HIGHLIGHTS OF A TENTATIVE AGREEMENT

Between:

American Income Life Insurance Company

And

Association of Provincial General Agents

and

Unifor and its Local 247

Agent & Public Relations Representative Agreement

January 1, 2020 to December 31, 2022

Greetings Sisters and Brothers,

The Bargaining Committee would like to take this opportunity to thank each and every one of you for your support during this round of bargaining. We appreciate your understanding in the delay of reaching a tentative agreement during these difficult times.

Your Bargaining Committee unanimously recommends you vote yes to ratify and accept this tentative agreement.

In Solidarity,

Your Bargaining Committee:

Randy Souliers, Local 247, Vice-President of Atlantic Canada
Chase Robinson, Local 247, Vice-President of Ontario
Casandra Robinson, Local 247, Secretary Treasurer
Al Wall, Local 247, President
Cherie McTaggart, Unifor National Representative

MEMORANDUM OF AGREEMENT

BETWEEN
AMERICAN INCOME LIFE INSURANCE COMPANY
And
ASSOCIATION OF PROVINCIAL GENERAL AGENTS
AND
UNIFOR AND ITS LOCAL 247

Agent & Public Relations Representative Agreement
January 1, 2020 to December 31, 2022

The undersigned representatives of the parties hereto agree to unanimously recommend to their respective principals for ratification the renewal of the Collective Agreement, which expired on December 31, 2019, subject to the following changes:

(All Articles and Clauses in the Collective Agreement shall be status quo unless specifically amended as suggested herein.)

DATED at Mississauga **this** 21st **day of** February**, 2020.**

For the Union:

Casandra Robinson

Cherie McTaggart

For the Company:

Debbie Gamble

Diana Crosby

For the Association:

ARTICLE 2 – UNION SECURITY AND RECOGNITION

SECTION 4 – Amend Current Language to the following:

SECTION 4: All new Agents and/or PR Reps shall be informed that their jobs are represented by the Union, introduced to their Unifor Local 247 Representative and furnished with a dues check-off.

Upon contract activation**,** ~~a package will be mailed or emailed out to new~~ all new Agents/PR Reps ~~which~~ will **receive an electronic copy of** the Collective Agreement, a welcome letter from Unifor Local 247, and **an electronic copy of** Joint **AIL/Unifor** Harassment in the Workplace Statement ~~by home office~~.

Orientation Program: The Association will allow a designated representative of the Union up to one (1) hour during the probationary period of a new Agent/PR Representative for the purpose of conducting the Unifor New Members' Orientation Program. Such meetings will be held on SGA premises. When the Unifor representative is meeting with the member, they can make sure the member received the electronic versions of the Agreements, and if paper copies are needed, can provide them to the member during their meeting. Orientation Program meetings will be scheduled by the Union Representative with consultation with Management.

All Agents are expected to wear and must be physically visible when working in the field an identification badge supplied by the PGA and paid for by the Agent/PR Representative. The Company/PGA and Unifor Local 247 will agree on the template used for each PGA.

NOTE: The parties agreed to the following but will be not be included in the Collective Agreement:

- **The Company will upon programming changes send information by separate email.**
- **The Local 247 will provide the addresses as to where AIL can mail the printed Collective Agreements to Local 247 for distribution to members.**
- **The Company will also provide to Local 247 printed copies of the AIL/Unifor Joint Harassment Policy for distribution when requested by members.**

SECTION 7 – Amend current language to the following:

SECTION 7. Dues **and initiation fees** shall be deducted from the pay of all Agents and/or PR Reps in the bargaining unit and transmitted to the Union, once monthly, together with a list of Agents and/or PR Reps from whom such deductions have been made. Any fees not collected during an Agent/PR Rep's first month, if their contract date is before the 15th of the month, shall be submitted the following month.

ARTICLE 3 – UNION REPRESENTATION

SECTION 3 – Amend to include the following language:

SECTION 3. Representatives of the Union shall enter any work premises to meet with new and existing members, investigate working conditions, grievances, or disputes. They shall have the right to meet with Union Representatives or with Agents and/or PR Reps involved in a dispute. Representatives shall inform PGA before entering such premises. **Management will provide the meeting space on the Association premises and that they will cooperate in promoting the attendance at these meetings. The Union will give as much advance notice as possible to the Association, but not less than fifteen (15) calendar days and the Union will reconfirm the meeting date one week prior.**

SECTION 4 – Amend to include the following language:

SECTION 4. The Union and Agent/PR Rep shall receive a copy of all termination notices for cause, written warning letters or written reprimands placed in an Agent's and/or PR Rep's contract files.

The Company/Association agrees that, whenever a disciplinary meeting is to be held with an Agent and/or PR Rep, the Company/Association will ask the member whether or not they wish to have a Union Representative(s) present at the meeting or via phone.

An Agent/PR Rep shall be given the opportunity to examine their SGA/Manager contract file with a Manager upon request at a time mutually agreed upon by the parties. An Agent/PR Rep may make notes of any documents and may request corrections of any inaccuracies in the record. The Agent/PR Rep may request to have a Union Representative present.

ARTICLE 6 – AGENTS COMPENSATION

SECTION 1 - Amend language to the following:

SECTION 1. Compensation of Agents shall be in conformity with contract. Such contract shall become a part of this **A**greement and cannot be unilaterally changed. There shall be no changes in the commission schedule without prior notification to the Union. An Agent shall have the standard company ~~50%~~ **60%** contract not later than 60 days after date of contract, or when the Agent has submitted $~~13,000~~ **$15,000** in annualized life premium, whichever is earlier.

Agents who are contracted after the effective date of this Agreement will be contracted as "Career Agents" under Section 4 of this Article 6.

SECTION 2 – Amend language to the following:

SECTION 2. An Agent shall not be charged for leads.~~, or appointments.~~ **Agents will not be required to recruit or train agents in order to receive leads.** An Agent may make telephone appointments or pay others to do so for the Agent. Payments by an Agent shall not constitute a prohibited payment for appointments if such payment is made directly to the person making such appointments on a voluntary basis, even though such effort is organized by the Agency or the Agency contributes to the cost.

SECTION 4 - Amend language to the following:

SECTION 4. A career path is established to provide Career Agents with the opportunity to qualify for commission levels above the standard **60%** ~~50%~~, based on continuous length of service, minimum production, and quality of business. The Company average quality of business for (a) below will use 4-month retention and for (b), (c) and (d) will use Company average 13-month retention. Progression is automatic if the Career Agent meets or exceeds the guidelines established in this Section 4 and Section 5. Progression may be earlier if the Career Agent and the SGA involved so agree in writing. The term "minimum production" in this Section 4 means that policies issued through the Career Agent's efforts in the 12-month period immediately preceding the applicable anniversary of the Career Agent's contract have produced at least ~~$65,000 through December 31, 2018, and $68,000 as of January 1, 2019~~ **$68,000 through December 31, 2020, and will increase to $72,000 as of January 1, 2021** of net annualized life premiums. (Note: The Company's standard **62.5%** ~~52.5%~~, **67.5%** ~~57.5%~~, and **72.5%** ~~62.5%~~ contracts referred to below provide varying percentage and duration of commissions, based on the type of policy).

The term "continuous service" as is used in this Agreement means that the Career Agent has been under Contract continuously for the length of time required.

a. A Career Agent with at least one (1) year of continuous service, who has met the minimum production requirement, will be entitled to receive first year and renewal commissions under the Company's standard **62.5%** ~~52.5%~~ contract (a " **62.5%** ~~52.5%~~ Career Agent"), on all business written under the **62.5%** ~~52.5%~~ contract after that date.

b. A **62.5%** ~~52.5%~~ Career Agent with at least three (3) years of continuous service who has met the minimum production requirement will be entitled to receive first year and renewal commissions under the Company's standard **67.5%** ~~57.5%~~ contract (a "**67.5%** ~~57.~~5% Career Agent"), on all business written under the **67.5%** ~~57.5%~~ contract after that date.

c. A **67.5%** ~~57.5%~~ Career Agent with at least five (5) years of continuous service who has met the minimum production requirements will be entitled to receive first year and renewal commissions under the Company's standard **72.5%** ~~62.5%~~ contract, on all business written under the **72.5%** ~~62.5%~~ contract after that date.

d. A Career Agent with at least five (5) years of continuous service with a minimum production requirement of ~~five hundred twenty-five thousand dollars ($500,000 through December 31, 2018, and~~ five hundred and twenty five thousand dollars ($525,000) as of

January 1, 2019 of net annualized life premium within that same five (5) year period will be entitled to receive first year and renewal commissions under the Company's standard **75%** ~~65%~~ contract on all business written under the **75%** ~~65%~~ contract after that date.

The minimum production standard for the **75%** ~~65~~% Career Agent level is ~~one hundred thousand dollars ($100,000) through December 31, 2018 and~~ one hundred and five thousand dollars ($105,000) as of January 1, 2019 of net annualized life premiums per year.

Add new "e" and "f " and renumber current "e" to become "g"

e. A career agent with at least 10 years of continuous service and a minimum production requirement of $600,000 of net ALP (net annualized life premium) within the last five (5) years of which $120,000 must have been in the last twelve (12) months will be entitled to receive first year and renewal commissions under the company's standard 77.5% contract on all business written under the 77.5% contract after that date. The career agent must also maintain a production minimum of $120,000 of net ALP per year thereafter to maintain the contract level.

f. A career agent with at least 10 years of continuous service and a minimum production requirement of $750,000 of net ALP (net annualized life premium) within the last five (5) years of which $150,000 must have been in the last twelve (12) months will be entitled to receive first year and renewal commissions under the company's standard 80.00% contract on all business written under the 80.00% contract after that date. The career agent must also maintain a production minimum of $150,000 of net ALP per year thereafter to maintain the contract level.

g. The Company may return a Career Agent with **a 77.5% contract or higher with** less than ~~ten (10)~~ **fifteen (15)** years of service down to a lower commission contract for failing to meet the minimum requirement established under **Section 4 or** ~~Section~~ 6 of this Article 6. All Agents **with a 75% contract or lower,** with ten (10) years or more of service may not be returned to a lower contract for failing to meet any **of the above stated** minimum **requirements established under Section 4 or 6 of this Article 6.**

SECTION 6 – Amend Section 6 to the following:

SECTION 6. Company may, from time to time, establish minimum production standards for Career Agents so long as they do not exceed the "minimum production" defined in this contract, and may take appropriate action if those standards are not met, provided that they are not in violation of this Collective Agreement. **The Company will provide minimum production standards to the Union annually.**

SECTION 10 - Amend to the following:

SECTION 10. The Association shall make available **reports** and ~~provide~~ **training materials to** all Career Agents ~~with~~ **on** the following **~~reports~~**, as produced:

- Monthly Financial Analysis Report
- Monthly Charge Summary Report
- Monthly Ledger Report
- Monthly Progress and Persistency Report
- Weekly Advance Report

ARTICLE 7 – PUBLIC RELATIONS REPRESENTATIVE COMPENSATION

SECTION 1 - Amend to include the following at the end of the current paragraph.

SECTION 1. PR Reps, whose primary responsibility is producing leads, shall have a written Agreement and be compensated according to the compensation scale in this Article. **Bargaining Unit work will only be performed by the PR Reps covered under this Collective Agreement except for Marketing Specialists within their first 30 days.**

SECTION 2 – Amend language to the following:

SECTION 2. For all sections of Article 7 a "group" is defined as one that has a minimum of 50 members and the greater of a 3% card return or 10 response cards reported to Home Office. The term "continuous service" as is used in this Agreement means that the Career PR has been under contract continuously for the length of time required.

For the purposes of Section 2, Section 3 and Section 4 of this Article 7, the PR Rep's initial contract date will be used to determine length of service.

The minimum annual production required to maintain a PR contract is **~~2500~~** 3**000** cards.

SECTION 3 - Amend 3 (b) to the following: (No changes to 3a)

SECTION 3.

a. When a group under contract with a particular PR Rep is officially merged into another group that is signed by a different PR Rep, the original PR Rep will receive a one time split of commissions and card credit prorated based upon the number of members merged and overall return.

b. An original working of an organization is when that organization has not been worked (mailed) within the last three (3) years. A renewal or rework of an organization would include any that would not qualify as an original working.

The compensation is based on the response cards received from an original or renewal mailing:

Contract Year	Original	Renewal
~~January 1, 2017~~	~~$8.75~~	~~$7.45~~
~~January 1, 2018~~	~~$9.00~~	~~$7.65~~
~~January 1, 2019~~	~~$9.25~~	~~$7.85~~
	Original	**Renewal**
January 1, 2020	**$9.75**	**$8.35**

All Public Relations monetary proposal for Article 7, Section 3 are retroactive to **January 1, 2020.**

SECTION 4 - Amend 2nd paragraph as below:

SECTION 4. To encourage each self-employed PR Rep to save for their retirement, the following extra compensation amounts will be deposited to the PR Reps qualified retirement account established under the Canada Customs and Revenue Agency, hereinafter referred to as the "Account", based on a matching percentage of what the PR Rep contributed to their account in each calendar year.

The contribution available increases each year through the ~~**10th year**~~ **8th year** of continuous service. The percent noted relates to the total annual (calendar year) compensation for the PR Rep that will be contributed, limited to a maximum of 13% of the PR Rep's response card earnings for the calendar year.

If the PR Rep is not able to contribute on their own, half (½) of the normal match percentage will be contributed. This will include ½ match on any extra amounts available up to the full percentage of match. In order for the matching to be available, the PR Rep is required to provide proof of the amount they personally contributed to their Account during the prior calendar year. The statements or proof of contribution must be provided to the Company by January 31st of each year.

After ten (10) years of service completed, the matching requirement will be waived.

The extra compensation amount will then be deposited into the PR Rep's Account by February ~~**28th**~~ **15th** of that year, provided they have met the minimum standard requirements.

Below is the matching schedule based on the length of service for each PR Rep:

Years of Service Completed Year	% of Annual Card Earnings Match (13% Maximum per Year)
Year 1	3%
Year 2	4%
Year 3	5%
Year 4	6%
Year 5	7%
Year 6	8%
Year 7	9%
Year 8 **+**	~~**10%**~~ **13%**
~~Year 9~~	~~**11 %**~~
~~Year 10+~~	~~**13 %**~~

In order for this contribution to be available, the PR Rep at the time of payment must have an active contract with the Company, have been contracted at least one year, and be meeting the minimum production standards to maintain a contract.

SECTION 5 - Remove language

~~SECTION 5. Company may, from time to time, establish minimum production standards for Career PR Reps so long as they do not exceed the "minimum production for progression" defined in Section 2.~~

Renumber of Section 6 to 12 is re-numbered with proposal to remove current Section 5 & 8.

SECTION 6 – NOW BECOME SECTION 5 (NO CHANGE IN LANGUAGE)

SECTION 7 – Amend Section as follows and will now become Section 6.

~~SECTION 7~~. SECTION 6. PR Rep shall maintain rights to an organization under contract as long as it is properly serviced by that PR Rep and it continues to be mailable and workable within 120 days of the request to do so by the Company.

Proper servicing of the organization will be done no less than on a quarterly basis and must include one or more of the following: Executive Board meetings, member meetings, face-to-face communications, emails, phone calls, or membership servicing. Upon request of the Company, the PR Rep will provide details of their servicing within 10 calendar days of the request to do so.

Should authority to renew not be obtained following the **24th month** renewal date, a written 120 calendar day notice may be given to the PR Rep. The group may be reassigned by the Company, excluding groups whose circumstances prevent or affect the renewal beyond the PR Rep's control (i.e., elections, negotiations, sickness within the group).

If a group is put on hold, the PR Rep shall maintain the rights to that group and will have up to six (6) months to resolve the situation. At the end of the six (6) month period the PR Rep will facilitate a call or meeting with the group and a member of the Company's management team and progress will be assessed. If a meeting or call cannot be arranged within 30 days following the end of the six (6) month period, the group may be subject to reassignment.

It is not the intent of the Company for a group to be reassigned if there is progress being made in securing a renewal TG/PG. If 120 calendar~~s~~ days has passed and there is no renewal TG/PG, upon request, the PR Rep will provide a detailed report to the Company's management team within 10 calendar days who will assess progress and determine if an extension will be provided for an additional 90 calendar days.

SECTION 8 - Delete Current Section 8 language

~~**SECTION 8.** Agents, insofar as they spend any portion of their time performing public relations work and producing leads, shall be compensated exclusively as an Agent except as agreed between such Agent and the PGA.~~

SECTION 9 – NOW BECOME SECTION 7 (NO CHANGE IN LANGUAGE)

SECTION 10 – NOW BECOME SECTION 8 (NO CHANGE IN LANGUAGE)

SECTION 11 – NOW BECOMES SECTION 9 (NO CHANGES IN LANGUAGE)

SECTION 12 – NOW BECOMES SECTION 10 – Amend language to the following:

~~SECTION 12~~ **SECTION 10.** Company will pay additional compensation in a lump sum at retirement or death equal to **21.5%** of the best year of the previous **three (3)** calendar years of card commission earnings, for any PR Rep who retires or dies while contracted, after **twelve (12)** years of continuous service. Payment will be made to the PR Rep, or in case of death, to the named beneficiary or estate within 90 calendar days.

ARTICLE 9 – HEALTH AND WELFARE PLANS

SECTION 1 - Amend language to the following:

SECTION 1. Health and Welfare benefits shall be provided as selected in consultation with the PGA of the Province involved, modified from time to time and procured by the Union. Up to **~~$231.53~~** **$245.70** per month shall be contributed for each full time person covered; up to **~~$463.05~~** **$491.37** for each such person who has family coverage.

Should the cost of providing the benefits selected exceed the amount contributed, such excess cost shall be borne by the covered persons.

To the extent that benefits are funded by direct taxes or charges on the Association/Company in lieu of insurance premiums, the payment of such taxes or charges shall constitute payment of contributions.

Maximum amounts paid by the Association/Company will be increased 2% each year of the Collective Agreement.

SECTION 4 - Amend current language as follows:

SECTION 4. All members covered by this Agreement shall be eligible for Health and Welfare Benefits on the following basis:

a. Agents: following the first three months of contract date and that they have a cumulative total production of **$14,000 of net annualized life premium through December 31, 2021. Effective January 1, 2022, the requirement increases to $15,000 of net annualized life premium.**

b. PR Reps: following 3 months from date of contract or following the signature and submission of 4 TG-13s (group AD&D applications) or production of 1,000 cards in the 3 months following their date of contract.

SECTION 5 – Amend current language as follows:

SECTION 5. To qualify for contribution by the Association/Company of the agreed upon amount, the following criteria must be met:

a. **Agent: must have production of at least $14,000 of annualized life premium per calendar quarter through December 31, 2021. Effective January 1, 2022, the requirement increases to $15,000 of annualized life premium per quarter.**

b. PR Rep: must have 1,000 cards in a calendar quarter, averaged on an annual basis.

ARTICLE 17 – DURATION

SECTION 1 – Amend based on new 3 year term

SECTION 1. This Agreement shall be in effect January 1, ~~2017~~ **2020** and will be in force until December 31, ~~2019~~ **2022**. The contract shall automatically renew thereafter from year to year unless any party notifies the others in writing at least 90 days prior to the expiration date of a desire to change this Agreement.

APPENDIX A – LETTERS OF UNDERSTANDING

CURRENT LOU'S

1. **LOU – JOINT HARASSSMENT-FREE WORKPLACE – Renew**

2. **LOU – GRANDFATHERED – 10 YEARS OR MORE – Amend**
    - **Increase the grandfathered LOU to 2,500 cards effective January 1, 2021. (production year 2020)**

3. **LOU – PR REP ANNUAL LEDGER OF CHARGES – Renew**

NEW LANGUAGE - Domestic Violence Leave & Discipline Protection

Domestic Violence Leave & Discipline Protection

The Association/Company agrees to recognize that women sometimes face situations of violence or abuse in their personal life that may affect their attendance or performance at work. For that reason, the Company and the Union agree, when there is adequate verification from a recognized professional (i.e. doctor, lawyer, counsellor, shelter worker), a woman who is in an abusive or violent situation will not be subjected to discipline if work performance or absence can be linked to the abusive or violent situation.

NEW LANGUAGE - RE: National Day of Remembrance and Action on Violence Against Women

RE: National Day of Remembrance and Action on Violence Against Women

Each year on December 6th at 2:00pm, a one (1) minute of silence can voluntarily be observed by the member(s) in memory of those women who died in Montreal.

This day represents a time to reflect on each and every woman in Canada and across the world whose lives have been harmed or lost to gender based violence.

NEW LANGUAGE - RE: UNIFOR LOGO IN THE WORKPLACE

RE: UNIFOR LOGO IN THE WORKPLACE

The PGA office agrees to identify the workplace as being represented by Unifor and its' Local 247 by displaying in their reception area or front office a Unifor Local 247 sticker. Agent/PR Reps may wear Unifor logo pins provided by the Union.

NEW LETTER OF UNDERSTANDING - Women's Advocate

This Letter of Understanding is to document the mutual agreement to enter into Joint Committee discussions regarding options and/or initiatives for addressing the Women's Advocate program being proposed by Unifor Local 247.

NEW LETTER OF UNDERSTANDING – UNIFOR LOCAL 247 "WELCOME LETTER"

Unifor Local 247 "Welcome Letter" to be inserted on inside of Collective Agreement Cover.

1. ***New Lou – Re: Welcome Letter –Local 247 will provide a copy of the "Welcome Letter" to the Company prior to printing of the Collective Agreement for review. The Company agrees to have the Local 247 "Welcome Letter" printed on the inside cover of the Collective Agreement.***

NEW LANGUAGE – CANADIAN COMMUNITY FUND

The Association/Company will make an annual donation directly to the Canadian Community Fund in the amount of $100 per year effective January 1, 2020 for the duration of this collective agreement. Donation will be made by June 1st of each year.

HOUSEKEEPING

1. **Gender Neutral Language throughout the Collective Agreement – Example: Removing he/she, his/her.**

LETTER OF UNDERSTANDING

BETWEEN
UNIFOR LOCAL 247
(the Union)
AND
AMERICAN INCOME LIFE INSURANCE COMPANY
(the Company)

November 18, 2020

Re: Al Wall

This Letter of Understanding is to outline an arrangement for compensation made between Al Wall and Debbie Enstedt (Vice President of PR Field Operations) on January 19, 2009. The agreement provided for the following:

- Al Wall's commissions will be paid according to the Collective Agreement as per Article 7.
- In addition, at year end Al Wall will receive a bonus of .25 cents per card generated by Al Wall in the Toronto Area (in Centralized PR).

Signed on behalf of American Income Life Insurance Company:

Diana Crosby, Diana Crosby, Divisional Sr V.P
Signature, Name, Title

Signed on behalf of UNIFOR Local 247:

Al Wall Al Wall, President, Unifor Local 247
Signature, Name, Title

Signed on behalf of UNIFOR Local 247:

Cherie McTaggart Cherie McTaggart, Unifor National Representative
Signature, Name, Title

From: Debbie Enstedt
Sent: Monday, January 19, 2009 5:15 PM
To: Debbie Enstedt; Al Wall
Cc: Debbie K. Gamble; Diana L. Crosby
Subject: RE: AL Wall

Hi Al, I should have added to the 3rd bullet in Centralized PR. Thanks, Debbie

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From: Debbie Enstedt
Sent: Monday, January 19, 2009 2:29 PM
To: Al Wall
Cc: Debbie K. Gamble; Diana L. Crosby
Subject: AL Wall

Hi Al, As we discussed, as of February 1st/09.

- Your commissions will be paid according to the collective agreement at the contract D Level.
- The group donations you personally made that are outlined in the attached will now be paid through home office. Please Note: Anything marked TBA needs to be approved prior to you making any commitments to the groups.
- In addition, at year end you will receive a bonus of .25 cents per card generated in the Toronto Area. in Centralized PR.

Let me know if you have any further questions.

Debbie Enstedt
Vice President of Public Relations/Field Operation
Office: 469-525-4297
Cell: 254-230-6698