



Agent Contracting

**Please complete the following contracting package and FAX to
866-866-2232 (toll-free) or 732-521-5113**

**AnnuityCommissions.com
28 Harrison Ave.
Bldg. D, Suite 209
Englishtown, NJ 07726**

Phone: 866-866-1106 (toll-free)

**If you have any questions or changes to existing contracts, please contact
Hersh Stern at 866-866-1106.**

www.annuitycommissions.com

**Kansas City Life
Agent Application
for Appointment**

INSTRUCTIONS:
Fax these pages with a copy
of your license(s) and proof
of E&O coverage to:
732 - 521 - 5113
(tel. 800-872-6684)

H.O use only

Agency # _____

Agent # _____

Date of Contract _____

Please Note: Information concerning age and sex will not be used to discriminate against or give preference to any individual. Certain states require this information for Agent Licensing.

Type or Print Legibly

Name _____

Last, First, Middle (as reported to the IRS)

Other Mailing Address _____

Industry Designations _____

City, State, Zip _____

Nickname _____

Phone Number () _____

Social Security Number _____

Cell Phone Number () _____

Date of Birth _____ Male Female

Fax Number () _____

Home Address _____

E-Mail Address _____

City, State, Zip, County _____

Complete only if this application is made on behalf of a corporation

Corporation Name (As reported to the IRS) _____

Home Phone Number () _____

Principal Officer's Name and Title _____

Where else has applicant lived in last 5 years?

Tax Identification Number (Please attach a copy of the certificate of good standing) _____

City, County, State _____

Mailing Address _____

City, County State _____

Shipping Information (No PO Box)

City, State, Zip _____

Address _____

Business Phone Number () _____

City, State, Zip _____

Business Fax Number () _____

License Information – Attach copy (legible) of Home State license and a copy of any non-resident licenses for state appointment purposes.

State	License No.	Expiration Date	Lines Qualified to Sell
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Please Note: Agent/GA contracts cannot be processed without proof of a valid license. If agent has applied for a first-time license and a copy is not available, please so indicate and show the date applied for: _____

Has Agent previously sold life insurance? Yes No

Has Agent/GA previously been contracted with Kansas City Life? Yes No

Has Agent submitted business? Yes No If "Yes", date of application _____

Professional Liability Insurance

Does Agent/GA have errors & omission (E&O) coverage?

Yes No

If "yes", please attach copy of Declaration Page. If "no", proof of coverage is required 90 days after the month-end of the first paid case. Note: If agent is a rehire, proof of E&O coverage is required.

Background Questions

An incorrect or incomplete response to any question will constitute cause for termination of your appointment.

1. Has your insurance license or securities registration been suspended or revoked, or have you ever been denied an insurance or securities license or securities registration? Yes No
2. Have you been fined or disciplined, or entered into a consent order with any state insurance department, state securities department, the Securities Exchange Commission (SEC) or the Nation Association of Securities Dealers, Inc. (NASD)? Yes No
3. Has any insurance company terminated your agent, agency or broker contract for any reason other than insufficient production? Yes No
4. Do you owe money to any insurance company you have worked for as an agent or broker? Yes No
5. Have you ever made a claim against your errors and omissions (E&O) insurance carrier? Yes No
6. Have you been sued by a policyholder, contract holder, beneficiary, insurance company or other person based on your activities as an insurance agent? Yes No
7. Have any court judgments been entered against you? Yes No
8. Have any garnishments or tax liens been filed against you? Yes No
9. Have you filed for bankruptcy or sought legal protection from your creditors through other means? Yes No
10. Have you been denied a fidelity or surety bond? Yes No
11. Have you been convicted of a crime, other than minor traffic offenses? Yes No

If your answer to any of these questions is "Yes", please provide a full explanation, including dates, in the space below. If necessary, continue your explanation on a separate sheet of paper and attach it to this Application for Appointment. Attach copies of any documents which will help us understand your explanation.

I certify the above information is correct. I consent to further investigation of my background and credit history by Kansas City Life Insurance Company or any contractor of Kansas City Life Insurance Company.

Signature of Applicant (If an Individual)

Date

Signature of Applicant (If Corporation)

Date

By _____

Title _____

HERSH STERN 45686 *Hersh Stern*
General Agent

Date

Agency Number 2421



Complete and fax
to 732-521-5113

Agent Pay Authorization

*****Important-General Agent must complete one for every agent contracted*****

This form is to be completed by the General Agent for each agent. It is used to set up the agent on the appropriate compensation schedule for Kansas City Life. Please complete all the information and return it along with the contracting paperwork.

Agent Name _____ Agency # 2421

Telephone Number: _____ Fax Number: _____

- 1.) Contract Type Standard
- 2.) Compensation Class Cash Only
- 3.) Switching B/D? Yes No Not Variable Licensed

Name of Outside B/D: _____

B/D Contact for Selling Agreement: _____

Telephone Number: _____

- 3.) Pay Type As Earned
- Effective Date _____

- 4.) Pay Frequency Weekly

* If the agent does not join Sunset Financial Services, only fixed production will qualify the agent for benefits.

APPLICANT AFFILIATION: The General Agent must complete the compensation level and agent numbers for agents already contracted with the Company. The Home Office will assign fixed/variable agent numbers for new agents and all Comp Unit numbers. Please note that agents in the ABRS program must be set at level 7.

General Agent 5
Level (1-5)

Agent 7
Level (1-7)

HOME OFFICE USE ONLY			
Fixed Agent #	FCU#	Variable Agent #	VCU#
_____	_____	_____	_____
Fixed Agent #	FCU#	Variable Agent #	VCU#
_____	_____	_____	_____
Fixed Agent #	FCU#	Variable Agent #	VCU#
_____	_____	_____	_____

Remarks:

Harsh Stern 2421
General Agent Signature Required

Date

General Agent Annualization Agreement Terms on reverse side. A full compensation schedule will be returned with the contract.

Complete and fax to 732-521-5113

Kansas City Life Insurance Company

Agent Contract

Agent

Signed and effective at _____

this _____ day of _____, 20_____.

Kansas City Life
Insurance Company

Accepted

Company Representative

Agent

Heish Stern 2421

General Agent

** Sign Here



KANSAS CITY LIFE
INSURANCE COMPANY

AGENT COMMISSION SCHEDULE

LEVEL 7 - CASH

(% of Premium)	Year 1		Service Fee		Agent Asset Trail
	Target	Excess	Years 2-7	Years 8+	
10 YEAR RCT	60.00%	NA	3.00%	2.00%	NA
5 YEAR RCT	60.00%	NA	3.00%	2.00%	NA
(2) ALLIANCE VUL	85.00%	2.00%	2.00%	0.00%	.15% of account value yrs 2+
(2) CENTURY II SVUL	70.00%	2.00%	3.00%	2.00%	NA
(2) CENTURY II VUL	85.00%	2.00%	3.00%	2.00%	NA
CLASSIC	85.00%	2.00%	3.00%	2.00%	NA
COMPETITOR II	85.00%	2.00%	3.00%	2.00%	NA
EXECUTIVE II	85.00%	2.00%	3.00%	2.00%	NA
EXECUTIVE II <\$25,000	75.00%	2.00%	3.00%	2.00%	NA
GIFT OF LIFE	70.00%	NA	3.00%	2.00%	NA
(2) HERITAGE SVUL	70.00%	2.00%	2.00%	0.00%	.15% of account value yrs 2+
ISWL	85.00%	2.00%	3.00%	2.00%	NA
JOINT LIFE	70.00%	2.00%	3.00%	2.00%	NA
L-95	85.00%	2.00%	3.00%	2.00%	NA
(1) LEVEL 10	60.00%	NA	3.00%	2.00%	NA
(1) LEVEL 10 ADVANTAGE	60.00%	NA	0.00%	0.00%	NA
(1) LEVEL 15	65.00%	NA	3.00%	2.00%	NA
(1) LEVEL 15 ADVANTAGE	65.00%	NA	0.00%	0.00%	NA
(1) LEVEL 20	70.00%	NA	3.00%	2.00%	NA
(1) LEVEL 20 ADVANTAGE	70.00%	NA	0.00%	0.00%	NA
(1) LEVEL 30	75.00%	NA	3.00%	2.00%	NA
(1) LEVEL 30 ADVANTAGE	75.00%	NA	0.00%	0.00%	NA
LIFEPRO 120	80.00%	2.00%	2.00%	0.00%	NA
MASTERPLAN II	85.00%	2.00%	3.00%	2.00%	NA
NOVA	85.00%	2.00%	3.00%	2.00%	NA
PATHWAY II	85.00%	2.00%	3.00%	2.00%	NA
PERFORMER II	85.00%	2.00%	3.00%	2.00%	NA
PROTECTOR 120	85.00%	2.00%	2.00%	0.00%	NA
PROTECTOR 120 (Jan 2004)	80.00%	2.00%	2.00%	0.00%	NA
SPUL (ages 20 and above)	7.00%	NA	0.00%	0.00%	.15% of account value yrs 2+
SPUL (ages 0 to 19)	5.25%	NA	0.00%	0.00%	.15% of account value yrs 2+
SURVIVORSHIP UL	70.00%	2.00%	3.00%	2.00%	NA
TERM TO 22	60.00%	NA	3.00%	2.00%	NA
(1) YRT TO 95	60.00%	NA	3.00%	2.00%	NA

Annuities

Deferred Annuities	Year 1		Service Fee		Asset Trail
	Year 1	Year 1	Years 2-7	Years 8+	
(2) AFFINITY VA Option 1	4.500%	4.500%	4.500%	2.000%	.2% of fund, yrs 2+
(2) AFFINITY VA Option 2	4.000%	4.000%	4.000%	1.750%	.2% yrs 2-7, .7% yrs 8+
(2) AFFINITY VA Option 3	0.800%	0.800%	0.800%	0.400%	.7% yrs 2+
(2) CENTURY II VA	4.500%	4.500%	4.500%	2.000%	.2% of fund, yrs 2+
2)(3) FREEDOM VA	1.550%	1.550%	1.550%	0.700%	.8% yrs 2+
** GROWTH TRACK	4.500%	4.500%	4.500%	2.000%	.2% of fund, yrs 2+
SECURITY TRACK	4.500%	4.500%	4.500%	2.000%	.2% of fund, yrs 8+
SELECTRACK 10	3.500%	NA	NA	NA	.4% of fund yrs 11+
SELECTRACK 5	3.000%	NA	NA	NA	.4% of fund yrs 6+
SELECTRACK 7	3.500%	NA	NA	NA	.4% of fund yrs 8+

Immediate Annuities				
SPIA with Life Contingencies	4.500%	NA	NA	NA
Specified Period Certain				
SPIA Period Certain payments 10 years or more	4.500%	NA	NA	NA
SPIA Period Certain payments 7 to less than 10 years	2.000%	NA	NA	NA
SPIA Period Certain payments 6 to less than 7 years	1.750%	NA	NA	NA
SPIA Period Certain payments 5 to less than 6 years	1.300%	NA	NA	NA
SPIA Period Certain payments 4 to less than 5 years	1.100%	NA	NA	NA
SPIA Period Certain payments 3 to less than 4 years	0.800%	NA	NA	NA
SPIA Period Certain payments less than 3 years	0.000%	NA	NA	NA

** Compensation on the Growth Track is reduced above issue age 75.

⁽¹⁾ No commission payable on policy fee for these plans.

⁽²⁾ Rates shown for information only. The Broker/Dealer, not Kansas City Life is responsible for payment of commission on sales of variable products.

⁽³⁾ for Freedom VA, KCL reserves the right to cease payments of the asset-based commission if over 50% of the value of the contract is in the fixed account.

A commission reversal is assessed on the Heritage Survivorship VUL, the Century II Variable UL and the Alliance Variable UL as follows:

Charge-backs for the Heritage SVUL, Century II VUL and Alliance VUL Plans (Policies with anniversary dates January 1, 2002 and after)

1. All unearned commissions, overrides and production bonuses are fully charged-back.
2. If the policy lapses in the first six months, 100 percent of earned commissions, overrides and production bonuses are charged-back. If the policy lapses in the second six months, 50 percent of earned commissions, overrides and production bonuses are charged-back.
3. We reserve the right to adjust commissions on policies with significant early duration face amount decreases

A commission reversal is assessed on the Century II SVUL:

Persistency Charge-backs

Year	Percent of First Year Compensation Charged-Back
1	100%
2	50
3	25
4	0

Premium Flow Charge-Backs

1. Applicable on policies issued after 9/30/00.
2. Each SVUL policy will be reviewed at the end of each policy quarter. Only policies failing **both** tests will be assessed a charge-back.

Test 1 If the cumulative premiums paid inception-to-date are greater than or equal to the cumulative target premium, there will be no charge-back.

Test 2 If the premium paid in the quarter is greater than or equal to the quarterly target, no charge-back will be made.

Charge-back

On policies with both cumulative and quarterly premium flow below target levels, the following charge-backs are assessed:

$$\text{Charge-back} = \frac{1}{4} * \text{FYC} * \text{CBF}$$

FYC = First Year Compensation

CBF = Charge-back factor from the table above entitled "Persistency Charge-back".

Note: The charge-back applies to all first year commissions and all other first year compensation. The charge-back applies to both agent and agency.

Commission Adjustments for Freedom Variable Annuity

If a policy is surrendered, exchanged or over 50% of the original premium is partially surrendered, a commission charge-back occurs in first policy year as follows: 100% charge-back in 1st quarter, 75% in 2nd quarter, 50% in 3rd, 25% in 4th and no charge-back after 4th.

Commission Adjustments for Single Premium Universal Life

If the policy lapses or surrenders in the first 12 months we will charge back 100% of the commissions, overrides and office allowance paid on the case. In the case of partial surrenders, we will charge back 100% of the commissions, overrides and office allowance paid for the first 12 months.

Current rollover rules apply to this plan. Full commission is paid on any increase in coverage, and no commission is paid on rollover cash values.

Commission Adjustments for All Products

Kansas City Life may pay reduced commissions on any policy that causes extra expense or results in an excessively high premium for the insured due to:

1. Reinsurance
2. Age of the Insured
3. Risk classification
4. Size of policy (typically any policy over \$5,000,000)
5. A new policy when an old policy Kansas City Life (or an affiliate company) issued on the same insured terminates, reduces coverage, or a withdrawal or loan is taken.

If commissions are to be adjusted for any of the above reasons, you are notified during the underwriting process (in the case of #5 above you will be notified when the old policy terminates, reduces coverage, or a withdrawal or loan is taken).

No commission is paid on:

1. Premiums for temporary insurance;
2. Extra premiums (flat extras, etc.) for survivorship plans;
3. Extra premium (flat-extras, etc.) payable for nine years or less on single life or joint First-to-Die products;
4. Premiums that are waived under a policy provision;
5. Premiums paid in advance until they are applied to current premiums.

Kansas City Life is repaid on demand for any amounts paid on premiums that have been refunded, or on a new policy when an existing Kansas City Life (or an affiliated company) issued on the same insured terminates or is replaced.

Commission Adjustment for Term Products

If a term policy is surrendered or lapsed during the first policy year with six months or less premium paid, all commissions paid will be reversed. If the lapse or surrender occurs during the first policy year with more than six months premium paid, one-half of the commissions paid will be reversed, except for the Select Term Series (Level 10/15/20/30, Level 10/15/20/30 Advantage and YRT to 95) where full chargebacks of any commission, override and office allowance will be reversed for any policy lapsing in the first 12 months.

Commission Adjustment for Traditional Products

If a traditional policy is lapsed or surrendered during the first policy year with only one month's premium paid, all commissions paid will be reversed.

VESTING

Commissions are fully vested. Service fees are not vested.

Revised 8/04

Revised 08/04

1. PARTIES TO THE CONTRACT

This contract is between the Agent named on the preceding page and Kansas City Life Insurance Company. As used in this contract, the words "you" and "your" refer to the Agent. The words "we," "our" and "us" refer to Kansas City Life Insurance Company. The words "affiliated company" refer to Kansas City Life Insurance Company and its subsidiaries.

2. APPOINTMENT

You are appointed as Agent to:

- A. solicit applications for our insurance and annuity policies;
- B. receive and send us checks for the first premium on applications you solicit;
- C. keep our policies in force.
- D. exercise due care in the selection and supervision of your employees who process applications for us and cause them to comply with all applicable laws and regulations and our rules.
- E. be liable to the Company for your acts or omissions and those of your employees and to indemnify and hold us harmless from any and all attorney fees, expenses, costs, cause of action and /or damage resulting from or growing out of any unauthorized act or omission by you or any of them.

3. CONDUCT AND RELATIONSHIP

You agree to be governed by this contract and to comply with the rules we publish and applicable insurance laws and regulations.

You will be an independent contractor. Nothing in this contract will be construed to create an employee/employer relationship.

You agree to Kansas City Life's Code of Professional Ethics and Business Practices and to perform in an ethical manner in all relationships with policyowners, prospects and the home office.

4. LIMITS OF AUTHORITY

You do not have the authority and you agree not to perform the following acts on our behalf:

- A. collect renewal premiums;
- B. make, alter or discharge contracts;
- C. incur any indebtedness or liability;
- D. waive forfeitures;
- E. extend the time for payment of any premium;
- F. withhold any of our monies or property;
- G. rebate premiums;
- H. commingle our funds with any other funds;
- I. open bank accounts in our name;
- J. endorse or deposit checks made payable to us.

5. COMMISSIONS

We will pay you commissions on policies issued as a result of applications solicited by you. Your commissions will be based on premiums we receive. We will determine your commissions from our current Agent's Commission Schedule. We may change the Commission Schedule at any time by notifying you. Any changes we make will apply only to policies issued after the effective date of the revisions. We may include commission rates for variable insurance products in the Commission Schedule, for your information only.

Commissions may be forfeited as provided in Section 6, Forfeiture.

6. FORFEITURE

You agree to forfeit any amounts due you under this contract if in the discretion of the Company you:

- A. either while this contract is in force or after it is terminated:
 - 1. replace or assist in replacing a policy we or an affiliated company issued with a policy of another insurer; or
 - 2. induce or attempt to induce an agent to leave our service; or
- B. are paid less than \$120 in renewal commissions during any consecutive twelve-month period beginning with the first anniversary of the effective date of this contract; or
- C. violate:
 - 1. the terms of this contract;
 - 2. our rules, or
 - 3. insurance laws or regulations.

7. TERMINATION

This contract will automatically terminate upon your death and any amounts due you after repayment of debt owed to us will be paid as directed in writing by you or without a directive to your estate.

It also may be terminated by you or us, with or without cause, upon written notice mailed to the other's last known address.

Upon termination of this contract, you agree to return any supplies, printed materials or other property we have furnished you or your employees.

8. GENERAL PROVISIONS

- A. Any advance, loan, subsidy, allowance, bonus, annualization, chargeback of commissions, extension of credit from us, leases with us, other contracts with us, earnings on premiums which have been returned to the Policyowner, monies received from another person for us, charges we have made to you under our rules, and for any obligation incurred for any reason to us shall,

along with interest, attorney's fees and expenses constitute your debt to us. All or part of the debt as shown on our ledger accounts is payable on demand at any time. Repayment must be made even though we may be retaining your earnings, until all debt is paid in full. You grant us a first lien security interest in and assign to us all compensation which is or may be paid to you by us, Sunset Financial Services, Inc. or on contracts with an affiliated company as security for payment of all debt and all other amounts due or that become due. We may setoff or recoup compensation against debt at any time.

You agree to pay interest at a rate of 10 percent per annum on debt from demand for payment until paid in full. In the event that we take legal action, undertake an Arbitration Proceeding, or employ an attorney to collect any debt, you agree to pay attorney's fees and any other expenses of collection.

- B. We have the right to settle claims against you as a result of transactions arising out of this contract and you agree to repay on demand any disbursements we make.
- C. Our failure to require your strict compliance with this contract or failure to promptly notify you of noncompliance will not waive our rights under this contract.
- D. This is the entire contract between you and us. Regarding policies issued under the commission schedule attached. This contract will not affect:
 - 1. obligations you already owe us or have previously assumed; or
 - 2. commissions you have previously earned.
- E. No modification, amendment or assignment of this contract or of commissions or payments due under this contract will be valid unless approved in writing in advance by us.
- F. As often as we request, you shall make available your books and records as they may pertain to the Company, its contracts, money or policyholders. For example, bank statements, deposit slips, cancelled checks and general ledgers including those of bank accounts. They may be examined by our representative at your office, and you shall cooperate in such examination.
- G. You will not participate, for a fee or commission, in any transaction involving viatication of a life insurance policy of the Company.
- H. From time to time the Company may provide you with or make available to you nonpublic personal information about our customers to help you perform your duties under this Agreement. You agree that you will not further disclose such customer information or use such customer information except to further the purposes of this Agreement, or as we may specifically agree to in writing, or as otherwise permitted by applicable laws and regulation. You also agree to carefully safeguard all non public personal customer information, which you acquire from the Company. Your obligations as to re-use, disclosure and safeguarding of customer information under this paragraph will continue after termination of this Agreement.

