed, on any roof or floor of a building, a load greater than that for which such floor or roof is approved by the building official.
6. A railing or some type of floor hole cover must guard floor openings.
7. Where doors or gates open directly on a stairway, a platform is required.
8. Wall openings or open sided floors from which there is a drop of more than four feet must be guarded.
9. Every flight of stairs having four or more risers must be equipped with standard chair railings of hand railings as specified in the OSHA regulations.
10. Exits must be sufficient to permit prompt escape in case of fire or other emergency.
11. Portable fire extinguishers should be maintained in operable condition.
12. All electrical systems must comply with design safety standards and be free from recognized hazards.

In addition, workplaces must be free from all “recognized” hazards -- those that are known, or could have been known, with the exercise of reasonable diligence.

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Fair Employment

One of your most important responsibilities in staffing and managing your support organization is to make sure that you comply with state and federal fair employment laws. The following pages provide you with a brief summary of the four primary federal equal employment laws.

Equal Employment Opportunity Laws

Title VII: Civil Rights Act of 1964

The Civil Rights Act of 1964 is intended to eliminate any form of discrimination in employment based on an individual's race, color, religion, sex, or national origin.

Specifically, Title VII states that "it shall be an unlawful employment practice for an employer:

1. to fail or refuse to hire, or to discharge any individual or otherwise to discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin; or
2. to limit, segregate or classify employees (or applicants for employment) in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, or national origin."

It is important to note that Title VII prohibits discrimination not just in hiring, but also with respect of any of the terms and conditions of employment, including compensation. In addition, Title VII addresses sexual harassment in the work place.

Sexual Harassment

Sexual harassment has become a business issue because of its potentially devastating impact on the work environment. Both men and women need to be aware of how their actions can contribute to harassment. The law states that unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature are violations of this act. The law protects individuals under the following conditions:

- When submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment.
- When submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting that individual.
- When such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

In addition, when an individual gains employment opportunities or benefits from an employer's sexual activities, the employer may be held liable for unlawful sexual discrimination against other employees who were qualified, but denied a particular opportunity or benefit.

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The costs of sexual harassment fall into three categories:

- Physical ailments and psychological stress: An individual may find the situation intolerable enough that he leaves.
- The costs to your business in expense from absenteeism, poor work performance, and a decrease in productivity.
- Civil suits can be brought against the individual and you.

Title VII prohibits an employer from retaliating against an applicant or employee from asserting his rights under Title VII. The Equal Employment Opportunity Commission administers title VII, which is an independent agency of the Federal Government.

The Age Discrimination in Employment Act of 1967

The Age Discrimination In Employment Act of 1967 prohibits discrimination in employment on the basis of age, against individuals who are 40 years of age or older.

Equal Pay Act of 1963

The Equal Pay Act of 1963 prohibits the payment of lower wages because of the sex of the worker.

Basically, the act makes it illegal to discriminate on the basis of sex by paying lower wages to persons of one sex who, within the same establishment, perform equal work on a job requiring equal skill, effort and responsibility. Differences in payment are permitted where payment is based on:

1. A seniority system
2. A merit system
3. A system that measures earnings by quantity or quality of production
4. A differential based on any factor other than sex (or race, color, religion, or national origin which are prohibited under Title VII)

The Americans with Disabilities Act of 1990 (ADA)

The Americans with Disabilities Act of 1990 makes it unlawful to discriminate in employment against a qualified individual with a disability.

The ADA makes it unlawful to discriminate in all employment practices such as:

- Recruitment
- Pay
- Hiring
- Firing
- Promotion
- Job assignments

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- Training
 - Leave
 - Lay-off
 - Benefit
 - All other employment related activities

The ADA prohibits an employer from retaliating against an applicant or employee for asserting his rights under the ADA. The Act also makes it unlawful to discriminate against an applicant or employee, whether disabled or not, because of the individual's family, business, social or other relationship or association with an individual with a disability.

You may request additional information on ADA by contacting the:

U.S. Equal Employment Opportunity Commission
131 M Street, NE
Washington, DC 20507
(202) 663-4900

In addition to these federal laws, there are many state laws that are intended to accomplish essentially the same purpose. These laws may be broader and may prohibit discrimination on the basis of additional factors such as handicap, sexual preference, or marital status.

State and Local Taxes

As a business owner, you, as an Exclusive Agent (EA) have responsibility for all state and local taxes imposed on your agency business. Some of these taxes, such as personal property taxes, were previously imposed on Allstate Insurance Company as the legal owner of furniture and fixtures located in employee-agents' offices. Other taxes, such as business license taxes, did not generally apply to agencies managed by employee agents, but are often required to be paid by independent contractor agents. Following is a discussion of these taxes and their applicability to Exclusive Agency businesses.

Personal Property Taxes

Most states impose tax on the value of tangible personal property. This tax is legally owing by the owner of the property, and is determined based on the value, ownership, and location of such property on a particular date, called the "assessment date." Typically, owners must file a return and list all of the property owned at a particular location with a value reported for each property. The value is generally based on cost, less applicable depreciation. Assessors are authorized to review ownership and purchase documentation to support the taxable items and values listed on the returns. Penalties may be imposed for failure to file returns, or for filing false returns.

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Business License Taxes

Many local governments impose various types of taxes on businesses located within their jurisdictions. These charges are commonly referred to as business license fees, business license taxes, business privilege taxes, mercantile taxes, or business occupation taxes. Though the laws vary by state, insurance companies are often exempt from such local taxes, due to the fact that they are regulated exclusively at the state level and the state retains sole authority to tax them, usually in the form of a tax on gross premiums.

The businesses of independent contractor agents are separate from that of the insurance company. Note, however, business taxes based on gross receipts should be imposed only on sales commissions generated by your office. If a municipality attempts to collect tax on premiums written, such tax may be challenged as the premiums represent receipts of the insurance company, not the independent contractor agent.

We recommend you consult with your tax adviser regarding any state and local business taxes and personal property taxes which may be due related to your business, to avoid potential penalties.

Setting up Your Office

Introduction

A properly equipped office that is comfortable, attractive and efficient is important to the overall success of your business. New agents should plan their office layout both for operational efficiency and for aesthetic appeal to the public. We recommend setting up your office according to the guidelines of the Allstate Branded Retail Environment. Converting agents or purchasers of an existing R3001 Agency will be working in a more established office environment with the furniture you need, the supplies in stock and the signs in place. Over time, you may want to change some things around or upgrade your office furniture. This section will serve as a guide to help you make these changes. It tells you about the signs that are available, the supplies that we provide for you, and a Website to find items and furnishings to brand your office.

Supplies

As an R3001 Agent, Allstate currently provides you with the following supplies:

- Point of sale support materials
- Applications
- Personalized imprint materials

Descriptions of these forms and procedures for ordering them are contained in the following pages.

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If you are buying an R300I Agency, you should review this section carefully. You should be aware that as an R300I Agent, you are responsible for all of your office supplies, except those listed above.

You may order office supplies (pens, pencils, paper clips, stationery, etc.) at your own expense, through the Exclusively Yours website.

Ordering Printed Material

Orders for printed or stocked materials are placed on Allstate's Print on Demand (POD) Storefront. The catalog of products formerly available on the Materials Order Distribution has been added to the POD storefront.

A Quick Link to Print on Demand can be found on Gateway. To create a permanent quick link to the POD application on Gateway:

- Select "Edit" under "My Quick Links"
- Locate and highlight *Print on Demand* in the list under "Helpful Quick Links"
- Click the "Add" button
- Click the "Save" button

Your Stock Keeping

When you receive your supplies and forms, we recommend that you make a note of each item's stock form number, quantity received, and the date received. Then, when reordering, you can easily determine how many were used between each order. Don't overstock any item because it may become obsolete and be replaced by a more current item.

Stock Numbering Control

Ordering supplies is a simple process because you will use POD to order routinely stocked items. The Product Catalog on POD allows you to view supply items and order "on-line."

To walk you through the supply ordering process, job aids, Quick Tips, and FAQ's are available on the Print on Demand Storefront. You may follow up on the status of your supply order directly through POD.

Stock Numbering

With a basic knowledge of the forms and supplies and their numbering system, you can order quickly without any errors, by entering the form number in the Quick Search box within the Product Catalog, which means you will get your order promptly.

All Allstate supply items are identified by stock form numbers. The form number is usually printed in the lower left-hand corner on the first or last page of the form.

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Forms

The form numbers printed on Allstate items consist of a prefix letter, for the basic category, followed by a number. Whenever a form is revised, a revision number, preceded by a dash, is added as a suffix to the basic form number on the printed item.

For example:

The current item shows the form number as: DXXXX-14.

The previous version of this form was DXXXX-13. The digits after the dash (-) indicate the number of times a form has been changed. In this case, there have been 14 revisions to the DXXXX since it was first printed.

If you are using the previous version of any form, check with the POD Customer Service Team to find out how a revision to a form affects you. It may be a minor change made for "the agent's convenience," and you can continue using the older version of the form. But, it might be a change required by law, in which case you must discontinue using that version of the form and use the proper revision.

You may also print form letters off the POD system. Check your letter directory for specific product lines or service.

Please note that each state has specific requirements regarding the forms that Allstate uses when servicing customers and completing insurance transactions. In order to satisfy these requirements, Allstate provides you with approved forms to be used throughout the insurance transaction process. Subtle changes to these forms, even altering things such as type size, could mean that they no longer meet the state regulatory requirements. This could jeopardize not only your state insurance license and your relationship with Allstate, but also expose you and the Company to potential compliance violations. As a result, desktop tools, such as Word, Excel, Outlook, and PowerPoint, should not be used to recreate or alter any Allstate approved forms. It is imperative that only approved forms be used:

Allstate Business Cards

Business cards can be ordered through the Print on Demand Storefront.

Your Personal Business Card

Allstate business cards have been designed to reflect quality, and to ensure that the Company and its representatives are presented to the public in the appropriate manner. Unauthorized additions, such as hand stamps, to your business cards are not permitted.

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Agency Staff Business Cards

Due to the importance of your agency staff, we encourage their name recognition in the community along with your name and/or your approved agency name. Allstate currently provides approved Licensed Sales Professionals with standard Allstate business cards. These cards will be provided at no cost to you. Allstate will also provide business cards for Office Staff. However, you will be charged for your Office Staff business cards.

The following are examples of Licensed Sales Professional (LSP) cards:

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| 1. | LSP's Name | John Doe | Line 1 |
| | Agent's Name | LSP for Mary Smith | Line 2 |
| 2. | LSP's Name | John Doe, Associate Licensed Sales Professional | Line 1 |
| | Agent's Name | Mary Smith Agent | Line 2 |
| 3. | Agent's Name | Mary Smith, Agent | Line 1 |
| | LSP's Name | John Doe, Licensed Sales Professional | Line 2 |

These options were developed to protect the Company and you. By handling the business card in this manner, the staff member's name will always appear with your name, never alone. This will help establish the relationship for customers and can result in additional name recognition for you.

Note that the business card formats have certain spacing requirements.

Agency Staff Business Cards – Texas

To meet the guidelines established by the Texas Department of Insurance, Licensed Sales Professional business cards should not contain your name.

Personalized Imprint Materials

Imprinted materials currently available via POD are:

- **Envelopes (return and business reply)** – imprinted with name and location address
- **Multi-line business reply cards** – imprinted with name, location address, telephone number, and license number (if applicable)
- **Prospecting mailers with detachable business reply cards** – imprinted with name, location address, telephone number, and license number (if applicable)

Note:

- Envelopes and business reply cards must be ordered in increments of 500.
- Imprinted business reply materials require zip+4 for Allstate's Permit #157. Your CAESAR Code must be set up with the correct zip+4 prior to placing your order.

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Relocating Your Office

In most cases, once you become an R3001 Agent or purchase an R3001 Agency, you will continue to operate from the same office in which your agency is currently doing business. However, you do have the right as an R3001 Agent to change your office location, subject to Company approval. This section will give you an idea of what things to look for if and when you decide to relocate your office.

Analyzing Geographic Areas

A suggested first step in site selection is to focus on a general geographical area. Here are some suggestions to help you do that:

- Preferred Public Use Microdata Areas (PUMAs) are areas most likely to support future agency growth and success because they rank highest in both PUMA score and Agency Productivity Score (optimal mix of standard auto historical quote volume, close rate and average gross premium).
- Have the local field sales leader provide you with market demographics. He will help you to identify future growth areas and give you information regarding our present penetration of the area.
- Locate other Allstate and competitor insurance locations.
- Talk to city planners about the area you're considering; they may provide you with helpful information.
- Drive through the market area to observe the auto/property/commercial risks.

Guidelines on Site Selection

Establishing an office is extremely important to the success of your business. A well-located and easily accessible office will be most inviting to the customers. Choose an area in the right price range, leverage the region's criteria, and make sure the site is in a desirable location for an emerging business. Be sure to drive around to different locations to get a feel for the community and how the location can adequately portray Allstate's presence in the community.

Once you and field sales leadership agree on a general area, you can select your own office location, subject to Company approval. Refer to the Guide to Site Selection for information to help you make the best decision.

Site Approval

The Field Senior Vice President must approve any site you select, including a building you own. The major considerations in approval of a site are:

- Suitability for the Allstate image
- Proximity to existing Company locations
- Future market penetration potential

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As a final check, ask yourself:

1. Can I afford the location?
2. Who will be my next-door neighbors? Being next to a restaurant can be a problem with bugs and odors.
3. What improvements are needed to make the site useable for my needs?
4. Who will pay for improvements?
5. Can I get an option to renew with a cap on rental increase?

Remember:

1. You may not share space with:
 - a. Doctors
 - b. Lawyers
 - c. Insurance brokers
 - d. Agents of other insurance companies
 - e. Representatives of other companies offering competing financial products or services
 - f. Individuals engaged in certain other occupations as determined by the Company
2. Successful, established neighborhood shopping centers have the potential for gathering good lead sources for sales offices. If you are considering a shopping center, take care to check out the stability of the tenants. If key tenants such as a department store or supermarket relocate, the shopping center could lose a significant amount of foot traffic.

Signs

Information on the Allstate signage standards can be found on the Allstate Branded Retail Environment page.

Allstate Branded Retail Environment

Allstate recommends that the agent office be branded in accordance with the guidelines provided on the Brand Your Agency website. Allstate recommends specific paint colors be used on the walls, neutral gray carpeting and a welcome area to greet the customers. Specific furnishings are available for purchase on the Brand Your Agency website which promotes the Allstate brand.

All visitors to the Brand Your Agency website are required to register with your agent number or if you have not received your agent number, use the Site Access Code – T112007 to complete your registration.

Some of the items on Brand Your Agency that are available for purchase:

- Items to brand your office
 - Allstate wall letters and good hands logo
 - Lighted Beacon Sign (hanging or standing)

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- Wall Decal
 - Poster frames
 - Welcome mat with logo
 - Furniture
 - Reception area chairs
 - Lobby tables
 - Office desks and chairs
 - Reception desk
 - Brochure rack options
 - Several package options are available that will help save you money – Welcome Suite Plus, Welcome Suite, Reception Package, Branding Essentials
 - The Welcome Suite Plus package includes items to furnish the reception area of your office:
 - 2 lounge chairs
 - Lobby table
 - Choice of hanging or standing beacon sign
 - 2 poster frames
 - Brochure rack
 - Wall letters and logo
 - Medium wall graphic
 - Logo mat
 - Choice of reception desk and chair or box desk with return and chair

Visit brandyouragency.com for more information.

Marketing

Information regarding marketing can be found on the [Marketing Hub](#).

Exhibit A – Partial Transfer of Interest Approval Request Form

PARTIAL TRANSFER OF INTEREST APPROVAL REQUEST FORM
(Prior to transfer of any shares or interest in an R3001 agency)

PART A: To be completed by agency

NAME OF AGENCY: _____ STATE: _____

NAME OF KEY PERSON: _____ AGENT #: _____

IF THE PROPOSED TRANSFER OF INTEREST IS TO AN INDIVIDUAL, PLEASE COMPLETE THE FOLLOWING:

NAME: _____ DATE OF TRANSFER: ____/____/____

CURRENT OWNERSHIP INTEREST, IF ANY: ____% OWNERSHIP INTEREST AFTER TRANSFER: ____%

IF THE PROPOSED TRANSFER OF INTEREST IS TO A CORPORATION, LIMITED LIABILITY COMPANY (LLC) OR PARTNERSHIP, PLEASE COMPLETE THE FOLLOWING:

NAME OF BUSINESS: _____ ADDRESS: _____

(i.e., name of corporation, LLC or partnership)

DATE OF TRANSFER: ____/____/____ CURRENT OWNERSHIP INTEREST, IF ANY: ____%

NATURE OF THE BUSINESS: _____ OWNERSHIP INTEREST AFTER TRANSFER: ____%

Names and addresses of all officers, directors, shareholders, members, or partners: (attach additional sheets as necessary)

NAME	ADDRESS

Names and addresses of any subsidiary or affiliated companies: (attach additional sheets as necessary)

NAME	ADDRESS

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(Signature of Key Person)

(Date)

Pls. Exhibit 4

PART B: To be completed by each proposed transferee, or if the proposed transferee is a corporation, limited liability company, or partnership, by each officer, director, shareholder, member or partner: (use 1 form per individual)

NAME: _____ ADDRESS: _____
 DATE OF BIRTH: _____
 SOCIAL SECURITY #: _____

All questions marked 'yes' will require additional information

	Y	N
1. Do you, or does any member of your family have any ownership in or operate any other insurance agency?		
2. Are you, or is any member of your family currently acting as an agent or broker for another insurance agency or insurance company?		
3. Do you currently have a valid insurance license?		
4. Has your insurance license(s) ever been suspended or revoked?		
5. Are you currently, or were you previously an Independent Agent representing Allstate or any affiliated company?		
6. Are you currently, or were you previously employed by Allstate?		
7. Is any member of your family currently, or was any member of your family previously employed by Allstate?		
8. Have you ever been convicted, or pled no contest to a criminal offense, either felony or misdemeanor?		
9. Are you currently, or were you previously an R3001 Exclusive Agent or Key Person in an R3001 Agency representing Allstate?		
10. Is any member of your family currently, or was any member of your family previously an R3001 Exclusive Agent or Key Person in an R3001 Agency?		
11. Do you currently have any ownership interest (other than shares in a publicly traded company) in or operate any business other than the agency?		

For all questions above marked yes, please explain in detail below. Where appropriate, supply names, addresses, city and state, dates of service/appointment, positions held, etc., and identify question being address in left box. Attach additional sheets where necessary, making sure the top portion is completed.

Q#	Explanation

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS ACCURATE TO THE BEST OF MY KNOWLEDGE.

(Signature) _____

(Date) _____

Exhibit B – Agency Ownership Disclosure Form

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AGENCY OWNERSHIP DISCLOSURE FORM
(Prior to execution of R3001C Agreement)

PART A: To be completed by agency

NAME OF AGENCY: _____ STATE: _____

NAME OF AGENT: _____ AGENT #: _____

DATE R3001C AGREEMENT WILL BE EFFECTIVE: _____

Names and addresses of all officers, directors, shareholders, or members, and the percent of ownership: (attach additional sheets as necessary)

NAME	ADDRESS	% OF OWNERSHIP

Names and addresses of any subsidiary or affiliated companies: (attach additional sheets as necessary)

NAME	ADDRESS

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SIGNATURE OF AGENT

DATE

PART B: To be completed by each person who has an ownership interest in the agency, or if any of the owners is a corporation, limited liability company, or partnership, by each officer, director, shareholder, member or partner: (use 1 form per individual)

NAME: _____ ADDRESS: _____
 DATE OF BIRTH: _____
 SOCIAL SECURITY #: _____ PHONE #: _____

All questions marked 'yes' will require additional information

	Y	N
1. Do you, or does any member of your family have any ownership in or operate any other insurance agency?		
2. Are you, or is any member of your family currently acting as an agent or broker for another insurance agency or insurance company?		
3. Do you currently have a valid insurance license?		
4. Has your insurance license(s) ever been suspended or revoked?		
5. Are you currently, or were you previously an Independent Agent representing Allstate or any affiliated company?		
6. Are you currently, or were you previously employed by Allstate?		
7. Is any member of your family currently, or was any member of your family previously employed by Allstate?		
8. Have you ever been convicted, or pled no contest to a criminal offense, either felony or misdemeanor?		
9. Are you currently, or were you previously an R3001 Exclusive Agent or Key Person in an R3001 Agency representing Allstate?		
10. Is any member of your family currently, or was any member of your family previously an R3001 Exclusive Agent or Key Person in an R3001 Agency?		
11. Do you currently have any ownership interest (other than shares in a publicly traded company) in or operate any business other than the agency?		

For all questions above marked yes, please explain in detail below. Where appropriate, supply names, addresses, city and state, dates of service/appointment, positions held, etc., and identify question being addressed in left box. Attach additional sheets where necessary, making sure the top portion is completed.

Q#	Explanation

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS ACCURATE TO THE BEST OF KNOWLEDGE.

SIGNATURE OF AGENT

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**Exhibit C – Confidentiality & Non-Competition Agreement –
Sample Copy for Agency Staff**

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this _____ day of _____, _____, by and between _____ (referred to in this Agreement as "Service Provider"), and _____ (referred to in this Agreement as "Agency"), and Allstate Insurance Company, Allstate Life Insurance Company, or Allstate New Jersey Insurance Company (or affiliates) as a direct and intended third party beneficiary of this Agreement (referred to in this Agreement as "the Company").

WHEREAS, the Company has entered into an agency agreement appointing Agency to act as its agent for the purpose of receiving and accepting applications for insurance and for selling certain specified products of the Company and its subsidiaries and affiliates; and

WHEREAS, under the terms of the agency agreement, Agency has agreed to maintain the confidentiality of the Company's confidential information; and

WHEREAS, Agency has employed Service Provider to assist Agency in performing services under the agency agreement; and

WHEREAS, Service Provider will have access to certain confidential information of the Company;

NOW, THEREFORE, for and in consideration of the agreements, covenants, and conditions herein contained, the adequacy and sufficiency of which is expressly acknowledged by each of the parties hereto, the parties agree as follows:

1. The terms "employed" or "employment" as referred to in this Agreement apply to any service provided by the Service Provider as an employee, independent contractor, or in any other capacity.
2. Service Provider acknowledges that while assisting Agency in performing services under the agency agreement, Service Provider will have access to or will have disclosed to him/her confidential information concerning the Company, the disclosure of which could be harmful to the Company.
3. Confidential information includes, but is not limited to, business plans of the Company; information regarding the names, addresses, and ages of policyholders or prospective policyholders of the Company; types of policies; amounts of insurance; premium amounts; the description and location of insured property; the expiration or renewal dates of policies; policyholder listings and any policyholder information subject to any privacy law; claim information; certain information and material identified by the Company as confidential or information considered a trade secret as provided herein or by law; and any information concerning any matters affecting or relating to the pursuits of the Company that is not otherwise lawfully available to the public. Confidential information may be oral or recorded on paper, electronic data file, or any other medium.
4. Service Provider agrees that he/she will not at any time or in any manner, directly or indirectly, disclose to any third party or permit any third party to access any confidential information, except upon the written consent of the Company; nor will Service Provider use any confidential information for his/her own benefit, except for the purposes of assisting Agency in performing services under the agency agreement.
5. Any and all confidential information and all Company forms, manuals, records, and other materials and supplies furnished to Service Provider by Agency will at all times remain the property of the Company and will be returned to the Company at any time upon the demand of the Company or upon the termination of Service Provider's employment by Agency.
6. Upon the termination of Service Provider's employment by Agency, Service Provider agrees to treat as confidential and not disclose, either directly or indirectly, to any third party any confidential information of the Company.

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7. For a period of one year following the termination of Service Provider's employment by Agency, Service Provider agrees not to solicit the purchase of products or services in competition with those sold by the Company:
 1. With respect to any person, company, or organization to whom Agency, or any person employed by Agency, including Service Provider, sold insurance or other products or services on behalf of the Company, and who is a customer of the Company at the time of the termination; or
 2. With respect to any person, company, or organization who is a customer of the Company at the time of the termination and whose identity was discovered as a result of access to confidential information of the Company; or
 3. From any office or business site located within one mile of any locations from which Agency solicited or sold Company insurance or other products or services during the year immediately preceding the termination¹.

In the event that such one year period or one mile distance exceeds the time or distance permitted by any applicable law, such period or distance will be automatically adjusted to the maximum period or distance permitted by such law. If any other provision in this paragraph 7 conflicts with any existing law, it will be applied to the extent permitted by such law.

8. Upon the termination of Service Provider's employment with Agency, Service Provider will immediately cease and desist from any and all use of Company service marks and trade names. Service Provider will immediately return to Agency or the Company all property bearing any company service marks or trade names, or dispose of such materials in the manner specified by the Company. If requested by the Company, Service Provider will execute an Order of Transfer of Responsibility for any telephone numbers in the Service Provider's name, which were used in connection with the conduct of business on behalf of the Company.
9. While employed by Agency, Service Provider agrees that he/she will not either directly or indirectly, solicit, sell or service insurance of any kind for any other company, agent or broker, or refer a prospect to another company, agent or broker without the prior written consent of the Company.
10. Service Provider recognizes that a breach of any of the foregoing provisions will cause irreparable damage to the Company's business and that such damage will be difficult or impossible to measure. Service Provider agrees that in the event of any such breach, the Company, in addition to such other rights and remedies as it may have, will be entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and Service Provider waives any defense to an application for such order, except that the violation did not occur. Service Provider agrees that the Company will be entitled to an award of reasonable attorney's fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.
11. This Agreement supersedes and replaces any prior confidentiality and non-competition agreement between the parties hereto. The parties agree that the use of electronic signatures for the execution of this Agreement shall be legal and binding and shall have the same full force and effect as if originally signed.

IN WITNESS WHEREOF, the parties hereby accept the terms of this Agreement.

Accepted by:

Service Provider

[staff name]

mm/dd/yyyy

Agency

[Agency Name]

mm/dd/yyyy

¹ This provision does not apply for agency agreements to be performed in Montana.

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**Exhibit D – Confidentiality & Non-Competition Agreement for the
Key Person (excludes Montana) – Sample Copy**

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

KEY PERSON

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this _____ day of _____, _____, by and between _____ (referred to in this Agreement as "Service Provider"), and _____ (referred to in this Agreement as "Agency"), and Allstate Insurance Company as a direct third party beneficiary of this Agreement (referred to in this Agreement as "the Company").

WHEREAS, the Company has entered into an agency agreement appointing Agency to act as its agent for the purpose of receiving and accepting applications for insurance and for selling certain specified products of the Company's subsidiaries and affiliates; and

WHEREAS, under the terms of the agency agreement, Agency has agreed to maintain the confidentiality of the Company's confidential information; and

WHEREAS, Agency has employed Service Provider to assist Agency in performing services under the agency agreement; and

WHEREAS, Service Provider will have access to certain confidential information of the Company;

NOW, THEREFORE, for and in consideration of the agreements, covenants, and conditions herein contained, the adequacy and sufficiency of which is expressly acknowledged by each of the parties hereto, the parties agree as follows:

1. The terms "employed" or "employment" as referred to in this Agreement apply to any service provided by the Service Provider as an employee, independent contractor, or in any other capacity.
2. Service Provider acknowledges that while assisting Agency in performing services under the agency agreement, Service Provider will have access to or will have disclosed to him/her confidential information concerning the Company, the disclosure of which could be harmful to the Company.
3. Confidential information includes, but is not limited to, business plans of the Company; information regarding the names, addresses, and ages of policyholders or prospective policyholders of the Company; types of policies; amounts of insurance; premium amounts; the description and location of insured property; the expiration or renewal dates of policies; policyholder listings and any policyholder information subject to any privacy law; claim information; certain information and material identified by the Company as confidential or information considered a trade secret as provided herein or by law; and any information concerning any matters affecting or relating to the pursuits of the Company that is not otherwise lawfully available to the public. Confidential information may be oral or recorded on paper, electronic data file, or any other medium.
4. Service Provider agrees that he/she will not at any time or in any manner, directly or indirectly, disclose to any third party or permit any third party to access any confidential information, except upon the written consent of the Company; nor will Service Provider use any confidential information for his/her own benefit, except for the purposes of assisting Agency in performing services under the agency agreement.
5. Any and all confidential information and all Company forms, manuals, records, and other materials and supplies furnished to Service Provider by Agency will at all times remain the property of the Company and will be returned to the Company at any time upon the demand of the Company or upon the termination of Service Provider's employment by Agency.
6. Upon the termination of Service Provider's employment by Agency, Service Provider agrees to treat as confidential and not disclose, either directly or indirectly, to any third party any confidential information of the Company.

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7. For a period of one year following the termination of Service Provider's employment by Agency, Service Provider agrees not to solicit the purchase of products or services in competition with those sold by the Company:
 1. With respect to any person, company, or organization to whom Agency, or any person employed by Agency, including Service Provider, sold insurance or other products or services on behalf of the Company, and who is a customer of the Company at the time of the termination; or
 2. With respect to any person, company, or organization who is a customer of the Company at the time of the termination and whose identity was discovered as a result of access to confidential information of the Company; or
 3. From any office or business site located within one mile of any locations from which Agency solicited or sold Company insurance or other products or services during the year immediately preceding the termination.

In the event that such one year period or one mile distance exceeds the time or distance permitted by any applicable law, such period or distance will be automatically adjusted to the maximum period or distance permitted by such law. If any other provision in this paragraph 7 conflicts with any existing law, it will be applied to the extent permitted by such law.

8. Upon the termination of Service Provider's employment with Agency, Service Provider will immediately cease and desist from any and all use of Company service marks and trade names. Service Provider will immediately return to Agency or the Company all property bearing any company service marks or trade names, or dispose of such materials in the manner specified by the Company. If requested by the Company, Service Provider will execute an Order of Transfer of Responsibility for any telephone numbers in the Service Provider's name, which were used in connection with the conduct of business on behalf of the Company.
9. While employed by Agency, Service Provider agrees that he/she will not, either directly or indirectly, solicit, sell or service insurance of any kind for any other company, agent or broker, or refer a prospect to another company, agent or broker without the prior written consent of the Company.
10. Service Provider recognizes that a breach of any of the foregoing provisions will cause irreparable damage to the Company's business and that such damage will be difficult or impossible to measure. Service Provider agrees that in the event of any such breach, the Company, in addition to such other rights and remedies as it may have, will be entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and Service Provider waives any defense to an application for such order, except that the violation did not occur. Service Provider agrees that the Company will be entitled to an award of reasonable attorney's fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.
11. This Agreement may be executed in counterparts, each of which will be deemed an original. This Agreement supersedes and replaces any prior confidentiality and non-competition agreement between the parties hereto. The parties agree that the use of facsimile signatures for the execution of this Agreement shall be legal and binding and shall have the same full force and effect as if originally signed.

IN WITNESS WHEREOF, the parties hereby accept the terms of this Agreement.

Accepted by:

SERVICE PROVIDER _____ (Key Person as an Individual) _____ (date)	AGENCY _____ (Key Person on behalf of Agency) _____ (date)	ALLSTATE INSURANCE COMPANY _____ (authorized representative) _____ (date)
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**Exhibit E - Confidentiality & Non-Competition Agreement for the
Key Person (Montana Only) – Sample Copy**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
MONTANA**

KEY PERSON

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this _____ day of _____, _____, by and between _____ (referred to in this Agreement as "Service Provider"), and _____ (referred to in this Agreement as "Agency"), and Allstate Insurance Company as a direct third party beneficiary of this Agreement (referred to in this Agreement as "the Company").

WHEREAS, the Company has entered into an agency agreement appointing Agency to act as its agent for the purpose of receiving and accepting applications for insurance and for selling certain specified products of the Company's subsidiaries and affiliates; and

WHEREAS, under the terms of the agency agreement, Agency has agreed to maintain the confidentiality of the Company's confidential information; and

WHEREAS, Agency has employed Service Provider to assist Agency in performing services under the agency agreement; and

WHEREAS, Service Provider will have access to certain confidential information of the Company;

NOW, THEREFORE, for and in consideration of the agreements, covenants, and conditions herein contained, the adequacy and sufficiency of which is expressly acknowledged by each of the parties hereto, the parties agree as follows:

1. The terms "employed" or "employment" as referred to in this Agreement apply to any service provided by the Service Provider as an employee, independent contractor, or in any other capacity.
2. Service Provider acknowledges that while assisting Agency in performing services under the agency agreement, Service Provider will have access to or will have disclosed to him/her confidential information concerning the Company, the disclosure of which could be harmful to the Company.
3. Confidential information includes, but is not limited to, business plans of the Company; information regarding the names, addresses, and ages of policyholders or prospective policyholders of the Company; types of policies; amounts of insurance; premium amounts; the description and location of insured property; the expiration or renewal dates of policies; policyholder listings and any policyholder information subject to any privacy law; claim information; certain information and material identified by the Company as confidential or information considered a trade secret as provided herein or by law; and any information concerning any matters affecting or relating to the pursuits of the Company that is not otherwise lawfully available to the public. Confidential information may be oral or recorded on paper, electronic data file, or any other medium.
4. Service Provider agrees that he/she will not at any time or in any manner, directly or indirectly, disclose to any third party or permit any third party to access any confidential information, except upon the written consent of the Company; nor will Service Provider use any confidential information for his/her own benefit, except for the purposes of assisting Agency in performing services under the agency agreement.
5. Any and all confidential information and all Company forms, manuals, records, and other materials and supplies furnished to Service Provider by Agency will at all times remain the property of the Company and will be returned to the Company at any time upon the demand of the Company or upon the termination of Service Provider's employment by Agency.
6. Upon the termination of Service Provider's employment by Agency, Service Provider agrees to treat as confidential and not disclose, either directly or indirectly, to any third party any confidential information of the Company.

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7. For a period of one year following the termination of Service Provider's employment by Agency, Service Provider agrees not to solicit the purchase of products or services in competition with those sold by the Company:
 1. With respect to any person, company, or organization to whom Agency, or any person employed by Agency, including Service Provider, sold insurance or other products or services on behalf of the Company, and who is a customer of the Company at the time of the termination; or
 2. With respect to any person, company, or organization who is a customer of the Company at the time of the termination and whose identity was discovered as a result of access to confidential information of the Company.

In the event that such one year period exceeds the time permitted by any applicable law, such period will be automatically adjusted to the maximum period permitted by such law. If any other provision in this paragraph 7 conflicts with any existing law, it will be applied to the extent permitted by such law.

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8. Upon the termination of Service Provider's employment with Agency, Service Provider will immediately cease and desist from any and all use of Company service marks and trade names. Service Provider will immediately return to Agency or the Company all property bearing any company service marks or trade names, or dispose of such materials in the manner specified by the Company. If requested by the Company, Service Provider will execute an Order of Transfer of Responsibility for any telephone numbers in the Service Provider's name which were used in connection with the conduct of business on behalf of the Company.
 9. While employed by Agency, Service Provider agrees that he/she will not either directly or indirectly, solicit, sell or service insurance of any kind for any other company, agent or broker, or refer a prospect to another company, agent or broker without the prior written consent of the Company.
 10. Service Provider recognizes that a breach of any of the foregoing provisions will cause irreparable damage to the Company's business and that such damage will be difficult or impossible to measure. Service Provider agrees that in the event of any such breach, the Company, in addition to such other rights and remedies as it may have, will be entitled to an order granting injunctive relief from any court of competent jurisdiction against any act which would violate any such provision, without the necessity of posting a bond, and Service Provider waives any defense to an application for such order, except that the violation did not occur. Service Provider agrees that the Company will be entitled to an award of reasonable attorney's fees in the event that it is successful in an application for injunctive relief or in an action based upon breach of the foregoing provisions.
 11. This Agreement may be executed in counterparts, each of which will be deemed an original. This Agreement supersedes and replaces any prior confidentiality and non-competition agreement between the parties hereto. The parties agree that the use of facsimile signatures for the execution of this Agreement shall be legal and binding and shall have the same full force and effect as if originally signed.

IN WITNESS WHEREOF, the parties hereby accept the terms of this Agreement.

Accepted by:

SERVICE PROVIDER

AGENCY

ALLSTATE INSURANCE COMPANY

(Key Person as an Individual)

(Key Person on behalf of Agency)

(authorized representative)

(date)

(date)

(date)

Exhibit F – Binding Authority Approval

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BINDING AUTHORITY APPROVAL

To: _____
Agent Location

It is my pleasure to inform you that _____
Name

has been approved as a Sales Producer to have binding authority in the following lines of insurance subject to the Company's rules and procedures:

- Auto & Property Business Insurance Allstate Financial

and the authority to sell:

- Motor Club Parts & Labor Plus

Through the use of this additional support, your ability to provide professional insurance services is enhanced. Along with this approval, it is important that you understand you are responsible for this Sales Producer's actions and business results. You are responsible for ensuring:

- proper remittance of Company funds
- that a proper level of customer service is provided
- that all required licenses are maintained
- compliance with all of Allstate's rules and regulations
- that information on Allstate applications is accurate and truthful
- adherence to all necessary quality verification and administrative requirements
- compliance with the Company's ethical standards
- that proper training and development is provided to the Sales Producer in an effort to avoid errors and omissions
- that the Company is immediately notified if I become aware that the Sales Producer has been convicted of a felony
- that the Company is immediately notified if the Sales Producer ceases to work under your supervision

It is also important that you recognize that the degree of authority you provide this Sales Producer is your decision. You have the ability to restrict any and all of the Sales Producer's activities you deem necessary. Failure to exercise proper control and authority over this Sales Producer's activities cannot only result in your permanent loss of the opportunity to have Sales Producers, but may jeopardize your agency relationship with the Company.

In addition, you should understand that the authority granted by the Company for a support staff member to act as a Sales Producer, including binding coverage, can be withdrawn or limited by the Company at any time at its sole discretion.

Any questions or concerns you have regarding this Sales Producer should be brought to the attention of the undersigned immediately.

Regards,

Authorized Representative

Date

cc: Human Resources

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Exhibit G – Assignment and Assumption of Lease Form

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ASSIGNMENT AND ASSUMPTION OF LEASE FORM

THIS AGREEMENT made and entered into as of _____, _____ ("Effective Date") by and between Allstate Insurance Company ("Assignor") and _____ ("Assignee") jointly and severally:

WHEREAS, Assignor is the tenant or lessee under that certain lease dated _____, a copy of which is attached hereto, (the "Lease") between Assignor and _____ ("Landlord") pertaining to that certain space commonly know as _____; and

WHEREAS, Assignor desires to assign all of its right, title and interest in and to, and to delegate all of its obligations under the Lease to Assignee and Assignee desires to accept such assignment and to assume all of Assignor's obligations under the Lease.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter set forth and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee, intending to be legally bound, do hereby agree as follows:

- 1) Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Lease and hereby delegates to Assignee all of its obligations under the Lease.
- 2) Assignee hereby accepts the assignment and delegation set forth in paragraph 1 above and assumes and agrees to perform all of the terms, covenants, conditions and obligations required to be performed by Assignor under the Lease.
- 3) Assignee shall indemnify, defend and hold Assignor harmless from and against all loss, costs, damage or expense resulting from any claim of causes of action arising under the Lease on or after the Effective Date. Assignor shall indemnify, defend and hold Assignee harmless from and against all loss, costs, damage or expense resulting from any claim or causes of action arising under the Lease prior to the Effective Date.
- 4) Assignor shall have no obligation to exercise any renewal or extension options provided under the Lease, if any, and Assignee shall have no rights to any such options.
- 5) Assignee shall not further assign its rights under the Lease nor sublease all or any portion of the Leased Premises without Assignor's prior written consent.
- 6) All of the covenants and agreements herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
- 7) In the event Landlord has the right of approval under the terms of the lease, this assignment shall be conditional upon such approval and if such approval is not obtained, this agreement shall be void in abinitio.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

"Assignor"

ALLSTATE INSURANCE COMPANY

By: _____

It's _____

"Assignee"

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Consent of Landlord/Lessor

_____, Landlord/Lessor under the Lease, hereby consents to the foregoing assignment of the Lease of this _____ day of _____, _____.

The Lessor hereby agrees to release the Lessee from further obligations under the terms and conditions of the lease upon the acceptance of the obligations therein by Assignee.

“Landlord/Lessor”

By: _____

It's _____

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Exhibit H – Continuation Planning Letter of Intent



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XX/XX/XXXX

Name

Address

City

Dear Name,

You have been pre-approved as the key person of _____
(Agency) at the following location _____ at
a future date contingent on the following:

- Acceptable background check at the time of key person appointment
- It is still the desire of the Agency owner to install you as the key person of the agency
- Meeting any additional approval criteria as determined by the Company to be necessary prior to approving a key person

The Company retains the right to make changes relating to its distribution method which may cause this pre-approval to be invalid. Baring any unforeseen circumstances, and provided there are no substantive changes to cause you to no longer be considered approved, you will be approved as the key person referenced above at some date in the future at the desire of the Agency owner. This approval is valid for two years from the date of the letter. This pre-approval letter does not alter or supersede any obligations given in the R3001 Exclusive Agency Agreement or any of its incorporated documents.

Sincerely,

XXXXX

PROPERTY CASUALTY 360

NOT FOR REPRINT

Click to print or Select 'Print' in your browser menu to print this document.

Page printed from: <https://www.propertycasualty360.com/2013/2013/05/16/allstate-seeks-independent-agents-to-sell-branded/>

Allstate Seeks Independent Agents to Sell Branded Products

Faced with attrition in its captive agencies, and a declining number of policies-in-force, Allstate Corp. is turning to a surprising distribution source to drive its brand: independent agents.

By Mark E. Ruquet | May 16, 2013

Faced with attrition in its captive agencies, and declining number of policies-in-force, Allstate Corp. is turning to a surprising distribution source to drive its brand: independent agents.

The Northbrook, Ill.-based carrier is circulating promotional material directed at independent agents, telling them there are 10 reasons to "seriously consider Allstate" as a company they should represent. The letter notes Allstate's stability, rating strength, longevity, customer and claims service ability, and brand recognition.

The promotional letter says the company gives agents opportunities to build insurance packages with the insurer's 13 lines of available insurance.

Allstate circulated the promotional material—which includes brochures on Allstate Auto and Homeowners coverage—during the recent meeting of the Independent Insurance Agents & Brokers of America in Washington D.C. When asked about the material at the meeting, an Allstate executive indicated the company would be announcing an initiative sometime in June.

"Allstate has worked with independent agents since 1974," says Allstate spokeswoman April Eaton in an email sent to PC360. "Allstate continually evaluates market opportunities to ensure that customers are able to do business with us how, when and where they want to, including through a local Allstate [independent agents]."

Eaton says Allstate has 1,700 independent agency-owners located in rural markets. She says Allstate "will consider appointing independent agency owners only in rural markets where we do not deploy exclusive agents. We want our current independent agencies to grow with us."

The company also has its Encompass brand that sells personal lines and small-business insurance exclusively through independent agents. However, Jim Fish, executive director of the National Association of Professional Allstate Agents, says the distributed material does appear to be a new recruiting effort by Allstate to sell a brand of products that had been the domain of captive agents in urban areas.

Pls. Exhibit 5

0 Fish says Allstate has seen its number of captive agents decline and may be attempting to shore up its
0 market by seeking growth through independent agents, and their established book of business. He says the
1 Allstate brand has watched the number of policies in force (PIF) decline and has not had much luck growing
5 its book of business.

9 According to filings with the U.S. Securities and Exchange Commission, Allstate said its policies-in-force for
3 Standard Auto dropped from 17.5 million in 2010 to 16.9 million in 2012, and fell another 79,000 by the end
0 of the 2013 first quarter.

8 Non-Standard Auto policies fell from 640,000 in 2010 to 508,000 in 2012. In Homeowners, the number has
0 dropped from 6.7 million PIF in 2010 to 5.97 million in 2012.

1 On the other hand, Allstate's independent agent brand has grown, as has its online auto brand—Esurance—
6 over the same period. In Standard Auto, for instance, Encompass went from 689,000 PIF in 2010 to
2 708,000. Esurance, a direct-to-consumer insurer, grew from 786,000 to 1.03 million during that same period.

0 Allstate attributes its PIF declines in Allstate Standard Auto to “fewer policies available” on the auto side and,
2 in part, the cessation of writing Homeowners in coastal areas in certain states.

1 Fish argues that Allstate's main problem is the company's compensation structure. Allstate has cut its
6 commissions to its captive agents to 9 percent, but increased incentive payments. Meanwhile, Allstate raised
2 independent-agent commissions to 15 percent, Fish says. Another advantage for Allstate's turn to
0 independent agents, Fish adds, is the insurer can connect with a mature book of business instead of
2 investing in the development of new agents.

1 Eaton says the commissions for independent agents have been the same since 2005.

Last year, in the company's annual report (<http://www.propertycasualty360.com/2012/02/23/number-of-exclusive-allstate-agents-falls-in-2011>), Allstate said the number of its exclusive agents fell from 11,500 in 2010 to 10,000 in 2011. In the company's most recent 10-K filing (<http://www.sec.gov/Archives/edgar/data/899051/000104746913001288/a2212802z10-k.htm#L3>), Allstate says it has approximately 9,300 exclusive agencies in approximately 9,000 locations. Eaton adds, “Exclusive-agency retention is at the highest level we've experienced in recent history.”

During a recent call with financial analysts discussing the company's Q1 results, CEO Thomas J. Wilson dismissed (<http://www.propertycasualty360.com/2013/05/02/allstate-execs-say-agency-plan-has-worked-count-st>) any speculation that the company's decline in the number of captive agents has anything to do with its new compensation structure. Matthew Winter, president of Allstate Auto, Home and Agencies added that the reduction in agents was not necessarily unintended in some cases.

In a transcript (<http://seekingalpha.com/article/1395041-the-allstate-management-discusses-q1-2013-results-earnings-call-transcript>) of the Q1 call, Winter says the company is “seeing a stabilization of agency numbers” and adds “we have a large initiative underway to not only grow the number of agencies, but to grow the number of licensed sales professionals, which is working quite well right now.”

Fish says Allstate needs to explain its plans to its captive members and he intends to bring up the issue at the company's stockholders meeting.

“I'll be asking them some questions,” he says.

Allstate Agency Voice FAQs

General questions

What is Allstate Agency Voice?

Allstate Agency Voice (AAV) is advanced, comprehensive telephone technology housed on Allstate's secure, cloud-based platform. Allstate developed and will continually refine this system based on evolving regulatory requirements, marketplace research, agent learnings and feedback.

Why did Allstate develop Allstate Agency Voice?

In the face of evolving regulatory compliance requirements and escalating cybersecurity threats, Allstate recognized the need to have agents on a uniform phone system to further protect customer information and provide functionality to support compliance controls. This platform will create a consistent approach for Telephone Consumer Protection Act (TCPA) compliance for all agents. In addition, as consumers ask for more value, protection and choice, AAV provides advanced data and analytics to support a consistently superior customer experience. This will help you and your team focus on the value-added activities that customers most appreciate and that drive growth.

How does Allstate Agency Voice support TCPA compliance?

AAV is integrated with the Leads Manager application. Any outbound calls you make through Leads Manager are TCPA compliant (i.e., they do not appear on any Do Not Call lists). In addition, by mid-2021, all outbound calls made through your AAV platform (not just through Leads Manager) will support TCPA compliance by preventing calls to numbers on a Do Not Call list. Functionality may be enabled to circumvent this call blocking if explicit permission has been received from the party being called.

What does Allstate Agency Voice include?

Here are some key features and components; you can see a more complete list in the Features and Capabilities section of these FAQs.

- Customer and agent data protected with Allstate's secure cloud-based platform
- Computer softphones (with a physical phone option for an additional cost)
- Speech analytics and transcription capabilities (a feature called "Total Recall")
- Voice analytics, including an agency-performance dashboard (a feature called the "Sales Performance Diagnostic tool")
- Consolidation with Allstate systems, providing a consistent customer experience and system stability

Are all agents going to be moved to the Allstate Agency Voice platform?

Yes. Once the rollout is completed in 2022, all agents will be on AAV, the Allstate enterprise phone system.

How much does Allstate Agency Voice cost?

AAV will be provided to agents at a competitive marketplace cost. At a monthly rate of \$23 per line, the cost is comparable to or lower than that of current third-party VOIP providers. Expenses associated with canceling your current phone provider will be discussed prior to onboarding.

How would my business benefit from this new approach?

Pls. Exhibit 6

AAV can benefit your business in the following ways:

- It will give you peace of mind knowing customer data is better protected and you can ensure TCPA compliance.
- You'll be using cutting-edge voice technology with all the voice quality and system stability you expect in addition to a host of features you can't get elsewhere, all for a lower cost than you are likely to pay on your own.
- With its voice analytics, it will help you enhance staff coaching, performance and sales processes.
- You'll be able to monitor your LSPs' sales performance trends through a call data dashboard.
- You'll have the flexibility and convenience of softphone capability, which is standard, enabling you to have phone service through your laptop and mobile device. (Physical phones are optional for an additional cost.)

AAV is fully unified with Allstate's billing and self-service interactive voice response (IVR) systems, multilingual (English and Spanish) IVR and automated routing of after-hours calls to Allstate's Customer Contact Centers, all of which promote a more seamless customer experience.

When is the rollout taking place?

Agents will begin to transition to AAV in groups in the first quarter of 2021. The rollout will continue through 2022.

How will the transition to Allstate Agency Voice take place?

The transition of Allstate agents to the AAV system will take place in a phased rollout over two years. The rollout will begin in the first quarter of 2021. You will be notified when your agency has been scheduled to begin the transition journey. More details on the AAV rollout will be shared before year-end 2020.

Why is Allstate moving all agents to the Allstate Agency Voice platform? What if I like my current phone system and carrier?

Agents and Allstate daily face challenges associated with meeting evolving regulatory and compliance requirements such as TCPA and protecting against escalating cybersecurity risks. Allstate and agents must use technology that keeps customer data secure and enhances compliance with customer and prospect contact rules and regulations and other regulatory obligations. With the powerful Allstate Agency Voice system, all voice technology will be on the same secure cloud-based telephone platform. The use of this one approved technology platform will give you peace of mind knowing customer data is better protected and includes features that will make it easier for you to maintain legal compliance. AAV also provides a multitude of other benefits to help you grow your business and better serve customers, in support of Allstate's Transformative Growth Plan.

What if my existing VOIP contract is up for renewal soon?

If your VOIP contract is renewing before June 30, 2021, please advise your SML. Contract that are active on or before Nov. 1, 2020 will be given consideration for high cancellation fee expenses. To best prepare for this transition and to avoid unnecessary expenses, it is recommended that you identify your VOIP renewal date and coordinate onboarding onto AAV near the time the current contract expires.

What technology changes can I expect when I transition to Allstate Agency Voice?

Your agency phone system will be transitioned to Allstate's state-of-the-art enterprise voice system, which enables Allstate to develop the necessary connections from your business to Allstate's system. Using the AAV system requires certain hardware and software specifications to

support the phone system. Some of these items include headsets, softphone technology on the agent's computer, desk phones (if desired), routers (standard or mesh network, depending on the office layout) and switches. In some cases, the installation of wall jacks may be needed to hard-wire a desk phone or computer. A technical survey will be requested with pictures of the agent's office to determine what additional equipment may be required to provide the best possible performance for a wired or wireless environment (depending on need and your preference).

What will change in my business operations because of Allstate Agency Voice? *

Customers will be able to use the self-service options available to them when they call your office, which could reduce incoming calls and increase capacity.

What can customers expect when they call my office? *

Customers or prospects calling your office will hear a locally branded interactive voice response message and will be asked to select among a small set of options to route their request, which will include self-service selections or the option to speak with someone directly in your office.

Do I need to sign a new contract before transitioning to Allstate Agency Voice? *

No. You will not need to sign a new contract. There will be some paperwork to fill out to initiate the transition process.

If I have multiple locations, will all locations be required to move to Allstate Agency Voice? *

All locations will be transitioned to AAV. You will receive education and support to help you maintain smooth operations and consistent customer service.

What happens if I open a new agency location after I have transitioned to Allstate Agency Voice? *

If you enrolled in AAV and open a new agency location or buy an existing book, the new location will be included in the AAV system.

Can I opt out of Allstate Agency Voice? *

No. Allstate is requiring all agents to transition to AAV for their voice technology to ensure the uniform, state-of-the-art data security and support compliance controls. It also provides advanced data and analytics capabilities to help drive your business growth.

What are the next steps after I complete the paperwork to enroll? *

Allstate has a dedicated team, the Agency Voice Onboarding team, to assist you throughout the transition and beyond. After submitting the required paperwork, you will then receive a welcome letter with critical program information and detailed next steps to initiate the onboarding process. It can take up to three months from the time you sign up until your phone system has been converted to the AAV technology platform. This time frame gives you and your staff an opportunity to prepare for this new platform.

Features and capabilities

What are the features and capabilities of Allstate Agency Voice?

Here is a rundown of the most noteworthy features and capabilities:

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- Compliance capabilities – AAV will be compliant with PCI (Payment Card Industry) standards from the start and will be compliant with TCPA (Telephone Consumer Protection Act) regulations later in 2021. All voice data would be stored in secured storage location compliant with the emerging regulatory frameworks and consistent with Allstate data storage standards.
- Lead Manager integration – The softphone (standard with AAV) provides a Click to Call feature, which enables users to know that they are only calling safe numbers (i.e., that are not on a Do Not Call List).
- Lead lines – You will be provided with lead lines to allow prospects to bypass the IVR self-service options and call your agency directly. This capability will be effective for any warm lead transfer options or for advertising that targets new prospects.
- Call recording, speech analytics and transcription capabilities (called "Total Recall") – AAV utilizes Total Recall to record and transcribe voice/speech into measurable data and insights. The system can decipher when sales and service events occurred during a recorded call, such as asking for additional business, suggestions to add another line to a policy and client requests for price/premium changes. This information will be available for agents should they wish to use it to improve their overall business results.
- Sales performance diagnostics – Through the system's "Sales Performance Diagnostic tool," agents will be able to evaluate LSP sales and service effectiveness, identify coaching opportunities and implement new processes to improve sales results.
- The system also identifies LSP education gaps and provides real-time data to agents and/or directly to staff. It utilizes the voice analytics to serve up targeted learning modules in real-time. This specific capability, targeted for launch in 2021, will help drive sales performance in key educational areas (e.g., Advisor Pro, cross-selling, closing).
- Agency call dashboards – Key dashboards will be provided to agents for overall agency call data top to bottom within the agency, including all tiers of staff management. Data includes summary and detailed views of inbound/outbound call quantity, calls handle per queue/ring group and call durations.
- Call routing – AAV includes a call-presence indicator, displaying which staff members are available to take a call (within one or multiple agency locations), removing the need to put a caller on hold before transferring.
- Integration with billing and self-service options – The system is fully merged with Allstate's billing and self-service interactive voice response (IVR) systems, multilingual (English and Spanish) IVR and automated routing of after-hours calls to Allstate's contact center.
- The system includes softphones, a hard phone option and the convenience of using the IX Workplace mobile app to employ softphone features on a mobile device.

For the complete list of features, their descriptions, and the benefit to you, visit the AAV features and capabilities page.

How does Allstate Agency Voice differ from my current carrier? *

Allstate compared the AAV platform features and capabilities to a variety of popular carriers in the marketplace. Of the carriers Allstate compared, none came close to matching what AAV offers, including price. The biggest differences are its incorporation with Allstate's secure, cloud-based enterprise voice system, the powerful voice analytics and the sales performance dashboards.

AAV technology

What technology changes can I expect in my agency due to Allstate Agency Voice? *

Your agency phone system will be transitioned to Allstate's state-of-the-art enterprise voice system, which enables Allstate to develop the necessary connections the agency office PCs. Exhibit 6 Participation in the AAV operating model requires certain hardware and software specifications to support the phone system. Some of these items will include specific headsets, a softphone, desk

Why do I need to change my phone system?

Agency phone systems must be changed for Allstate to develop the necessary connections from the agency office to the Allstate Agency Voice system to ensure a seamless customer experience.

Will my office meet the technical requirements?

Transitioning to AAV requires certain hardware specifications to support the new phone system. Some of these items will include headsets, desk phones, routers, and could include installation of additional ports. A technology assessment of your agency will be scheduled with you and take place over the phone with a representative of Agency Voice Technology team. The technology representative will identify any additional needs or requirements from your current office setup.

What is a softphone, and is a softphone an option with Allstate Agency Voice?

A softphone, or computer phone, is a phone system on your computer or laptop that you can use to accept or make a phone call. Softphone capability, a standard deliverable for AAV, enables you to record calls, access your voice mail and see the phone activity of your staff. The softphone, used with your own headset or one you purchase, eliminates the need to have a physical desk phone. In addition, AAV includes the IX Workplace mobile app, enabling you to employ softphone features on your mobile device. The softphone and IX Workplace mobile app give you the ultimate in flexibility in managing inbound and outbound calls.

What equipment do I need and what are the hardware requirements?

You need your designated work laptop or desktop, a headset and a desk phone (desk phone is optional). The software for the softphone capability would need to be installed, enabling you to make and receive calls from your computer. You can check the minimum computer and Internet requirements by visiting the Agency Technology minimum requirements page.

Can I use my existing equipment (headset, etc.) if it is compliant with the Allstate Agency Voice phone platform?

Yes, if you already own a compliant device, it can be used with the Allstate Agency Voice phone platform. If your equipment is not approved, you will need to purchase new equipment. Only the approved equipment has been fully tested to ensure compatibility and will be supported by the Allstate Agency Voice team. The approved equipment may be purchased in the CDW Store after you have confirmed you will be ordering the equipment with the Agency Voice Onboarding team. Here is a list of approved equipment for AAV:

- Desk phone (optional): Avaya J179
- Headsets: Blackwire C3210/C3220; Blackwire C5210/C5220; Encore Pro HW515/HW525; Savi W740
- Switch: MDA220-USB

How will the new phone technology integrate with eAgent?

As part of the new Allstate Agency Voice phone technology, we will need to install the new phone software onto your office computers. This software will integrate with eAgent and will automatically open eAgent when you receive an incoming call to your agency.

Is Leads Manager integrated with Allstate Agency Voice?

Yes. You will be able to make outbound calls using Leads Manager with the assurance that the highlighted numbers are compliant with TCPA.

How will I receive my new equipment and what should I do with my old equipment?

Allstate will partner with your agency to order the necessary phones and headsets required to support Allstate Agency Voice. You may pack up your old equipment for storage, properly dispose of your equipment or, if leasing, return it to your leasing company.

Will my staff need new phone equipment, too?

x

In short, yes. Our goal is to provide your agency with the same or similar capabilities that exist today. The technology vendor's assessment will determine how you and your staff stay connected to your agency system.

How will my equipment be installed for the phone systems?

x

For existing agencies, a member of the Agency Voice Onboarding team will contact you to schedule two appointments: the first for the technology assessment (to be conducted over the phone) and the second for your equipment installation and phone number porting (i.e., switching your agency phones to the Allstate-system). Both appointments will attempt to be scheduled during hours that will not interrupt office service or availability. Duration of the technology assessment should be no longer than 30 minutes; installation duration will depend on your specific office requirements, and phone number connecting will be coordinated with the Agency Voice Onboarding team.

How do I use the new equipment?

x

There will be several opportunities for you to learn how to use both the new equipment and software. In many cases it may be very similar to the systems and software you are already using. In addition to a user guide, job aids and how-to videos will be provided.

Will I keep the same phone numbers I have today?

x

Yes, you will be able to retain your existing phone numbers. Each number will be connected (ported) to the Allstate network, and callers contacting voice numbers will all receive the Allstate Agency Voice IVR treatment.

When an agency transitions to the RightFax solution as part of Allstate Agency Voice, what happens with any existing fax lines that they currently own/use?

x

Agents who transition to Allstate Agency Voice will be given a new toll-free RightFax number. An existing fax number cannot be connected to the Allstate Agency Voice environment. If an existing fax number must be maintained for business purposes, that fax service will need to remain with the current phone service provider at the agent's expense.

Will I have access to call-recording software?

x

Yes. Total Recall is an Allstate call-recording product that will provide recording of all inbound and outbound calls, call transcription and an analysis of sales effectiveness of each call.

Will Allstate be reviewing calls to my agency?

x

An Allstate data and analytics team will be using aggregated call-recording data collected from multiple agencies to gather valuable insights that could help Allstate assess current service delivery to customers and inform enhancements.

What ring group options will I have for my business?

For agencies employing up to 10 staff members, Allstate recommends opting for ring groups

choose the automatic call distribution (ACD) option (for an additional charge), which allows additional queue treatment like that of a call center.

Are there additional reporting capabilities allowing me to gain insight into call metrics and see the capacity created in my agency? *

Agencies using ring groups receive a daily email report providing data on all calls to and from the agency. Work is underway to provide reporting from the self-service portal so that you can run reports whenever you need them. Agencies using automatic call distribution will have access to near real-time reporting through Call Management System.

How will I notify my existing phone carrier that I am changing providers? *

The welcome packet agents will receive includes a Transfer of Service Agreement. The Agency Voice Onboarding team will provide guidance and support throughout the technology-transition process.

What will happen to the data (call recordings, phone data, etc.) my current carrier has? *

Data from your current carrier will NOT be migrated to the new system. Your current carrier should provide access to any historical data.

Will I be able to use lead lines with AAV? *

Yes. You will be provided with "lead lines" to allow prospects to call in directly to your agency without going through the normal self-service options that will be in place on your main office line. This is effective for any "warm lead" transfer options or for advertising you use that is targeted at new prospects.

AAV and Integrated Service

Is AAV part of Integrated Service? *

No. AAV is separate program from Integrated Service. Over the last 18 months, Allstate has learned about agency behaviors, operations, expectations from agents regarding telephone systems, data-security challenges and compliance requirements. Based on those learnings and research on third-party VOIP providers, Allstate developed AAV, which will integrate with Allstate service support without needing additional voice-system integration.

How is Allstate Agency Voice different from the Integrated Service technology? *

AAV is an enhanced agency telephone and analytics platform designed specifically for Allstate agents to support legal compliance and protect customer information. It also will provide sales-performance data and voice analytics to help agents coach staff and drive growth. Integrated Service is a separate offering that provides transactional service for customers, which gives agencies additional capacity to focus on growth activities. For further information on Integrated Service, visit the Integrated Service resource hub.

What is the future of Integrated Service? *

Agents currently using the Integrated Service model are seeing approximately 75 percent of all transactional service calls being handled outside the agency, and those calls are showing overall customer satisfaction of 85 percent. The future is bright for Integrated Service as Allstate continuously looks to improve those results. Incoming planned improvements include expanding

Exhibit 6

service capabilities to current unsupported lines and refining the relationship between the Integrated Service Center and enrolled agents.

Is Integrated Service going to be a required operating model? *

In the near term, Integrated Service will continue to be offered to agents on a voluntary basis to help them focus on growth. Allstate Agency Voice is a separate, compliant voice platform that is being rolled out to all agents independent of Integrated Service. Allstate's plan is to help all agencies by providing consistent and integrated service support for customers that will require agencies to be on a unified service delivery platform.

I am already using the Integrated Service model. What does Allstate Agency Voice mean to me? *

AAV will have new improved technology that will advance the VOIP features and capabilities you use for Integrated Service, including the addition of voice analytics, the Sales Producer Diagnostic tool and education resources for coaching staff. In addition, with new negotiated prices, your technology fee of \$45 per line per month will be decreased with the new AAV system to \$23 or \$33 per line per month (depending on the plan you chose). You will not need to do anything to get these new rates or to receive AAV; your current system will be upgraded automatically. Communications will be distributed to inform you when to expect these changes.

Direct link to this content: <https://agencygateway.allstate.com/wps/myportal/id/189809>

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I acknowledge that by subscribing to Allstate Agency Voice service, I agree to pay all applicable fees in accordance with my enrollment and that such fees may be periodically adjusted. I authorize Allstate to deduct the fees due for the service to which I am subscribing from my monthly Payment Notification.

The cost of the service you are subscribing to will be subtracted from your commissions each month. Your monthly fee will appear under the "Deductions" section of your monthly Payment Notification. Payments will be deducted monthly, beginning with the month following your service start date.

Your subscription to and/or participation in this program does not replace or in any way change the requirement to adhere to Agency Standards.

With your acceptance below, you are agreeing to these Terms and Conditions.

I agree

Agree and Submit

Payment Agreement

I acknowledge that by subscribing to Allstate Agency Voice service, I agree to pay all applicable fees in accordance with the fee structure as listed below, and that such fees may be periodically adjusted and I agree to pay the adjusted fees. I authorize Allstate Agency Voice to deduct the fees due for the service in which I am subscribing as outlined below. My total subscription fee will be based on the level of service as defined by the fee schedule below:

Allstate Agency Voice Fee Schedule

There is a monthly fee schedule based on level of service:

Allstate Agency Voice Monthly Standard Fee (Per Line)	\$23
Options	
"Plus" Premium Subscription (cost on top of Standard fee)	\$10
Add an additional Leads Management line (per line cost)	\$5

11 S. WILSON AVENUE
LOS ANGELES, CA 90079

Letter of Understanding

In the face of evolving regulatory compliance requirements and escalating cybersecurity threats, Allstate recognized the need to have agencies use a uniform phone system to further protect customer information and provide functionality to enhance legal compliance controls. The Allstate Agency Voice ("AAV") phone system is an advanced, comprehensive telephone technology housed on Allstate's secure, cloud-based platform to replace any third-party telephony services currently used by Allstate Exclusive Agencies.

The introduction of AAV was first announced in the Virtual Agency Town Hall hosted on November 17th and detailed program information was communicated to you and all agencies via an Agency Gateway article on November 19th.

Your Agency is required to transfer the Company's telephone number(s) to AAV, and the AAV Onboarding team accepted to contact your Agency via email and phone at least four times to obtain the required information and documentation to initiate the transfer process with your Agency. To again attempt to facilitate your compliance with the E3601 Agreement and its incorporated materials ("Agreement"), you were notified via email of your obligations to comply with this process and your contractual requirement to transition the Company owned telephone number(s) to the AAV platform. Unfortunately, your Agency failed to respond to these requests or to provide all required information and documentation to transition the Company's telephone number to the AAV platform. Therefore, your Agency's ability to bind business on behalf of the Company was restricted (if applicable).

Your Agreement specifies specific requirements related to the ownership and use of all telephone numbers used in connection with business conducted pursuant to the Agreement. As such, it is expected that your Agency will adhere to the Agreement and transfer control of the telephone number(s) to the Company via the AAV platform. You have already been advised that your Agency's failure to provide the documents or information requested within the required time period to facilitate the transfer of the telephone number(s) to the AAV platform could result in action up to and including termination of the Agreement.

In order to comply with the terms of the Agreement, your Agency must provide all requested information and documents to the AAV Onboarding team by January 5, 2025 to facilitate transfer of the Company's telephone numbers. No additional extension of time will be granted, and any refusal or failure to comply with these requirements will result in the termination of your Agency's relationship with the Company.

015931808162021



Dallas Owen
Territorial Sales Leader

April 22, 2020

Lake Insurance & Financial
Attn: Ross Shales
3131 N 110 Svc Rd.#1
Metairie, La. 70002

4990 Hwy 22 Ste E
Mandeville, La. 70471

3520 Holiday Dr #B
New Orleans, La. 70114

4336 Veterans Mem#12D
Metairie, La. 70006

Dear Ross,

This letter is notice that Allstate Insurance Company is terminating the Allstate R3001C Exclusive Agency Agreement ("Agreement") with Lake Insurance & Financial, ("Agency") effective immediately. The termination is pursuant to Section XVII.B.3 of the Agreement. Allstate is taking this action for reasons that include but are not limited to, conflict of interest and outside financial interest

Agency's obligations to Allstate are stated in the Agreement. The Agreement requires that Agency must, among other things:

- Immediately return all property belonging to Allstate including all manuals, equipment, and any materials bearing any Allstate service mark or trade name;
- Immediately cease to use any telephone numbers used to conduct Allstate business from the former sales location; and
- Immediately cease and desist from any and all use of Allstate service marks and trade names.

Agency may have the option of accepting a termination payment from Allstate or selling the economic interest to an approved buyer as outlined in the Independent Contractor Manual and Supplement for the R3001C Agreement. If Agency is eligible for and elects the termination payment option, Agency will receive such payment calculated and paid in accordance with the Supplement for the R3001C Agreement. Please note the termination payment is conditioned upon, for example, compliance with the confidentiality and non-solicitation provisions that survive the termination of the Agreement and the immediate return of all Allstate property.

If Agency elects to sell the economic interest in the book of business, Allstate has the absolute right of approval of the buyer. The buyer must meet Allstate's eligibility requirements. If Allstate approves a proposed buyer, the sale must be completed on or before August 1, 2020 and must be effective on the first day of that or any earlier month. If Agency does not present a buyer or the buyer that Agency presents is not approved, we will process the termination payment as described above.



Allstate
You're in good hands.

Dallas Owen
Territorial Sales Leader

If agency elects, it may sell its interest in any assigned risk policies it may own. After the Agreement terminates, agency will continue to receive commissions on existing assigned risk policies processed by Allstate that it retains, if any. Also, if agency elects, it may seek to transfer any flood policies it may have produced subject to such rules and policies that are applicable to flood business.

Please contact me with any questions you have regarding the termination process.

Sincerely,

Dallas Owen
Territorial Sales Leader

Cc: E. Stone, Regional Sales Leader
D. Caminita, FSL