



Unity Life of Canada

Broker's Agreement

Effective Date: _____, _____

Unity Life of Canada ("The Company")

and

("The Broker") agree as follows:

1. AUTHORITY

The Company appoints the Broker (as a self-employed life insurance agent) as its agent to solicit applications for such policies as the Company may issue and perform such other services as the Company requires from time to time. The Broker shall have no authority to bind the Company in any way, incur liability of any kind on its behalf, or waive, alter or discharge in any respect any terms or conditions of any application, policy, agreement or another document issued, or contract made, by the Company. Any money, cheques or other documents received by the Broker on behalf of the Company shall be held in trust for it and immediately remitted to the Company in the same form and condition as received.

2. EFFECT

This Agreement shall become effective (or, if signed thereafter, be deemed to have become effective) on the _____ day of _____ and supersedes all prior contracts and agreements between the Company and the Broker, without prejudice to rights accrued in favour of either in respect of transactions prior to such effective date. This Agreement shall continue in force unless and until terminated.

3. TERRITORY

The territory within which the Broker will operate is _____, but no territory is assigned exclusively to the Broker.

4. DUTIES

The Broker shall devote all necessary time and talents to the business of the Company and in the conduct of such business shall be governed strictly by this Agreement, by the rules and regulations of the Company now in effect or from time to time established by the Company and by any instructions given from time to time by the Company.

5. LICENSING AND OBSERVANCE OF LEGAL REQUIREMENTS

The Broker shall take out and keep renewed at the Broker's own expense a licence in accordance with statutory requirements, and shall comply with all requirements imposed by law on life insurance agents, including, but not limited to, liability insurance, continuing education and provincial codes of ethics. The Company may at any time and from time to time require that the Broker provide evidence that any and all such requirements are being met. The Company shall have the right at any time and from time to time (on 30 days prior notice in writing to the Broker) to conduct, and the Broker agrees to cooperate with, a market conduct audit in relation to any or all such requirements and/or the company's standards, rules, regulations and instructions.

6. RECORDS

The Broker shall keep regular and accurate records of all dealings for or on behalf of the Company and its policyholders or applicants for policies, and shall forthwith on request by the Company send to the Company a copy of every letter or paper sent by the Broker to, or received by the Broker from, every prospect for a Company policy before and after the policy is issued. The Broker shall send to the Company forthwith all policies not taken, copies of all receipts issued by the Broker for premiums, interest or other amounts payable to the Company, and all policy receipts. The records maintained by the Company shall be competent and conclusive evidence of the state of accounts between the parties. The Company shall have the right at any time and from time to time (on 30 days prior notice to the Broker), through its auditors or designated representatives, to examine any and all books and records of the Broker pertaining to the sale of Company products, including but not limited to sales literature, computer records and policyowner files.

7. COMPENSATION

The Company agrees to pay, and the Broker agrees to accept as compensation for the Broker's services, compensation according to the Compensation Schedule attached hereto and subject to the conditions included in said Schedule, as from time to time amended, revised or supplemented by the Company by notice to the Broker. Such compensation will be paid upon cash premiums received by the Company during the continuance of this Agreement on policies issued on applications secured under this Agreement by the Broker; if the Broker dies while this Agreement is in force the Company shall, subject to paragraph 8, pay to the Broker's estate, and if this Agreement is terminated the Company shall, subject to paragraph 8, but only so long as the Broker continues to hold a valid life insurance licence, pay to the Broker after such termination, the compensation (except the service fees) to which the Broker would have been entitled, if this Agreement had remained in force, on such policies.

8. ADVANCES AND CHARGEBACKS

Any compensation which has been paid by the Company to the Broker before having been fully earned by the Broker shall be considered an advance from the Company to the Broker, repayable (to the extent unearned) forthwith upon the occurrence of any event or default (other than the death of the life insured) which prevents its being earned (including but not limited to policy lapses and cancellations). The Company may set off any sum due or payable by the Broker to the Company against any sum due or payable by the Company to the Broker. The Company shall not, however, be required to look only to such right of set off for the recovery of any unearned advances, and may require that such advances be repaid even though there may be sums which are, or are alleged to be, payable then or in the future by the Company to the Broker.

9. INTEREST

Any amount owed by the Broker to the Company shall bear interest from the date on which it first becomes payable to the date of payment at the annual rate charged by the Company during such period to policy holders on loans.

10. POLICIES NOT TAKEN

If the Company issues a policy in accordance with the terms of an application received through the Broker and a settlement of the first premium satisfactory to the Company is not made, then the Broker shall pay to the Company a fee according to the regulations of the Company. The fee so paid shall be returned to the Broker if the policy is paid for subsequently by the applicant. The Broker also agrees to sustain any loss that the Broker may incur in consequence of the Company's returning to the applicant advances made by the Broker for premiums.

11. ASSIGNMENT

The Broker shall not assign this Agreement or any right to benefit under it (whether in whole or in part, and whether such assignment is incidental to a sale of the Broker's business or otherwise) without having first given the Company not less than 30 days' prior written notice thereof and obtained the written approval of the Company thereto, provided that such approval shall not be unreasonably withheld; any agreement by the Broker to make any such assignment shall be expressly conditional upon such approval, and any such assignment shall provide the Company shall be entitled to deduct from monies otherwise payable to the assignee pursuant to such assignment such amounts as the Company is from time to time entitled hereunder or under the Compensation Schedule to set off against the Broker in respect of indebtedness, lapsed policies and reduction in policies. Upon receipt of such notice, the Company may, but need not, within 20 days offer to satisfy all of its obligations to pay compensation hereunder by making one or more lump sum payments in the amount(s), and at such time or times, as are set out in a notice to the Broker making such offer, which shall remain open for acceptance for a period of 10 days after such notice is given.

12. WAIVER

No provision herein shall be deemed to have been waived by the Company unless in writing to that effect signed by an authorized Officer of the Company. No forbearance by the Company to enforce any right shall be deemed a waiver of any right.

13. TERMINATION

Either party may terminate this Agreement forthwith, or on such date as may be specified, at any time with or without cause by giving notice to the other party. Termination of this Agreement shall not, however, release either party from any indebtedness to the other arising out of prior transactions, and until such indebtedness shall have been liquidated, the obligations and covenants set out herein in connection therewith shall remain in full force and effect.

14. NOTICE

Any notice required or permitted under this Agreement shall be in writing, and may be given by personal delivery, telex, telegram or mail. Such notice, if transmitted by telex or telegram or mailed, shall be addressed, if to the Broker, at the last address on record with the Company, or if to the Company, at its head office in Toronto, Canada. Any notice so transmitted or mailed shall be deemed to have been given as of the date of transmission or mailing.

15. LAW AND JURISDICTION

This Agreement shall be governed by and interpreted in accordance with the law of the province in which the Broker's principal office is located, and the courts of that province shall have jurisdiction over legal proceedings in respect of this Agreement.

16. NOTIFICATION OF BANKRUPTCY AND OTHER PROCEEDINGS

The Broker shall notify the Company forthwith if any petition is filed against the Broker in bankruptcy, or if the Broker is declared bankrupt or makes voluntary assignment in bankruptcy or a proposal under any legislation relating to bankruptcy or insolvency. The Broker shall deliver to the Company, forthwith upon receipt thereof, a copy of any summons, warrant, statement of claim, notice or correspondence received from any governmental agency or self-regulatory authority or from any civil complainant that relates to acts, omissions, practices, conditions or circumstances that such agency, authority or complainant alleges or considers to be in violation of applicable laws (including criminal laws) or regulatory or ethical requirements.

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

UNITY LIFE OF CANADA

By: _____

By: _____

Witness

Broker

Note ; If Broker is (a) a corporation, its name should be typed or printed 3/4" above the signature line, the required number of officers should sign (indicating their titles below the signatures) and the corporate seal (if any) should be affixed, but no witness is required; (b) a partnership, all partners should sign and affix personal seals (red wafers); or (c) an individual, he or she should sign and apply personal seal (red wafer), and the signature should be witnessed.



Unity Life of Canada

Compensation Schedule

Unity Life of Canada (the Company) shall pay commissions as follows:

Plan	Commission (% of Annual Premium)						
	First Year	Renewal				Service Fees*	
		Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yrs. 6-10	Yrs. 11+
Term							
E-Z Term	- Regular	70	5	5	5	2	2
	- Heaped(1)	85	-	-	-	-	-
Preferred 5, 10, 20 Yr. R&C	- Regular	70	5	5	5	2	2
	- Heaped(1)	85	-	-	-	-	-
Term to 100		85	5	5	5	5	3
Child Term Rider		75	5	5	5	5	3
Permanent							
Guaranteed Issue Whole Life		70	5	5	5	2	2
Life Option & Life Option Plus		90	5	5	5	2	2
Life Option II		100	5	5	5	5	4
Renaissance		100	5	5	5	4	4
Plus Term 65 – Guaranteed		95	5	5	5	5	3
SecurLife		110	20	10	5	5	3
Critical Illness							
NEW LifeCare		70	5	5	5	2	2
Health Security Plus		70	5	5	5	5	2
Accident & Sickness							
Small Business Portfolio		50	10	10	10	10	10
Annuities							
Guaranteed Investment Annuity(2)							
- 5 Year		1.75	-	-	-	-	-
- 3 Year		1.25	-	-	-	-	-
- 1 Year		1.00	-	-	-	-	-
Daily Interest Annuity		2.00	-	-	-	-	-

*See Service Fees (4) on reverse.

1 Heaped Commission: If this option is selected, it will apply to all business for that plan submitted to the Company. This cannot be chosen on a case-by-case basis.

2 Guaranteed Investment Annuity: In addition to the rates shown above, renewal commission will be paid for the following additional guaranteed periods: 5 Year – 1.75%; 3 Year – 0.75%; 1Year – 0.35%.

1. Definitions

- (a) The *annual premium* for a policy is the total annual premium charged for a policy year, including any benefit and rider premiums, but excluding any extra premium other than that identified in 2(d) below.
- (b) The *first policy year* is a period of one year commencing on the date stated in the policy for computing policy years, and subsequent policy years are periods of one year each commencing on the respective anniversaries of that date.
- (c) *First year commission*, in respect of a policy, is the amount resulting from the application of the rates of first year commission to the full annual premium for the first policy year in accordance with this Agreement.
- (d) *Renewal commission*, in respect of a policy, is the amount resulting from the application of the rates of commission to the full annual premium for each policy year subsequent to the first policy year in accordance with this Agreement.

2. Conditions

- (a) The Company may withdraw any policy plans and shall determine the commissions, if any, payable on all classes of policies or benefits not listed in the Rate Schedule, on changed policies and on policies replacing policies terminated (whether issued before or after the termination) where the same insured or life insured is involved.
- (b) If the Company returns a premium or a part thereof to the Insured, the Agent shall waive all right to any commission thereon and shall repay to the Company any commission received.
- (c) No commission shall be payable on any premium waived under the terms of any policy, nor on interim Term premiums.
- (d) Where an extra premium is charged by reason of Occupation, Medical Impairment, Residence, Aviation, or any other special hazard, commission shall be payable on one half of the extra premium at the same rates as for commission on the full annual premium, but only if the extra premium is payable for three years or longer.

3. Annualization

The Company may at its option pay annualized commissions on the following basis:

- (a) When a policy is put in force on the records of the Company and the first premium has been paid, the Company shall calculate the first year commission according to Section A.1 assuming the full annual premium for the first policy year has been paid, and pay such commission to the Agent (provided, however, that total annualized commissions on all policies on the same life shall not exceed \$5,000);
- (b) In the event that any policy goes out of force, according to the records of the Company, before the full annual premium for the first policy year has been paid, the Agent shall refund immediately to the Company the first year commission arising from such part of the first full annual premium as has not been paid;
- (c) In the event of the termination of this Agreement, any excess of the annualized commissions paid under this Section over the total amount of the first year commissions which would have been paid as earned under Section A.1 shall immediately become payable by the Agent to the Company; and
- (d) The Company may decline to annualize commissions in respect of any particular policy or policies, and may at any time discontinue in whole or part the practice of annualizing commissions.

4. Service Fees

- (a) The Company shall, subject to the conditions set out below, pay to the writing Agent in respect of each in-force contractual life insurance type of policy sold by the writing Agent a service fee as shown in the Commission Schedule.
- (b) The payment of service fees is contingent upon the Agent meeting the service requirements of the Company as established from time to time.
- (c) Service fees are not vested.
- (d) Policies or plans sold on a level commission basis are not eligible for service fees.