

CANADA PROTECTION PLAN
CONTRACT CHECKLIST

New BROKER to CPP

- Life License(s) and Errors & Omissions Certificate
- Completed and signed Application for Contract
- Completed and signed Consent and Authorization
- Signed CPP **Broker's** Contract & Code of Conduct
- Signed & witnessed Personal Guarantee (**for corporate contracts only**)
- Signed EFT Payment form and Void Cheque
- Signed Authorization and Direction Agreement
- Corporate License & Articles of Incorporation (**if applicable**)
- First piece of Business – Paper Application or Telephone Application
- Initial premium cheque (payable to **Foresters Life Insurance Company**) and Void cheque

Existing MGA Name: _____

New MGA/GA to CPP

- Life License(s) & Errors & Omissions Certificate
- Completed and signed Application for Contract
- Completed and signed Consent and Authorization
- Signed CPP **MGA/GA** Contract & Code of Conduct
- Signed and witnessed Personal Guarantee
- Corporate License & Articles of Incorporation
- EFT Payment form and Void Cheque
- Signed Authorization and Direction Agreement
- First piece of Business – Paper Application or Telephone Application
- Initial premium cheque (payable to **Foresters Life Insurance Company**) and Void cheque

Contract entered by: _____ Checked by: _____

Application for Contract

Part A

<p>1. General Information</p> <p>a) Date: _____</p> <p>b) Name of Applicant: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss. <input type="checkbox"/> Other _____ (Firm name <i>if</i> company or partnership)</p> <p>c) List other business or personal names used in the financial services sector in the last <u>5</u> years. _____ (corporation, business style, trade name or partnership)</p> <p>d) Are you a(n): <input type="checkbox"/> individual producer <input type="checkbox"/> corporation: corporate name _____ <input type="checkbox"/> partnership If a corporation or partnership, list principals/partners, shareholders _____</p> <p>e) Social Insurance Number: _____ - _____ - _____</p> <p>f) Are you legally entitled to work in Canada? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>g) Driver's License Number: _____</p>	<p>3. Home address(es) over last <u>5</u> years</p> <p><i>Most recent</i> Address: _____ Apt. No. _____ City: _____ Province: _____ Postal Code: _____ Phone: (____) _____ E-mail Address: _____</p> <p><i>Previous</i> Address: _____ Apt. No. _____ City: _____ Province: _____ Postal Code: _____</p>
<p>2. Business address(es) over last <u>5</u> years</p> <p><i>Most recent</i> Address: _____ City: _____ Province: _____ Postal Code: _____ Phone: (____) _____ Fax: (____) _____ E-mail Address: _____</p> <p><i>Previous</i> Address: _____ Apt. No. _____ City: _____ Province: _____ Postal Code: _____</p>	<p>4. Other business affiliations</p> <p>a) Do you conduct, or are you associated with, any other business other than those specified in #1 above? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "yes", give details, including, name, location and nature of business in section 10.</p> <p>b) Are you a partner, officer or director or in a non-arms length relationship with any other business? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If "yes", give details, including name, location and nature of business in section 10.</p>

5. Insurance Companies

List, in order of total volume, the five insurance companies with which you have placed the most policies in the last 5 years. Indicate the lines of business for each company by a check mark under the corresponding product.

Co. Name	Are you still associated with co.?		No. of Yrs.	Lines of Business			Persistency For Life Products (if known) (%)
	Yes	No		Life	Ann.	*Other	

* Example: disability, health

6. References

For applicants licensed for less than a year please provide three business references. Preferably, one reference must be from a company last transferred/worked:

1. Name & Title: _____

Co. Name: _____ Phone: _____

2. Name & Title: _____

Co. Name: _____ Phone: _____

3. Name & Title: _____

Co. Name: _____ Phone: _____

7. Formal Education and Designations

a) Highest education level attained:

elementary school

secondary school

CEGEP: Institution _____

university or college: degree/diploma _____

Institution _____

post graduate: degree _____

Institution _____

b) Do you have any of these or other designations?

Indicate year attained.

FLMI yr. _____ RFP yr. _____

LUATC 101 yr. _____ CFP yr. _____

LUATC 102 yr. _____ CLU yr. _____

LUATC 103 yr. _____ CH.F.C. yr. _____

Any other Professional Designation(s)

_____ yr. _____

_____ yr. _____

_____ yr. _____

If you are presently working on any of the above mentioned, please list: _____

8. Personal Profile

If you answer “yes” to any of the following questions, provide a full explanation in **section 10**.

a) Have you ever been under any legal order to make monetary payments to another person or business entity, including spousal support if registered?
Yes No

b) Have you ever had your wage garnished?
Yes No

c) Are you currently indebted to any insurer or MGA or other financial services companies?
Yes No

(if yes, specify name of creditor, anticipated duration of debit, existing amount, when debt commenced, repayment schedule, conditions for repayment)

d) Have you ever been declared bankrupt or made a voluntary assignment in bankruptcy, or are you currently an undischarged bankrupt?
Yes No

(if yes, include trustee’s name and address, location of bankruptcy filing. Assignment of Bankruptcy or Receiving Order, Statement of Affairs, and an explanation as to the circumstances of the bankruptcy)

e) Have you even been a controlling shareholder, or officer of a corporation which was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or is currently not discharged?
Yes No

(if yes, include trustee’s name and address, location of bankruptcy filing. Assignment of Bankruptcy or Receiving Order, Statement of Affairs, and an explanation as to the circumstances of the bankruptcy)

f) Has any partnership or corporation, of which you are or were at the time of such event a partner, officer, director or a controlling shareholder, ever pleaded guilty or been found guilty of an offense under any law of any province, territory, state, or country, or is any such partnership or corporation currently the subject?
Yes No

g) Have you ever pleaded guilty or been found guilty of an offense under any law of any federal statute or law of any other country or state, for which you have not been pardoned, or are you currently the subject of any charges?
Yes No

Some examples of these offenses are fraud, theft, weapons charges, drug trafficking, physical assault, impaired driving, tax evasion and human Rights violations. You are not required to disclose minor traffic infractions such as speeding or parking violations.

h) Have you ever been refused registration or a license under any legislation which required registration or licensing to deal with the public in any capacity (e.g. insurance producer, RIBO broker, mutual funds salesperson, securities dealer, motor vehicle dealer) in any province, territory, state, or country; or have you held such a license and been the subject of a disciplinary proceeding?
Yes No

(if yes, please give details including penalties imposed)

i) Have you ever been reported to a financial services regulator which resulted in a disciplinary measure?
Yes No
(If yes, give details including penalties imposed)

j) Have you ever been terminated or resigned, or had any contracts cancelled which you held with any financial services company because you were accused of violating insurance or investment related statutes, regulations, rules, or industry standards of business conduct?
Yes No

k) Are you currently, or is there any reason to believe that in the future you will be, under any legal restriction or impediment which would prevent you from lawfully carrying on the business of the insurance producer or broker?
Yes No

Standard Form for Contract Part B

The following pages must be answered, signed and submitted with each application for contract:
(Originals only, no photocopies)

Name of Applicant: _____
(Print)

11. Insurance Companies

Have you ever submitted business to our company? Yes No

If yes, indicate the name through which this business was submitted _____

12. Licenses/Registrations currently held

Please attach a copy of your life and/or accident and sickness license

*Type of License	No. of years held	Any interruptions in licensing? If yes, give details in section 10		License Number	Level (if applicable)	Prov. or Terr.	Expiry/renewal Date	Sponsor or Dealer
		Yes	No					

*Life Insurance; A&S Insurance; Property & Casualty; Mutual Funds; Securities; Mortgage Broker; Real Estate Agent; Full LLQP or restricted LLQP; Other

13. Errors and Omissions Coverage

a) Do you have Errors and Omissions Coverage? Yes No
(If no, please explain below)

Please attach a copy of your E&O certificate.

b) Has any policy or application for errors and omissions insurance on your behalf ever been declined, cancelled or renewal refused?
(If yes, please explain below) Yes No

14. Declarations

The Applicant, which includes its directors or principals if applicable (hereinafter called "I"), expressly declares that the information provided in this Application is complete and accurate in every respect as of the date of signing.

I agree to notify and provide updated information to CPP within 10 business days, should there be any change in the information provided herein or my ability to legally continue to sell life insurance and/or accident and sickness insurance.

I agree that CPP has authorization to verify background information using independent sources concerning credit records, business records, criminal convictions, and any other information relevant to this Application for an Agreement with CPP.

I understand and agree that I must execute and deliver the enclosed Consent and Authorization to CPP.

I understand that a false statement or material omission including a failure to provide updated information may disqualify me from consideration for a contract to sell life insurance and/or accident and sickness insurance as an agent with CPP or result in the subsequent termination for cause of my business relationship with CPP and may cause CPP to report me to an insurance regulator.

Complete if the Applicant is an Individual or if this Application form was completed to provide information regarding principals of an Applicant who is a Corporation or Partnership.

Applicant's / Principal's Name: _____
(Print)

Applicant's / Principal's Signature: _____ Date: _____

Complete if the Applicant is a Corporation or Partnership and this is its Application.

Authorized Signing Officer: _____
(Print)

Authorized Signing Officer's Signature: _____ Date: _____

MGA Use ONLY

Endorsement

I have interviewed the above named Applicant and am not aware of anything which precludes me from reasonably recommending the Applicant to CPP Insurance and I endorse this Application and any resulting agreement.

Name of MGA or GA: _____

Signature of Representative for MGA or GA

Date: _____ Company Representative: _____

IMPORTANT enclose a copy of your E&O certificate and all applicable licenses.

Clarification Note
For Application for Contract *'Personal Profile'*

Under the Insurance Act, **Canada Protection Plan** has an obligation to diligently screen prospective life agents for their suitability to carry on business as a life insurance agent. This process necessitates our obtaining personal and financial details relevant to these obligations. The questions on the standard industry application form attached have been carefully structured to avoid making any inquiries that would be considered inappropriate under applicable human rights legislation. In keeping with the spirit, as well as the letter, of that legislation, we would ask that you adhere to the following in providing answers:

Question 1(b) – Courtesy Titles

The purpose of this question is to determine how you prefer to be addressed in future correspondence. The question is entirely voluntary and need not be answered if you have no preference as to courtesy title.

Question 8 (a) – Spousal Support Orders

If the only judgment or order against you is a spousal support order that is not in arrears, do not answer "yes" to this question. Only provide information regarding spousal support orders if an order against you is in arrears.

Question 8 (g) – Provincial Offenses

Do not answer "yes" to this question if the only offences or charges in question arise under provincial law. By way of example, an offence under the Highway Traffic Act arises under provincial law. Also, do not provide any details regarding convictions or charges under provincial law.

Special Note about Social Insurance Numbers, Driver's License Numbers and Business Identification Numbers

Questions 1(e) and 1(h) ask applicants to provide their Social Insurance Numbers and Driver's License Numbers respectively. The sole purpose in requesting this information is to ensure the accuracy of the information obtained as a result of background checking. This is the sole purpose for which these numbers will be used. The sole purpose of the Business Identification Number, Question 1(f) is for tax reporting.

Special Note about Limited Space for answers:

Please attach a separate piece of paper and complete any answers where there is not sufficient space in # 10 on the form. Please number each of your answers on the separate piece of paper.

Consent and Authorization

To Whom It May Concern:

I and/or my corporation (hereinafter called "I") have applied to **Canada Protection Plan Inc.** (CPP) for a Brokers Contract ("Agreement") or for a Request to Transfer; or submitting any updated information for me or for a partnership or corporation of which I am a principal, to distribute Insurance products as a representative for CPP, or there is currently such an Agreement in place. Part of the Application process and the ongoing performance review is an investigation both of my personal background and, if applicable, the background of the corporate Applicant by CPP and/or Its authorized agents.

I have sold financial services including life insurance as a principal through the following business styles, trade names, corporation or partnerships ("Listed Entities") (Leave blank if none):

Name _____ Date _____

Name _____ Date _____

Name _____ Date _____

I make this authorization on behalf of myself and as authorized representative of the Listed Entities.

I hereby authorize and direct you to release to CPP and its authorized agents information contained in your files concerning me, if applicable the corporate Applicant, my employment, my business records, my education record, my credit record and/or any other information relevant to an agreement to distribute insurance.

On behalf of myself and, if applicable, the corporate Applicant, I specifically authorize CPP and its authorized agents to:

- Obtain a criminal activity clearance report from any police agency or government; information concerning certificates, licenses and registrations; any information concerning complaints or disciplinary measures from regulators, industry and professional organizations and associations;
- Obtain records of criminal convictions for which a pardon has not been granted, and conditional and absolute discharges which have not been removed from the CPIC (Canadian Police Information Centre) system in accordance with the Criminal Records Act;
- Obtain prohibited personal information; which is information relating to persons against whom an order of prohibition is in effect with respect to firearms, liquor, driving, hunting, etc.;
- Exchange information with any regulator, professional registry or database, insurance company, financial institution, personal information agents or detective and security agencies or organizations whose functions are the prevention, detection or repression, of crimes or offenses, market intermediaries, my employer or ex-employer, including all personal information which could be collected through verification of my Application for an Agreement and ongoing performance.

I acknowledge that records and/or information located and/or disclosed by authorized agents of CPP and its affiliates/police services may or may not pertain to me. Positive identification can only be confirmed through the comparison of fingerprints, which must be submitted by me. This final stage may be required in certain circumstances.

I understand that CPP will establish a file concerning the Application or Agreement and subsequent performance and that personal information contained in this file will be used by the employees of CPP as

performance and that personal information contained in this file will be used by the employees of CPP as required to administer the Application or Agreement. I understand a file will be kept in the offices of CPP. I may consult the personal information contained in this file and, if applicable, have it rectified.

CPP may, from time to time, retain the services of third parties to assist in administering the Application or Agreement ("Third Party Administrators"). I understand and consent to CPP disclosing personal information to Third Party Administrators. I understand that Third Party Administrators will only use my personal information for the purposes of providing services to CPP and for no other purpose.

Upon request to any professional registry established by the industry and holding information about me, I shall be informed of the existence, use and disclosure of personal information and I shall be given access to that information for purposes of accuracy and completeness.

I further authorize CPP to use my social insurance number and other personal information for Income Tax purposes and /or for the investigations set out in this section.

These authorizations shall be valid until the earliest to occur, of when it is revoked in writing by the Applicant, or 12 months after the applicant ceased to receive any commission earnings from or through CPP.

I agree to release and hold CPP and its authorized agents harmless from any and all liability that may result from any part of the Application and its background checking processes set out herein.

A photocopy of this consent has the same value as the original,

Complete if the Applicant is an individual or if this application form was completed to provide information regarding principals of an Applicant who is a Corporation or Partnership.

Applicant's Name:

Print

Applicant's Signature: _____

If Applicant is a Corporation,

Principal(s) Name(s):

Print

Principal(s) Signature(s): _____

Date: _____

Name of Corporation: _____

Broker Agreement

THIS AGREEMENT is made as of the ____ day of ____, 20____ (the “**Effective Date**”) between:

CANADA PROTECTION PLAN INC.
(hereinafter referred to as “**CPP**”)

-and-

(hereinafter referred to as the “**Broker**”).

THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Interpretation

1.1 **Definitions:** In this Agreement, unless there is something in the subject matter or context inconsistent therewith

- (a) “**Agreement**” means this Agreement;
- (a) “**Applicable Law**” means, with respect to a person, any and all laws (including any applicable principles of common law and equity), including Applicable Privacy Law, statutes, regulations, rules, guidelines, orders, injunctions, decrees, writs, or judgments, including those issued by any non-governmental entity that has a right under any statute to bind a person and including all codes of conduct, guidelines and policies of any federal or provincial supervisory authority and industry associations;
- (b) “**Applicable Privacy Law**” means the *Personal Information Protection and Electronic Documents Act* as amended or replaced from time to time and any applicable provincial laws that regulate the collection, use and disclosure of information about an identifiable individual;
- (c) “**CPP Code of Conduct**” means CPP’s Code of Conduct, as amended or revised by CPP from time to time, the current version of which is attached as Schedule A;
- (d) “**Customer Information**” means all information about identifiable individuals obtained in connection with applications for insurance or coverage issued under the Plans;

- (e) **“Insurer”** means the insurer underwriting coverage under the applicable Plan;
- (f) **“Commission Schedule”** has the meaning set out in subsection 6.1 hereof;
- (g) **“Plan”** means an insurance plan distributed by CPP, including without limitation Acceptance Life, Deferred Life, Simplified Life, Simplified Life Plus, Deferred Term, Simplified Term, Simplified Term Plus and Riders (Hospital Cash Benefit, Child Term Benefit, Accidental Death Benefit);
- (h) **“Policy”** means a policy of insurance issued under a Plan; and
- (i) **“Prime Rate”** means the annual rate of interest quoted or announced by the Royal Bank of Canada from time to time as being its “prime rate” for the use in connection with Canadian dollar loans made by it in Canada.

1.2 **Captions:** Captions and section headings are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

1.3 **Schedules:** The following Schedules shall form part of this Agreement:

Schedule A	CPP’s Code of Conduct
Schedule B	Commission Schedule
Schedule C	Personal Guarantee

1.4 **Number and Gender:** Unless the context otherwise requires, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.5 **Expressions such as Herein:** In this Agreement, “hereto”, “herein”, “hereby”, “hereunder”, “hereof”, and similar expressions refer to this Agreement and not to any particular article, section, subsection, paragraph, subparagraph, clause, subclause or any other portion of this Agreement.

1.6 **Currency:** All dollar amounts specified under this Agreement refer to Canadian currency and all dollar amounts owing from time to time under this Agreement shall be payable in Canadian currency.

1.7 **Amendments to Agreement, CPP Code of Conduct, Rules and Practices:** The parties acknowledge that this Agreement, the CPP Code of Conduct, and CPP’s rules and practices relating thereto, may be revised from time to time by CPP, in

its sole discretion, which shall provide the Broker with reasonable notice of such revisions.

- 1.8 **Good Faith:** The parties hereby agree that they will act towards each other with the utmost good faith in the implementation of this Agreement.

2. **Appointment and Authority**

- 2.1 **Appointment of Broker:** CPP hereby appoints the Broker to solicit and submit applications for insurance under the Plans then offered by CPP, and the Broker hereby accepts such appointment, on the terms and conditions contained in the Agreement.
- 2.2 **Non-exclusive:** The Broker may solicit such applications on a non-exclusive basis only in each province and territory in Canada where both CPP and the Broker are duly licensed under Applicable Law to solicit such applications.
- 2.3 **Limitations on Authority:** The authority of the Broker is limited to that expressly granted in this Agreement, and without limiting the generality of the foregoing, the Broker shall not
- (a) bind or commit CPP or the Insurer in any way to any other person or incur any debt, liability or other obligation on behalf of CPP or the Insurer to any other person,
 - (b) accept insurance risks on behalf of CPP or the Insurer or determine the insurability of any person,
 - (c) alter, modify or amend any application, Policy, rider, endorsement, document or agreement on behalf of CPP or the Insurer,
 - (d) waive any of the rights or requirements of CPP or the Insurer or waive any forfeiture,
 - (e) pay any premium to CPP or the Insurer without first being paid such premium by a person entitled at law to make such payment, or extend the time, or waive the requirement, for payment of any premium, or quote premium rates other than those published by CPP or the Insurer and then in effect,
 - (f) issue, use or allow to be distributed or published, any brochure, advertisement or other material in any way related to CPP or the Insurer or their products without the prior written consent of the President of CPP or a duly authorized officer of the Insurer, respectively,

- (g) misrepresent the terms and conditions of any insurance policy or product offered by or distributed through CPP (including, without limitation, any application therefor), or misrepresent the information contained in any information folder, circular or other material of CPP or the Insurer,
 - (h) commence or institute any legal proceedings on behalf of CPP or the Insurer, or
 - (i) accept or admit service of any legal process or document on behalf of CPP or the Insurer.
- 2.4 **CPP Direction:** CPP reserves the right, in its sole discretion, to direct the Broker not to accept applications for Policies from any consumers, other brokers or agents, and the Broker shall comply with such direction.
- 2.5 **CPP's Rules.** The Broker shall comply with CPP's rules relating to the solicitation and sale of the Policies. CPP shall have the right, in its sole discretion, to amend such rules from time to time.

3. Term

- 3.1 This Agreement shall take effect on the Effective Date and shall continue in force thereafter until it is terminated pursuant to section 13 hereof.

4. Obligations of the Broker

- 4.1 **Compliance with Law:** The Broker shall at all times comply with Applicable Law, as amended from time to time.
- 4.2 **Customer Information:** The Broker shall only collect, use and disclose the Customer Information in accordance with Applicable Privacy Laws and only for the purposes for which it was collected and shall limit access to such Customer Information to those of its employees and subcontractors who have a legitimate business reason for accessing such information.
- 4.3 **Compliance with CPP Code of Conduct:** The Broker shall at all times comply with the then current CPP Code of Conduct, and the other requirements of CPP and the Insurer as may from time to time be communicated to the Broker to the extent that such requirements do not conflict with the provisions of this Agreement. Such requirements shall be deemed to be incorporated into and form a part of the Agreement.
- 4.4 **Licenses:** The Broker shall apply for and maintain in effect all licenses required by Applicable Law to perform its obligations under this Agreement. The Broker shall (i) on or prior to the Effective Date, provide CPP with copies of all licences

described in this section 4.4, and (ii) upon request by CPP, provide CPP with copies of all renewals thereof.

(ii) provide CPP with copies of all renewals of such licences after the Effective Date immediately upon receipt thereof by the Broker.

Collection and Remittance of Premiums: The Broker shall not collect premium or other monies on behalf of CPP or the Insurer. In the event that the Broker receives any cheque or other payment payable to the Insurer, the Broker shall immediately forward such cheque or other payment to the Insurer.

- 4.5 **Books and Records:** The Broker shall keep accurate and full records of all transactions relating to CPP, the Insurer and the sale of Policies and of all matters relating to this Agreement, and notwithstanding that this Agreement may have been terminated, all such books and records, whether in written or electronic form, in the possession, power or control of the Broker and relating to CPP, the Insurer or this Agreement, shall upon demand of CPP or the Insurer be made available to CPP and the Insurer or their authorized representatives at all times during normal business hours for the purpose of examination. CPP, the Insurer and their authorized representatives shall have the right to make copies thereof, or require the Broker to provide such copies at CPP or the Insurer's expense, and the Broker shall forthwith comply with such request. The Broker shall, upon request furnish CPP, the Insurer and their authorized representatives with such information as they may from time to time request with reference to such records and information including, without limitation, copies of all correspondence between the Broker and applicants for coverage and/or policyholders under the Plans, both before and after coverage is issued. The Broker shall retain such books and records for such time as is required by Applicable Law.
- 4.6 **Return of Policies and Marketing Material:** Upon demand by CPP or upon the termination of this Agreement, whichever shall first occur, the Broker shall deliver to CPP (i) all undelivered Policies, original applications and other forms relating to the Plans, and (ii) all marketing materials and all other information and materials of every kind and nature whatsoever, whether in written or electronic form, in the possession, power or control of the Broker, all of which the Broker acknowledges are the exclusive property of CPP and the Insurer.
- 4.7 **Information About Corporate and Partnership Brokers:** If the Broker is a corporation, the Broker shall, upon execution of the Agreement, provide CPP with a written statement as of the Effective Date containing the name of each shareholder, and their respective interests, in the Broker. If the Broker is a partnership, the Broker shall, upon execution of the Agreement, provide CPP with a written statement as of the Effective Date containing the name of each partner, and their respective interests, in the Broker. The Broker further agrees

that, in the event of any future change in the shareholders or partners of the Broker, or in their respective interests in the Broker, it shall give written notice thereof to CPP prior to the effective date of the change.

- 4.8 **Personal Guarantee:** If the Broker is a corporation, the Broker shall deliver the personal guarantee of each shareholder holding more than 10% of its common shares, such guarantee to be in the form attached as Schedule C. If the Broker is a partnership, the Broker shall deliver the personal guarantee of each partner holding more than 10% of its units, such guarantee to be in the form attached as Schedule C.
- 4.9 **Additional Obligations:** The Broker shall act honestly and in good faith in its dealings with CPP and the Insurer. The Broker shall not directly or indirectly:
- (a) deliver any Policy to an applicant or other person unless the first premium has been fully paid,
 - (b) induce or attempt to induce a policy owner to discontinue or replace any Policy, whether or not covered by this Agreement or sold by the Broker except in accordance with Applicable Law and the CPP Code of Conduct or as otherwise permitted by this Agreement, or
 - (c) persuade or attempt to persuade any managing general agency, agent, broker, employee or other representative of CPP to leave its service, or solicit any entity or individual that was within the previous twelve (12) month period a managing general agency, agent, broker, employee or other representative of CPP to perform services on behalf of the Broker, provided that this prohibition shall not prevent the Broker from advertising agency or employment opportunities to the general public.

The Broker shall submit all applications completed in accordance with product guidelines and the CPP Underwriting Guide. The Broker will not sell or deliver a Policy except during the applicant's good health.

- 4.10 **Errors and Omissions Insurance:** The Broker shall, at its own expense, take out and maintain throughout the term of this Agreement, errors and omissions coverage with a limit of liability of not less than one million (\$1,000,000) dollars per occurrence and one million (\$1,000,000) dollars aggregate or such other greater minimum limits as may be prescribed by Applicable Law. The Broker shall provide proof of such coverage to CPP upon request, and shall give CPP at least thirty (30) days written notice prior to any material change in or cancellation of such insurance. The Broker shall give prompt written notice to CPP of any incident which may give rise to a claim against any insurance policy described in this section.

- 4.11 **Advertising and Publicity:** The Broker shall not carry out any advertising or publicity relating to CPP, the Insurer or the Plans without first obtaining the written consent of CPP or the Insurer, as applicable. The Broker shall not use CPP's letterhead or business cards or other similar CPP material. CPP's written consent can only be given by CPP's President.
- 4.12 **Quality and Production Standards:** CPP reserves the right to set minimum quantity and quality production standards from time to time for the Broker.
- 4.13 **Anti-money Laundering.** The Broker shall, at its own cost and expense, adopt all necessary measures to ensure compliance with all Applicable Laws relating to anti-money laundering and anti-terrorist financing, including, without limitation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, as amended and replaced from time to time, and all reporting requirements under all such Applicable Laws.

5. Independent Contractor

- 5.1 The parties hereto acknowledge and agree that the Broker carries on business independently and for its own account and is an independent contractor and not an employee or partner of CPP. Nothing contained herein shall operate or be construed as creating a joint venture, partnership or employment relationship between CPP and the Broker. The Broker may exercise its own judgment as to the time and manner in which he may perform the services required to be performed by him under this Agreement.

6. Compensation

- 6.1 **Payment of Compensation:** Subject to the terms and conditions of this Agreement, CPP shall advance to the Broker commission in accordance with the Commission Schedule attached as Schedule B on Policies that are written and produced by the Broker upon applications bearing its name as Broker. CPP shall not be obliged to pay such compensation unless the applicable Policy has been issued, the initial premium has been paid and all outstanding contractual and underwriting requirements are received and approved by CPP. The Commission Schedule may be amended from time to time in accordance with section 6.11.

Additional bonus on first year commissions, if any, are paid by the Broker's MGA, and in the event no MGA is assigned to the Broker, shall be paid by CPP, unless the Broker is contracted through an agency, in which case the agency shall pay such additional bonus. CPP shall not be obliged to pay such compensation unless the applicable Policy has been issued, the initial premium has been paid and all outstanding contractual and underwriting requirements are received and approved by CPP.

6.2 **Earned Compensation:** No compensation shall be earned by the Broker under this Agreement until the whole of the premium to which it relates is actually received by the Insurer and is so recorded in its records. The payment of service fees is contingent upon the Broker meeting the service requirements of CPP established from time to time. CPP reserves the right in its sole discretion to place a Broker on a pay as earned commission if CPP deems it necessary.

In the event the total annualized commissions on all Policies on the same life exceeds \$2,500 CPP shall pay all commissions and bonus as earned.

6.3 **Annualized First-Year Compensation:** Notwithstanding subsection 6.2 hereof, when a Policy is recorded in the Insurer's records as being in force with the first premium paid, CPP and the Insurer may calculate the compensation for the first Policy year as if all premiums in respect of such year had been paid, and CPP or the Insurer shall pay or credit such compensation to the Broker. CPP and the Insurer reserve the right to limit payment of the unearned portion of such annualized first-year compensation with respect to any Policy.

6.4 **Renewal Compensation:** Compensation in respect of second and subsequent Policy years shall, subject to this Agreement and the Commission Schedule in effect on the date of issue of the applicable Policy, be payable only to the extent that it has been earned within the meaning of subsection 6.2 hereof.

6.5 **Unearned Compensation is Deemed a Loan:** To the extent that compensation is paid or credited to the Broker in respect of premiums which are not received and recorded by the Insurer, such unearned compensation shall be deemed a loan made by CPP or the Insurer, as applicable, to the Broker, and a debt owing by the Broker to CPP or the Insurer, as applicable, repayable upon demand. Notwithstanding the foregoing, CPP or the Insurer, as applicable, shall have no right to demand, prior to the expiry of the applicable first Policy year, the repayment of compensation, if any, paid pursuant to subsection 6.3 hereof unless:

- (a) such compensation was paid under mistake of fact or the Broker was otherwise not entitled to such compensation,
- (b) subsection 6.6 hereof applies to the Policy, or
- (c) this Agreement is terminated pursuant to subsection 13.3 hereof.

6.6 **Return of Unearned Annualized Compensation and Chargebacks:** In the event that a Policy for which compensation was paid to the Broker hereunder lapses, is surrendered, is cancelled by either the insured or the Insurer or otherwise terminates for any reason, the premiums decrease, or a death benefit is paid under such Policy calculated as the return of premiums paid plus interest, the

Broker shall immediately pay to CPP or the Insurer, as applicable, on demand, all compensation which was paid or credited to the Broker in respect of such Policy and which was not earned within the meaning of subsection 6.2 hereof or, if it has been earned, relates to a paid death benefit calculated as the return of premiums paid plus interest. CPP or the Insurer, as applicable, may debit the Broker's earnings account with a chargeback in the amount of such unearned compensation, and such amount shall constitute a debt of the Broker to CPP and/or the Insurer, repayable upon demand.

6.7 **Entire Compensation:** The compensation payable pursuant to this Agreement shall be compensation in full for all services performed and all expenses incurred by the Broker. If any compensation to which the Broker is not entitled under the terms of this Agreement is paid to or retained by the Broker, the Broker shall pay the same to CPP upon demand.

6.8 **Discretionary Compensation:** CPP reserves the right to determine at any time and from time to time in its sole discretion without notice whether any, and if so what, compensation will be paid in the following cases:

- (a) Policies not listed specifically by name in the Commission Schedule in effect on the date of issue of the applicable Policies, and Policies introduced by CPP or the Insurer after the Effective Date;
- (b) Policies which are issued for face amounts less than the minimum face amounts for which CPP or the Insurer have published rates in effect at the time the application is received;
- (c) Policies under which the insurance risk is greater than the standard risk as determined by CPP or the Insurer;
- (d) Policies which are reinsured by the Insurer to the extent of the portion of the insurance that is reinsured;
- (e) Policies which are issued and which are subsequently changed; and
- (f) Policies which, in the determination of CPP or the Insurer, were applied for to modify, replace, supersede or convert any other Policy.

CPP and the Insurer reserve the right to determine at any time and from time to time whether commissions and bonus will be paid on the portion of any premium that constitutes a policy fee, and if so, the amount of such commission and bonus.

6.9 **Determination of First Year Premiums and Commissions:** CPP and the Insurer may in their discretion determine whether a premium or commission constitutes a first year premium or first year commission, and whether the premium or

commission is paid in connection with the exercise of a Policy option, reinstatement or Policy change.

- 6.10 **No Compensation on Waived and Commuted Premiums:** Compensation shall not be allowed on premiums waived or commuted by reason of death, disability or the exercise of policy options.
- 6.11 **Changes to Compensation:** CPP and the Insurer shall have the right at any time and from time to time upon thirty days' prior written notice to the Broker to amend or replace in whole or in part the then current Commission Schedule including, without limitation, the right to:
- (a) increase or decrease the rate of first year and renewal commissions and other compensation on any or all of the Policies then being distributed by CPP or the Insurer whether or not listed in the then current Commission Schedule,
 - (b) include or exclude any Policy or Policies in or from the computation of commissions and other compensation,
 - (c) change the method of computing any commissions or other compensation hereunder, and
 - (d) terminate entirely any bonus provided hereunder or thereunder.

Any such change shall apply only to Policies which are issued on or after the effective date of the change save and except that any change to trailer or service fees payable on Policies may be subject to retrospective change.

For the purpose of this section, a notice to the Managing General Agent, General Manager, or Brokerage Manager, or similar person, as the case may be, to whom the Broker is assigned, shall be deemed to be a notice to the Broker.

- 6.12 **Policy Reinstatement:** Compensation on any Policy reinstated by the Broker shall be in accordance with the Commission Schedule. No compensation shall be paid on any Policy which is reinstated after the termination of the Agreement.
- 6.13 **Policy Replacement:** If a new Policy is issued on an application dated within six months prior or subsequent to the date of surrender of or the date of discontinuance of premium payments on an existing Policy on the same life, whether or not there is a change of owner, then the Broker shall not be entitled to compensation on such new Policy except to the extent specifically provided otherwise in the rules and regulations of CPP or the Insurer then in force.

7. Taping of Calls

7.1 The Broker acknowledges that CPP may call the proposed insured and owner to verify information set out in the application, and may record such call.

8. Indebtedness

8.1 **Debt of Broker:** In the event the Broker has a debt with CPP, the Broker hereby directs all insurers who underwrite coverage under the Plans to pay to CPP all compensation owing by such insurer to the Broker. The term "debt" shall include without limitation, financial obligation and liability of the Broker CPP arising out of any transaction whatsoever.

8.2 **Liens and Setoff:** CPP may setoff against any claim for compensation and any other monies payable by CPP to the Broker under this Agreement or any other agreement now or hereafter existing to which CPP and the Broker are parties, any existing or future indebtedness or liability whatsoever of the Broker to CPP including, without limitation, any loans or advances heretofore or hereafter made by CPP to the Broker. As security for such indebtedness and advances, the Broker hereby grants to CPP a first charge and lien against all compensation and other monies accrued or to accrue in favour of the Broker under this Agreement or under any other agreement now or hereafter existing to which CPP and the Broker are parties.

8.3 **Interest on Indebtedness:** Any indebtedness of the Broker to CPP including, without limitation, any loan or advance then outstanding, shall bear interest, until paid, from the earlier of the date of demand by CPP and the date of termination of this Agreement (such earlier date being referred to in this subsection as the "Interest Commencement Date"), at a rate per annum equal to the Prime Rate in effect on the Interest Commencement Date plus two per cent (2%) per annum, calculated semi-monthly on the 15th and the last day of each calendar month in each year. Interest shall be compounded semi-monthly at the same rate and at the same times as aforesaid.

8.4 **Termination and Indebtedness:** Upon termination of this Agreement for any reason, all indebtedness of the Broker to CPP including, without limitation, all loans and advances then outstanding which are not by their terms payable on demand, shall be or become immediately due and payable to CPP.

8.5 **Collection Proceedings:** In the event that CPP pursues formal collection proceedings in order to collect any existing or future indebtedness of the Broker to CPP, the Broker shall be responsible for and shall pay to CPP upon demand, all costs and expenses incurred by CPP in connection with such proceedings including, without limitation, legal fees and disbursements.

8.6 **Withholding During Chargeback Period:** In the event of the termination of this Agreement for any reason, CPP may, in addition to its other rights under this Agreement, withhold compensation payments to the Broker for the duration of the applicable chargeback period set forth in this Agreement and the Commission Schedule.

9. CPP's Records

9.1 The Broker agrees that it shall accept CPP's books, accounts and records as conclusive evidence of the matters contained therein.

10. Indemnification

10.1 **Indemnification by the Broker:** The Broker hereby irrevocably and unconditionally covenants and agrees, at all times, to indemnify and save harmless CPP and its directors, officers, successors and assigns (CPP and such other persons being hereinafter sometimes referred to as the "**CPP Indemnitees**"), and each of them, from and against all claims, demands, causes of action, suits, damages, losses, costs, expenses, penalties, obligations and liabilities of every kind and nature whatsoever, which may be made or brought against any of the CPP Indemnitees or of which any of the CPP Indemnitees may suffer or incur, based upon, arising out of, attributable to, related to, or in any way connected with:

- (a) any breach or non-performance of any covenant or obligation to be performed by the Broker under this Agreement,
- (b) any negligence, misconduct or unlawful conduct of the Broker or non-compliance by the Broker with this Agreement, or
- (c) any misrepresentation made by the Broker to any policyholder, life insured, beneficiary, or to any prospective policyholder, life insured or beneficiary, or to any other person.

10.2 **Defence and Control of Proceedings:** If any suit or other legal proceeding is brought against CPP, or both parties jointly, by reason of any alleged act, fault or failure of the Broker relating to matters for which the Broker may be required to indemnify CPP under section 10.1, CPP may require the Broker to defend such proceeding. However, at its sole option, CPP may defend any such proceeding and expend such sums, including legal and investigative fees, as CPP in its sole discretion may deem necessary or advisable. The Broker shall pay to CPP on demand any legal fees and other expenses which have been paid by CPP therein, except in those cases in which the court or other tribunal rendering a final decision in the matter determines that CPP has contributed to the Broker's liability in the matter giving rise to the legal proceedings, in which case the

parties shall pay their share of the legal and investigative fees in the same proportion as their liability in the matter as determined by the court or tribunal.

11. Litigation

11.1 Without the prior written consent of the President of CPP, the Broker shall not commence or threaten to commence any suit or other legal proceedings against any other broker, managing general agency, or applicant for coverage or policyholder under a Policy, or any other third party upon any matter in any way connected with or related to any Policies distributed by the Broker pursuant to this Agreement, any activities conducted by the Broker in connection with this Agreement or in any other way arising from or related to this Agreement. In the event of such suit or other legal proceedings, all costs, expenses and damages shall be borne by the Broker.

12. Suspension

12.1 If the Broker does not make timely accounting for, or payment of, any sums due to CPP or the Insurer or if the Broker is under review by a regulatory authority in any of the provinces or territories in which the Broker solicits business, CPP reserves the right, upon written notice to the Broker, to suspend the Broker's authority to solicit applications for insurance under the Plans.

13. Termination

13.1 **Termination by Notice:** This Agreement may be terminated with or without cause by either CPP or the Broker upon five days' prior written notice to the other party.

13.2 **Automatic Termination:** CPP shall be entitled to terminate this Agreement with respect to the issuance and sale of new Policies on written notice to the Broker upon:

- (a) the death of the Broker, if an individual;
- (b) the institution by or against the Broker of any formal or informal proceeding for the dissolution or liquidation or, or settlement of claims against or winding up of the affairs of the Broker, if the Broker is a corporation or partnership;
- (c) the suspension, revocation, non-renewal or other termination by any governmental or self-regulatory authority of any license held by the Broker in respect of the solicitation of insurance policies or the giving of financial advice;

- (d) the material failure of the Broker to comply with any of the provisions of this Agreement;
- (e) the Broker ceasing for any reason to conduct business; the bankruptcy or insolvency of the Broker; the filing against the Broker of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors of the Broker; the appointment of a receiver or trustee for the Broker or for any assets of the Broker or the institution by or against the Broker of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* or otherwise.

13.3 Other Terminations: CPP may terminate this Agreement immediately upon written notice to the Broker upon the occurrence of any one or more of the following events:

- (a) the Broker makes any statement, representation or warranty in any application, certificate or other instrument which is false or misleading in any material respect;
- (b) the Broker, in the sole opinion of CPP, conducts itself so as to injure CPP's standing or good name in the community or elsewhere;
- (c) the Broker at any time commits an act of fraud against CPP;
- (d) the sale, transfer or merger of the Broker's business, provided that CPP may in its discretion offer an Broker Agreement to any successor who meets CPP's requirements for appointment; or
- (e) the Broker breaches any of its obligations set out in Section 4.10.

13.4 Forfeiture of Compensation: In the event that this Agreement is terminated pursuant to subsection 13.3 hereof, or if any of the events specified in subsection 13.3 hereof occurs after termination of this Agreement, or after notice of termination has been given by either party, then any and all claims to commissions and other compensation that might otherwise then be due or thereafter become due to the Broker under the terms of this Agreement or under the terms of any other agreement with CPP now or hereafter existing, shall become forfeited and void at the option of CPP without further notice to the Broker.

14. Compensation after Termination

14.1 Right to Receive Compensation: Subject to the following provisions of this Section 14, termination of this Agreement for a reason or cause other than as specified in subsection 13.3 of this Agreement shall not impair the Broker's right to receive compensation, at the rates and for the remaining number of years

applicable to the payment of commission after termination as provided in the applicable Commission Schedule, with respect to Policies issued on applications received prior to such termination bearing the Broker's name. In such case, renewal commissions will become payable only for the remaining number of policy years specified in the Commission Schedule for the payment of compensation after termination. Any such compensation payable after the Broker's death, if the Broker is an individual, shall be paid to his executors or administrators, as the case may be.

14.2 **Bonus Ceases:** In the event that this Agreement terminates for any reason, CPP's obligation to pay any bonus shall cease.

14.3 **Termination of Compensation:** Notwithstanding the foregoing, in the event that this Agreement terminates for any reason, CPP's obligation to pay any compensation to the Broker in respect of any particular Policy or Policies shall terminate upon one of the following conditions first becoming satisfied:

- (a) the Broker has ceased for any reason to be licensed by the appropriate regulatory authority in the jurisdiction in which the Broker solicited the particular Policy or Policies, or CPP has not received proof satisfactory to it that the Broker is licensed by such authority in respect of the following year, following CPP's request for proof thereof, in either case, other than as a result of the death of the Broker if an individual; or
- (b) the Broker's commission earnings from CPP do not exceed Fifty Dollars (\$50.00) in respect of any calendar year.

14.4 **Commuted Value:** To the extent permitted by law, CPP may discharge its obligations under this Agreement for payments due after its termination by payment at any time after such termination of the commuted value thereof as determined by CPP in its sole discretion.

15. Notices

15.1 Any notice or communication required or permitted under this Agreement shall be in writing and shall be deemed received (i) on the date personally delivered, (ii) the same day if sent by fax or e-mail, (iii) the next day if sent by any next-day carrier service, or (iv) the third day after mailing via first-class mail, postage prepaid, to a party at the address specified below or such other address as either party may from time to time designate to the other. Notice of change of address shall also be governed by this Section. Notices and other communications shall be addressed as follows:

To CPP:

Canada Protection Plan Inc.

250 Ferrand Dr., Suite 1100
Toronto, ON M3C 3G8

Attention: David Slabodkin,
President & CEO
Email: david@cpp.ca
Fax: (416) 447-9881

To the Broker:

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16. General

- 16.1 **Entire Agreement:** This Agreement, together with any Schedules attached hereto, shall constitute the entire understanding of the parties with respect to its subject matter.
- 16.2 **Modifications, Amendments, Waivers:** Save and except in the case of subsections 4.3 and 6.11 hereof, no waiver or amendment of any provision of this Agreement shall be effective unless it has been signed in writing by both Parties. Waiver of a breach of any provision of the Agreement shall not be construed as, nor constitute, a waiver of any subsequent breach of such provision, nor shall it be construed as, or constitute, a waiver or breach of any other provision of this Agreement.
- 16.3 **Severability:** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.
- 16.4 **Governing Law and Attornment:** This Agreement shall be deemed to have been made in and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of such province.
- 16.5 **Survival:** The provisions of sections 4.5, 4.7, 6.5, 6.6, 6.10, 8, 10, 11 and 14 and any other section which by its nature shall survive the termination of this Agreement shall survive the termination of this Agreement without expiry.

The provisions of section 4.6, 4.10(b) and 4.10(c) shall survive the termination of this Agreement for a period of two (2) years from the date of termination.

16.6 **Rights and Remedies Cumulative:** All rights and remedies that CPP may have under this Agreement are cumulative and shall be in addition to, and not in substitution for, any other right or remedy available to CPP, whether in equity, at law, by virtue of statute, or otherwise, and all rights and remedies may be exercised by CPP from time to time as often and in such order as CPP may in its sole discretion determine.

16.7 **Assignment:** The Broker shall not assign this Agreement, by operation of law or otherwise. This prohibition shall apply to absolute assignments and assignments as collateral security. CPP may assign this Agreement or any of its rights and obligations hereunder to any party upon notice to the Broker.

The Broker may not transfer any entitlement to compensation under this Agreement without CPP's prior written consent.

16.8 **Enurement:** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns.

16.9 **Counterparts:** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument. Delivery of this Agreement or of any other agreement or instrument contemplated hereby may be made by facsimile transmission, or by portable document format delivered by electronic mail. The sender undertakes to deliver promptly to the recipient an original of this Agreement or such other agreement or instrument executed by the sender, provided that failure to deliver the original signed counterpart shall not invalidate this Agreement.

IN WITNESS WHEREOF the parties have duly executed this Broker Agreement as of the date first above written.

**Canada Protection Plan
Inc.**

Title:

Applicant Name:

Applicant Signature:

Title:

Date:

SCHEDULE A

CODE OF CONDUCT

Foreword

The duty of the agent/agency (Broker) is to comply with the insurance laws of every jurisdiction in which he/she is licensed as a Life or Accident and Sickness agent/agency. It is not sufficient, however, for an agent/agency to observe merely the letter of the law; the agent/agency has important responsibilities to the policyholders and prospective purchasers whom he/she serves and to the insurer whose insurance he/she sells.

By entering into contract with Canada Protection Plan Inc (hereafter "CPP"), you agree to adhere at minimum to the following code of conduct as well as the *Code of Conduct* of any Life Insurance company whose product is sold by the Agent/Broker.

Definitions

"*Life Insurance*" shall mean all individual life insurance policies, policy riders and annuity contracts issued by a life insurance company including all policies, whether or not such policies contain provisions for cash surrender or paid up values, and any contract under which the reserve, or part thereof, varies in amount depending on the market value of a specified group of assets.

Priority of Policy Owner Interests

An agent/agency shall place the interest of policy owners and prospective purchasers before themselves.

It is self-evident that any practitioner should place clients' interests first. This requires the highest level of integrity and performance on the part of the agent/agency.

In practical terms, this stipulates that an agent/agency must recommend with integrity; competency and diligence the amount and type of life insurance that is best for the purchaser's circumstances. The commission to be obtained from making the sale should have absolutely no bearing upon the agent/agency advice to the policy owner or prospective purchaser and full disclosure should be made as applicable under appropriate regulation.

Money Laundering

An agent/agency shall, at its own cost and expense, adopt, implement and monitor any and all necessary or desirable measures to ensure complete and timely compliance with, and shall bear sole responsibility with respect to, any and all laws, statutes and regulations relating to, dealing or in connection with, money laundering including, without limitation, the *Proceeds of Crime (Money Laundering)* and *Terrorist Financing Act (Canada)* as the same may be amended, supplemented or replaced from time to time, such measures including without limitation reporting required transactions to the *Financial Transactions and Reports Analysis Centre of Canada («FINTRAC»)*, or any replacement organization or agency, keeping required reports, effecting required verifications of clients' identity and generally, establishing clear policies and procedures, ensuring continuous communication, and as appropriate establishing management support and providing training to management, in each case by qualified persons.

Confidential Information

An agent/agency shall respect the confidence/privacy of the policy owners and prospective purchasers regarding their personal and business affairs.

Consequently, if it appears to be in the interests of the policy owner or prospective purchaser for an agent/agency to discuss a policy owners' or prospective purchaser's affairs with any other person, an agent/agency must first secure the policy owners or prospective purchaser's written permission to do so.

PIPEDA

The agent/agency will comply with all provisions of the *Personal Information Protection and Electronic Documents Act* and all governmental rules and regulations in protecting the privacy and personal information of clients and other individuals.

Misrepresentation

An agent/agency shall not make any false or misleading statement or representation in the course of selling or servicing life insurance.

An agent/agency is obligated to disclose accurately and completely, all information required by a policy owner or prospective purchaser in order to determine the best course of action. An agent/agency must act in a client's best interest.

An agent/agency is also obligated to disclose, accurately and completely, all information required by an insurer to enable a decision to be made regarding the issuance of a contract of life insurance. It is just as wrong for an agent/agency to omit essential information or to fail to correct a mistaken impression known to exist, as it is to give inaccurate or misleading information.

Defamation

An agent/agency shall not act in any way to defame any entity or individual, life insurance companies, their products or representatives.

No statement may be made, published, or circulated in any oral, written or printed statement which is knowingly or recklessly false regarding any insurer, its products, or its representations and which might reasonably injure the reputation or livelihood of any person engaged in the life insurance business.

Rebating and/or Sharing of Compensation

Rebating

An agent/agency shall not directly or indirectly rebate or attempt to rebate all or any part of a premium for insurance.

Rebating shall include any agreement as to the premium to be paid for a policy other than as set forth in the policy; any payment, allowance, or gift as an inducement to insure; any paid employment, contract for services, or inducement of any kind intended to be in the nature of a rebate of premium for individual insurance products and any negotiations of a sale of individual life insurance, in respect of which a reduced special premium has been established on the understanding that the agent/agency will forego all or a part of the regular commission normally payable.

It is fairly common practice for an agent/agency to entertain policy owners or prospective purchasers and give them nominal or token gifts. This is considered to be a normal business practice and not in the nature of a rebate, in no circumstances shall an agent/agency make a gift of anything of value as an inducement to insure.

Excessive benefits or gifts conferred upon policy owners or prospective purchasers may, depending on the circumstances, expose an agent/agency to a charge of rebating.

Sharing of Compensation

An agent/agency shall not share compensation earned from the sale of life insurance with any person(s) who do not hold a life insurance agents' license or equivalent certificate.

In no circumstances shall an agent/agency make a gift of value or monetary payment to an unlicensed person as a share of the compensation earned in the sale of life insurance. Gifts or payments which tend to vary according to the amount of compensation earned, from a referral, may expose an agent/agency to a charge of sharing compensation with a person who does not hold a life insurance agents' license or equivalent certificate. If the person receiving the gift and/or monetary payment were found to have been in a position to influence the purchase of the life insurance contract a charge of rebating may also be applicable.

Charging of Fees

An agent/agency shall not waive all or any portion of the fees for services as an inducement to purchase life insurance.

There is a general agreement that an agent/agency may charge a fee for services pursuant to a prior agreement entered into between the agent/agency and the policy owner or other person regarding any such proposed fee, provided that such procedure does not contravene any law or does not involve the unauthorized practice of another profession.

It is essential that the prior agreement entered into between the agent/agency and the policy owner should not state or imply that any portion of the fees will be waived if any life insurance products required are purchased. This will be considered a direct inducement to insure and a charge of rebating will apply.

In this connection it must also be emphasized that in performing any services for a fee, an agent/agency must exercise great care not to encroach upon the practice of other professions.

Replacement

An agent/agency shall not induce a policy owner to replace an existing contract of life insurance with a new contract of life insurance, unless it appears that, due to a change in circumstances to the benefit of the policy owner, an existing contract of life insurance should be amended or changed to another contract of life insurance. In that case, an agent/agency all endeavor to have the existing contract amended or changed by the insurer which issued the existing contract of life insurance in order that any values, credits or privileges in the existing contract may be transferred to the amended or changed contract of life insurance.

Where replacement of a contract of life insurance is indicated, an agent/agency shall, prior to taking a new application:

1. enquire about the policyholder's insurance needs , in particular, about the number of dependents , personal and family obligations, financial means, and life insurance policies, their characteristics and the insurers which issued them.
2. present and review with the applicant a fully completed "*Life Insurance Replacement Declaration*", including the agents' "Written Explanation".

3. secure the applicants' signature, along with the signature of the life insured, if other than the applicant, acknowledging the receipt of the *Life Insurance Replacement Declaration*.

In every instance where life insurance is being applied for, an agent/agency shall:

1. Obtain as part of each application for a contract of life insurance, a statement signed by the applicant stating whether or not replacement of a contract of life insurance is intended and,
2. prepare and forward to the insurer with each application for a contract of life insurance a statement stating whether or not a replacement contract is Intended

An agent/agency shall, upon taking an application where replacement of life insurance is indicated:

1. be personally responsible for the forwarding within three working days of the date of application, to every insurer whose contract of life insurance is indicated to be replaced, a fully completed copy of the *Life Insurance Replacement Declaration* as presented to and signed by the applicant,
2. forward to the insurer, which has been requested to issue any new contract(s) of life insurance, a fully completed copy of the *Life Insurance Replacement Declaration* as presented to and signed by the applicant, and
3. unless contrary written instructions have been received from the applicant, deliver the new contract(s) of life insurance as soon as practicable

Rated Policies

An agent/agency shall request an insurer to reduce or eliminate the extra premium for a medical or occupational rating under existing life insurance when it appears that another insurer would now issue new life insurance on the same plan without any extra premium or with a reduced extra premium.

An agent/agency shall make every reasonable effort to have an insurer reduce or eliminate the extra premium for a medical or occupational rating under existing life insurance when it appears that another insurer would now issue new life insurance on the same plan without any extra premium or with a substantially reduced extra premium. If the insurer which issued the existing life insurance will not reduce or eliminate the extra premium, the agent/agency may proceed in accordance with the Replacement term herein.

Holding Out To the Public

An agent/agency shall carry on business in good faith as a life insurance agent in conformity with the provisions of the law of each jurisdiction in which the agent/agency holds a life insurance agents' license.

An agent/agency shall with respect to the business as a life insurance agent and related financial services include on all letterheads, business cards, written proposals and advertising at least one of the following:

1. name of sponsoring insurer
2. life insurance
3. life insurance agent
4. agent/agency

An agent/agency shall not advertise an ability to offer counsel in the fields of law, accounting, taxation or investment. Notwithstanding the foregoing, an agent/agency (broker) who is fully qualified as a lawyer, accountant or investment counselor may identify such qualification.

An agent/agency shall not carry on business as a life agent under a business name or description which includes the words "and Associate(s)" unless there is at least one other licensed agent/agency directly associated with the principal agent/agency.

Improper Advertising

An agent/agency shall not in any manner whatsoever solicit publicly, pay for, or approve advertising which indicates sales attainments or membership in a club or other organization in which the production of a stipulated volume of business is a necessary qualification for membership this provision in the *Code of Ethics* rules out advertising or publicity which includes reference to either a specific volume of personal production or achievement (i.e. 'Leading agent, top agent, "etc.). It is, however, acceptable for MDRT status (in accordance with MDRT regulations) to be indicated on an agent/agency's' letterhead, business cards and in any announcement which otherwise meets LUAC's advertising guidelines. As a general principle, any publicity or advertising should be based primarily on an agent/agency's experience and capacity to serve the public.

This prohibition does not apply to publicity at life insurance meetings, in insurance company publications, insurance trade journals or to business stationery (letterhead and business cards).

It is an agent/agency responsibility to ensure that this Code is complied with and he or she shall specifically advise any writer, journalist, and/or master of ceremonies of this prohibition.

Books, Accounts and Registers

Every person authorized to practice the profession of an insurance agent and who, in the course of business, receives amounts on behalf of another person must keep a trust account for such amounts and for all disbursements chargeable thereto and keep a separate accounting thereof in a book reserved for such a purpose.

Intimidation

An agent/agency shall not intimidate or attempt to intimidate any person or association for the purpose of compelling such person or association to abstain from doing anything that the person or association has a lawful right to do.

An agent/agency shall not threaten to launch any civil, criminal or other action or launch any frivolous action against any complainant, witness, complaint committee member, or association where such threat or frivolous action is intended to prevent a complaint under the Code from being brought against the agent/agency, to impede a complaint or to induce any person to withdraw or dismiss a complaint.

I agree to comply with and adhere to all articles set forth in this *Code of Conduct*:

Signed and Dated: _____

Signature of Broker: _____

SCHEDULE B
COMMISSION SCHEDULE



Schedule 1 Broker Schedule of Commissions & Renewals

CANADA PROTECTION PLAN

Insurance Plan	First Year Commission	Renewal % of Gross Annual Premium		
	% of Gross Annual Premium	Year 2 – 10		
		Issue Age		
Permanent		20-65	66-75	76-80
Simplified Life & Life Plus (Life Pay)	90	5	4	3
Simplified Life & Life Plus (20 Pay)	90	4	3	2
Deferred Life (Life Pay)	80	5	4	3
Deferred Life (20 Pay)	80	4	3	2
Acceptance Life 40-69	45	4	4	4
Acceptance Life 70-74	45	4	4	4
Acceptance Life 75-80	45	4	4	4
ADB/CTB Rider	30	3	2	1
Hospital Cash Rider	30	3	3	3
Term				
Deferred Term to 100	90	5	5	5
Simplified Term to 100	90	5	5	5
Simplified Plus Term to 100	70	3	3	3
Deferred & Simplified Term 10 & 20	70	3	3	3
Simplified Plus Term 10 & 20	70	3	3	3
ADB/CTB Rider	30	3	3	3
Hospital Cash Rider	30	3	3	3

The base percentage of commission and the total renewal is paid directly by Foresters Life Insurance Company and Canada Protection Plan (hereafter "CPP") will pay the bonus commission. The payment of such commissions and renewals are subject to the provisions, terms and conditions of the MGA agreement signed with Canada Protection Plan, and the rate of commission payable on policies issued on applications written and submitted to the Head Office of Foresters Life Insurance Company and/or CPP from the undersigned. The said MGA is fully responsible to the selling Broker for any override bonus commission from the MGA's full override. All commissions paid on policies sold on the Brokers own life and/or family member(s) and/or relatives or friends of the Broker will be paid as earned. When a client pays the annual premium by credit card, there will be a 3 1/2 % reduction to the first year commission based on that annual premium. The undersigned has read and agrees in full with the above.

SCHEDULE C

PERSONAL GUARANTEE (For Corporate Contracts Only)

For valuable consideration received, the undersigned (the "Guarantors") hereby jointly and severally guarantee the due performance of all obligations of _____ (hereinafter referred to as the "Broker") under the Broker Agreement between Canada Protection Plan Inc. ("CPP") and the Broker, as amended from time to time (the "Broker Agreement"), including without limitation the payment when due of all sums payable to CPP by the Broker.

This Guarantee shall be irrevocable by the Guarantors. The Guarantors hereby acknowledge that this Guarantee shall be a continuing guarantee of all indebtedness of the Broker to CPP and shall remain in full force and effect, notwithstanding the termination of the Broker Agreement or the insolvency, bankruptcy or reorganization of the Broker.

The Guarantors each agree that CPP shall not be required to exhaust its recourse against the Broker, including without limitation enforcement of any lien, before being entitled to payment from the Guarantors under this Guarantee. The Guarantors hereby waive notice of acceptance of this Guarantee, and of default, and of extension of time for payment, and all notices and demands.

This Guarantee shall continue to be binding upon the Guarantors and their heirs, executors, administrators and assigns.

This Guarantee shall be deemed to have been made in and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of such province.

DATED this _____ day of _____, _____.

Each person holding 10% of the shares or the units of the Broker must sign this Guarantee as a Guarantor

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)

Signature of Guarantor

Signature of Witness

Name of Witness (Please Print)

Name of Witness (Please Print)

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)

Signature of Guarantor

Signature of Witness

Name of Guarantor (Please Print)

Name of Witness (Please Print)



Canada Protection Plan
250 Ferrand Drive, Suite 1100
Toronto, ON, M3C 3G8
416-447-6060 1-877-447-6060
Email: brokerservices@cpp.ca
www.cpp.ca

EFT Commission Payments and E-mail Commission Statements

Agent #: _____

Agent Name: _____
(as listed on contract)

Email Address: _____

Bank Information (**Attach** a void cheque)

Bank #: _____ Transit #: _____ Account #: _____

Name of Account Holder: _____

I hereby give **Foresters Life Insurance Company** and **Canada Protection Plan Inc.** the authority to deposit commissions, which is an advanced commission into my bank account.

Printed Name

Signature

AUTHORIZATION AND DIRECTION AGREEMENT

THIS AGREEMENT is entered into as of the ____ day of _____, 20____,
_____ (the "Broker") and Canada Protection Plan Inc. (the
"Managing General Agent").

WHEREAS the Company and the Broker have entered into a Managing General Agent Broker Agreement, dated as of _____ (the "Broker Agreement");

AND WHEREAS the Broker desires that the Company pay amounts owing to the Broker under the Broker Agreement directly to the Managing General Agent;

NOW THEREFORE the parties hereto, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

1. The Broker and the Managing General Agent hereby:

- (a) authorize and direct the Company to pay to the Managing General Agent any and all amounts hereinafter payable by the Company to the Broker pursuant to the Broker Agreement, including without limitation all amounts payable to the Broker by the Company in respect of commissions or other compensation;
- (b) acknowledge and agree that such authorization and direction shall continue to be effective until revoked by delivery to Foresters Life Insurance Company of not less than thirty (30) days prior written notice of revocation of such authorization executed by the Broker and the Managing General Agent;
- (c) acknowledge and agree that such authorization and direction shall continue to be effective notwithstanding any termination of the relationship between the Broker and the Managing General Agent;
- (d) acknowledge and agree that the Company's payment of amounts to the Managing General Agent pursuant to such authorization and direction shall fully discharge the obligations of the Company to the Broker in respect of the amounts paid; and
- (e) acknowledge and agree that any amounts paid by the Company to the Managing General Agent pursuant to such authorization and direction are paid by the Company on behalf of the Broker and that the Broker shall remain solely responsible for any government or other reporting and remittances in respect of such amounts paid.

2. The Managing General Agent and the Broker further acknowledge and agree:

- (a) that, in accordance with the provisions of the Broker Agreement, any amounts due and payable to the Company by the Broker in respect of the chargeback of commissions or otherwise may be set-off by the Company against any amounts payable by the Company to the Managing General Agent pursuant to the authorization and direction provided herein;

(b) that, in accordance with the provisions of the Broker Agreement, the Managing General Agent shall immediately pay to the Company upon demand any chargebacks against Broker commissions paid to the Managing General Agent pursuant to the authorization and direction provided herein; and

(c) to indemnify and save the Company harmless in respect of any claims that may be made against the Company with respect to, or any liabilities incurred by the Company in connection with, the payment of any amounts to the Managing General Agent pursuant to the authorization and direction provided for herein..

IN WITNESS WHEREOF the parties have executed this Authorization and Direction Agreement as of the date first written above.

CANADA PROTECTION PLAN INC.

Per: _____

BROKER

Per: _____

ABSOLUTE ASSIGNMENT OF COMMISSION

Agreement dated _____ between Canada Protection Plan Inc. and _____ (MGA Code - _____) with broker by the name of _____ is hereby requesting that all commissions, bonuses, and renewals to be payable to _____.

Signed by:

Broker's Name

Broker's Signature

Name of Principal of Corporation

Signature of Principal of Corporation

MGA Name

MGA Signature

As a condition of the approval of this Absolute Assignment of Commission, _____ ("corp.") hereby agrees to pay to Canada Protection Plan Inc. all chargebacks of commission, bonuses, and renewals paid to _____ ("corp.") as a result of this Absolute Assignment.

Corporation Name: _____

Per: _____

Per: _____

Title: _____

Title: _____

Date: _____

Date: _____