



AVATAR PROPERTY AND CASUALTY INSURANCE COMPANIES PRODUCER AGREEMENT

This Avatar Property & Casualty Insurance Companies Producer Agreement, hereinafter referred to as “Agreement” is made this ____ day of _____, 20__ by and between:

Producer Name: _____

Producer Code: _____

Producer Address: _____

Telephone No.: _____

Facsimile: _____

E-Mail: _____

Hereinafter referred to as “Producer” and Avatar Insurance Companies (and its Subsidiaries listed on Schedule 1 which is attached), all of which companies have their Administrative offices at 1408 N. Westshore Blvd., Suite 805, Tampa, FL 33607 and are hereinafter referred to jointly and individually as “Company”.

In consideration of the foregoing and the mutual covenants and promises contained herein, the parties agree as follows:

1. AUTHORITY AND APPOINTMENT

The Company hereby appoints and gives authority to the Producer to receive applications for:

(X) homeowner insurance coverage

() commercial property insurance

underwritten by the Company, as set forth in the Companies current manuals, underwriting rules, rates, regulations, procedures, directives, and any other written, faxed and electronic instructions, hereinafter referred to as “guidelines” and for which a commission is specified in the Company’s

Commission Schedule. The guidelines are subject to Producers restrictions dictated by the applicable laws of Florida and to the terms and conditions outlined in this agreement.

The Company also gives authority to Producer to collect, receive and record receipt for premium and to provide such usual and customary services of an insurance agent on all contracts of insurance accepted by the Company, in accordance with the Guidelines. Premiums must be forwarded to the designated office of Company pursuant to the terms of this Agreement. All of the authority granted is subject to the limitations set forth in this document and in the Guidelines. Producer agrees to indemnify the Company for any loss sustained by the Company as a result of failure of Producer to forward the premiums as required. The Company retains the right to terminate this Agreement, seek a claim against the Producers Errors and Omissions Coverage, or to seek any available legal or equitable remedy should the Producer fail to follow the terms of this provision.

The Producer is not allowed to backdate the inception date of any application, policy or endorsement. Producer may not place any risk without first receiving the appropriate down payment and securing a signed application and additional required forms from the name insured. Producer has no authority to submit to the Company any applicant or policyholder information that the Producer knows or has reason to know is false or inaccurate. The Producer may not place coverage on any category of risk that is listed as unacceptable per the Company Guidelines, nor place any coverage on a risk not specified in the Guidelines. Company may restrict any part or all of the Producer's authority, but if this right is exercised it will not cancel this Agreement or reduce the Producers obligations hereunder. Receipt of any product manuals that are outside Producer's authority shall not be construed as an expansion of that authority absent confirming written notice.

Unless specifically authorized in writing by the Company, the Producer does not have authority to issue cancellation or non-renewal notices. Producer does not have authority to adjust, investigate, settle, arrange to settle, or litigate any claims arising from policies issued by the Producer. Producer is barred from allowing anyone other than an applicant or spouse to endorse, sign on behalf of, or affect coverage under a policy. Producer may issue certificates of insurance, financial responsibility filings or other proof of insurance only if specifically authorized in writing by the Company to do so. This authority applies only to Producers or employees of Producer who are properly licensed and appointed with Company. Producer is not authorized to accept business on the Company's behalf from nor share Company programs and/or applications to parties not specifically outlined in this Agreement. No brokering of business is allowed. Producer may not designate or appoint any sub-producers and none of Producer's rights and/or obligations under this Agreement may be assigned or given to any sub-producer without the express prior written approval of the Company. All activities to be performed by Producer under this Agreement shall be performed by Producer or employees of Producer who are properly licensed and appointed with Company.

The geographical area in which the Producer is authorized to act under this Agreement is:

Florida

The appointment under this Agreement is non-exclusive as to either party. The Producer may represent other insurance companies and Company may appoint other Producers. Nothing herein contained shall be construed to create the relationship of employee and employer between the Company and Producer. Producer is acting as an independent contractor only and not as an employee, joint venture, partner or associate of Company. Producer may exercise its own judgment as to the time and manner of performance of services, except that Producer shall conform with

Company's directives, rules and regulations as specified in this Agreement (and/or announced from time to time by new written Guidelines) Producer shall have no power or authority to incur expenses on behalf of Company, nor shall Producer use Company's name in any advertising, publicity or promotion material without prior written approval of Company.

A background check may be conducted at any time during the appointment as a Producer for Company. The background check may include, but is not limited to: consumer reports, credit bureau reports, Department of Insurance records, and other information vendors. Producer authorizes Company to perform any background check by signing this Agreement.

II. TERM

This agreement will become effective as of the date it is executed and shall remain in force thereafter for a one year term, unless earlier terminated by either party pursuant to Section XII- Termination. Absent a prior termination this Agreement shall automatically renew successively in one-year terms.

III. LICENSING/ERRORS AND OMISSIONS COVERAGE

Producer shall secure and maintain insurance licenses for all business entities, employees/applicable solicitors, officers as required by Florida state regulatory authority. Producer will not allow solicitation of insurance business outside the scope of these stated licenses.

Producer shall maintain E & O Insurance coverage not less than five hundred thousand (\$500,000) coverage per occurrence, which shall be underwritten by insurers rated A- or better by A.M. Best or determined in writing otherwise satisfactory to Company and that will provide coverage to Producer and each of the Producers employees. Company has the right to review the amount of E & O Coverage annually to determine its adequacy. Producer shall provide the Company with a copy of the Dec page demonstrating existence of such coverage within ten (10) days of the effective date of this agreement and within ten (10) days of each renewal of such coverage. The E & O Coverage carrier shall provide the Company with written notice within thirty (30) days in the event of a lapse in coverage, reduction in coverage or termination of coverage. Failure to maintain required licensure and E & O Coverage shall be grounds for termination of this Agreement.

IV. COMPENSATION/COMMISSIONS

Upon meeting the terms of this Agreement, Producer shall be entitled to receive and the Company agrees to pay as full compensation a commission on the "net premiums" written and submitted to Company. "Net premiums" are defined as gross premiums written and collected by Company, less return premiums on cancellations or endorsements. Company has the right to deduct from commissions due to Producer any return commissions, premiums or other monies due from Producer. Producer shall refund to Company commissions on cancelled policies and on reductions in premiums at the same rate at which such commissions are originally paid. Amount of compensation shall be based on the Commission Schedule in effect at the time such new business is written as outlined in the Guidelines. No commission will be paid to the Producer on policy fees charged by the company. Company may unilaterally change its Commission Schedule at any time. No minimum prior notice is required and no minimum commission is agreed upon except as required by Florida law in which the policy is written. Renewal commissions shall be determined by the Commission Schedule in effect at the time each policy is renewed. The Company further maintains the right to withhold payment of commission or a portion of the commission in the event

the Producer does not conform to the terms of this contract including, but not limited to, forwarding policy premium payments to the company in a timely manner.

V. TRUST ACCOUNT AND PREMIUM PAYMENTS

Monies are due Company on new business placed by Producer with Company and is to be remitted by Producer with each new application as outlined in this section. Company retains responsibility for billing installments, endorsements, renewals, including increase and additional premiums. Company shall send all cancellations or credit refunds directly to policyholders. Company agrees to hold Producer harmless for loss to policyholders caused by direct Company error in billing, processing and crediting of such monies. However, Producer is obligated to immediately notify Company of any known potential claim arising from problems related to these billings procedures. Producer is also obligated to notify Company of any check the Producer receives from an applicant or policyholder that is returned for any reason by the bank on which it was drawn. Company shall have the responsibility to collect all unpaid premium account balances resulting from negotiable instruments that are countermanded by policyholder, returned for insufficient funds, or returned for any reason beyond Producers control.

Producer shall remain responsible for payment of all unpaid, earned premium if Producer causes such premium to be unpaid for any reason, voluntary or involuntary, including by not limited to the following occurrences: failure to maintain an adequate premium fund trust account balance, countermanded electronic funds transfer orders; attachment by or assignment of such funds to creditors, the adjudication of Producer as insolvent in any court; entry of an order for relief against Producer under the U.S. Bankruptcy Code and/or similar law; or the garnishment of premium funds held in trust for Company. Company will not be responsible for reimbursement of any charges imposed by any financial institution arising out of such occurrences. If Producer causes a policy premium to be unpaid for any such reasons, Company shall have the right to terminate this Agreement and/or withhold the premium amount from the Producers commission payment.

If Company engages in electronic funds transfer with Producer, then Producer shall deposit all premium payment funds into an account with a financial institution for the purpose of affecting an electronic transfer of such funds to Company. Producer shall execute Section XXII – Funds Transfer Authorization Agreement if Producer elects to make payments via electronic funds transfers. By signing Section XXII- the Producer acknowledges the Agreement does not affect Producers primary obligation for payment.

If Producer does not engage in electronic funds transfer with Company, then Producer shall forward immediately to Company after receipt of any check, money order or other instrument of premium payment made payable to Company. Similarly, if such an instrument is made payable to Producer, then Producer shall properly endorse the instrument and immediately forward the document to Company. If the Producer receives premium payment in cash, then Producer shall deposit such funds into a financial institution account and immediately forward a check made payable to Company for the applicable premium due.

Excluding the electronic funds transfer, issuance of any draft or check by Producer, which is returned by the bank from which it is drawn, shall be grounds for termination of this Agreement. Company reserves the right to require Producer to deposit all premiums received on Company's

behalf in a premium fund trust account, whether or not required by state law. Producer shall be entitled to the income from such funds accrued during the time it is holding them in trust for Company in accordance with the terms of this Agreement.

VI. MONTHLY STATEMENT

Company shall prepare and send a monthly commission statement to Producer after closing its books for the prior month. The statement shall reflect commissions due to Producer from Company on new business, renewals and/or endorsements premiums. Also, the statement shall reflect unearned commission due to Company from Producer on cancellations or reductions in premiums on endorsements. Company shall attach its check for the net amount due the Producer or pay the commission via Electronic Funds Transfer to the Producer's bank account. If the net result is an amount due to Company, Producer shall remit his/her payment to Company no later than ten (10) days after the billing of the amount due. Should there be any omission of any item from a monthly statement, this shall not affect the responsibility of either party to account for and pay all amounts due the other, and it shall not prejudice the rights of either party to collect such amounts.

VII. FIDUCIARY RELATIONSHIP AND DUTIES

Funds received by Producer for and on behalf of Company shall not be misappropriated or converted to Producer's own use or illegally withheld from Company. These funds shall be handled after receipt as described in Section V- Trust Account and Premium Payment. All funds received by Producer as premiums and related fees for insurance written under this Agreement shall be held in a fiduciary capacity in trust for Company's benefit. Company shall have a first lien on such funds, either before or after termination of this Agreement. In the event of termination of this Agreement, Producer shall continue to hold these funds in a fiduciary capacity in trust for Company's benefit until paid to Company. Notwithstanding any portion of this Agreement to the contrary, Company may use any amounts owed to Producer to offset amounts owed by Producer to Company.

Producer's fiduciary duty to Company shall extend to all representations made in the course of business. Should Producer engage in misrepresentation or permit another to engage in misrepresentation in connection with an application for insurance with Company, Producer's fiduciary duty shall have been violated and this Agreement shall be subject to termination at Company's option. Company retains the right to seek any available legal or equitable remedy in the event Producer engages in willful misrepresentation with respect to any of the duties, responsibilities, or provisions set forth herein.

VIII. SUCCESSORS & ASSIGNS

Producer's rights, responsibilities and interests under this Agreement shall not be assigned or transferred without the prior written consent of Company. Producer shall notify Company of its intent to merge, sell, or otherwise transfer all or part ownership of its insurance agency or in its interest in the expirations of business or in its assets. This notice shall be given as soon as possible, but in no event less than thirty (30) days prior to the effective date of such proposed transaction. Company shall not unreasonably withhold its appointment of any successor producer, provided that Producer has given the required notice and has complied in all material respects with the obligations imposed by this Agreement and the successor producer in the reasonable, sole opinion of Company, is reputable and qualified for an appointment by Company.

IX. BOOK OF BUSINESS/EXPIRATIONS

The use, ownership, and control of expirations, the records thereof, and Producer's work product shall remain the property of Producer. Company reserves the right to notify current policyholders of any additional products and/or services that are available to the customer that could potentially result in premium savings. If Producer should enter into any separate third party agreement with any entity other than Company whereby the privileges, rights or responsibilities of Company, as set forth herein, are in anyway limited, modified, or altered, the ownership, use and control of expirations, renewals, and the records thereof shall become the property of Company.

If upon termination of this Agreement Producer has not accounted for and paid all premiums and return commissions due to Company within thirty (30) days of written notice, the use and control of Producer's expirations, including all right, title and interest in and to the records thereof, shall be vested in Company as of the date of termination. In the exercise of its right to collect all indebtedness due from Producer through the ownership, use and control of Producer's expirations, Company shall use reasonable business judgment in selling the expirations and shall be accountable to Producer for all sums received which, after deduction of Company's expense, exceed the amount of Producer's debt to Company. To the extent that Producer's debt exceeds the sums received by Company in any sale of the expirations, Producer shall remain liable to Company. As an alternative, at Company's option, Producer may be permitted to post collateral acceptable to Company to ensure payment of any indebtedness and upon conveyance of such collateral Producer would retain the use and control of its expirations. Company would hold the collateral until the indebtedness is satisfied.

XI. CLAIMS & LOSS ADJUSTMENT

Producer shall report and direct the insured to report to Company all losses directly and claims of any type immediately upon receiving notice thereof. Producer shall immediately, but in no event more than forty-eight (48) hours, send to Company any claim report, notice of accident, proof of loss or other information, including any documents related to litigation/lawsuits arising from a claim, known or unknown to Producer and related to any claim against the Company or any of its policyholders. Producer agrees to cooperate fully to facilitate the investigation, settlement and payment of any claim by Company. Notice to Producer of a claim shall not be deemed notice to Company, unless prohibited by applicable Florida law.

XII. TERMINATION

A. Automatic Termination: This Agreement, and all authority hereunder, shall automatically terminate in the event that one or more of the following instances occurs:

1. If any public authority revokes, cancels, or declines to renew Producer's license;
2. If Producer sells, transfers, or merges with another agency, unless approved by Company, pursuant to Section VIII;
3. Upon the death or total disability of Producer, if Producer is an individual;
4. If Producer fails to account for or remit premium to or other monies due to Company;

5. Abandonment, insolvency, fraud, receivership, bankruptcy, and/or gross and willful misconduct on the part of Producer.
- B. Termination With or Without Cause: Subject to applicable state law, this Agreement and all authority hereunder, may be terminated by either party at any time and with or without cause upon delivery of ten (10) days written notice to the address of the other. Written notice includes, but is not limited to, registered or certified mail with return receipt requested, express overnight mail via a nationally recognized carrier, and e-mail notification, or a facsimile transmission.
 - C. Continuing Obligations after Termination: Termination by any method listed shall not be construed as fully discharging Producer's or Company's obligations. Upon termination, Producer and Company will continue to service the policyholder until nonrenewal, expiration, or cancellation of the policy, but Producer is not to place any new risk or renew any policies with inception dates after the date of termination of this agreement, except as provided by applicable state law; nor shall producer increase limits on existing policies or endorse additional items, risks, onto existing policies without Company's prior approval.

XIII. SUSPENSION OF AUTHORITY

In addition to Company's right to terminate this Agreement pursuant to Section XII, Company shall have the right to elect to immediately suspend the authority of Producer. If suspended pursuant to the terms of this Section, Producer may not obligate Company in any way under the terms of this Agreement. Company's right to suspend the authority of Producer is not intended to be an exclusive remedy and shall not restrict the ability to terminate the Producer subsequently.

XIV. CONFIDENTIAL INFORMATION

All supplies including software, agent manuals, rating items, underwriting guidelines, forms, policies, documents, and business plans, furnished by Company shall always remain the property of the Company and shall be returned to Company or its representatives upon demand. All information provided by and included in the supplies shall be also deemed confidential and proprietary information of Company. Producer shall not disclose to any individual or entity not a party to this Agreement, other than Producer's employees, any of the information that was furnished to Producer by Company. Confidential information shall also include all copies, reproductions, extracts and compilations of such information. This information also includes all those aforementioned, including electronic media, correspondence or software. Upon termination of this Agreement, all such information shall be returned within thirty (30) days of termination to Company. Any password(s) given to Producer by Company to access any software, Internet based application or interface, or website shall be confidential and not be disclosed to any third party, other than Producer's employees without the direct permission of Company. Producer shall ensure that all its employees who receive any confidential information, including passwords, comply with the obligations of confidentiality as outlined in this Agreement.

Producer may order a consumer report containing the applicant's credit score. Producer agrees to inform all such applicants that they will order consumer reports for use in calculating premium, and that the report will be available to Company and its affiliates. Consumer reports, including credit scores, may not be resold or transferred to any other person or entity. Producer agrees to adopt and implement strict procedures within its office to protect applicants' privacy and to comply with al

laws including the Federal Fair Credit Reporting Act (FCRA). Producer agrees to advise anyone within its office involved in the point of sale credit process that the FCRA provides for personal civil liability as well as fines or imprisonment for obtaining information without having a permissible purpose. Producer agrees that when an applicant's premium changes based on credit information, it will disclose all pertinent and required information as prescribed by law.

Both Producer and Company share with one another confidential information regarding applicants and/or customers. Producer and Company, and the respective employees, has access to the non-public personal information of the applicants and/or customers of the other. Both Producer and Company hereby agree to maintain the confidentiality of such non-public personal information in accordance with all applicable privacy laws and regulations. This information is used to provide the products and services contemplated by this Agreement and as otherwise permitted by law and regulation. Producer and Company further agree to implement and maintain throughout the term of this Agreement security measures reasonably designed to: ensure the security and confidentiality of the non-public personal information; protect against any anticipated threats or hazards to the security and integrity of this information, and, protect against unauthorized access to or use of such confidential information that could result in substantial harm or inconvenience to any of our applicants and/or insureds.

XV. SOFTWARE AND UPLOAD LICENSING

All software provided to Producer by Company is Company's property, and is being licensed to Producer, without charge, by virtue of Producer's status as an insurance representative for Company. Producer agrees:

- A. To accept a revocable, non-transferable, non-exclusive license to use the software in object code form. Producer shall not acquire any right, title or interest in or to the software for future diskettes, except the right to use them as herein provided;
- B. The software is furnished to Producer "as is" and Company makes no warranties or representations, express, statutory, or implied, as to any matter whatsoever including, without limitation, the use, operation, performance, maintenance, or condition of the software, its merchantability or fitness for any particular purpose;
- C. Company's liability for any damages or losses resulting from the software, or the use, operation, performance, maintenance, or condition, will be limited to the replacement of the software. In no event shall Company be liable for any loss of profits, or any direct, special consequential, exemplary, or incidental damages; and
- D. The software and all related materials are proprietary to Company and are Company's valuable property. Producer shall not: disclose any software related materials to any third party, attempt to derive the source code or structure of the software, disassemble, reverse engineer, decompile, or decode or copy the software; modify, alter or enhance the software, or sell, lease, assign, sublicense, market, pledge, encumber, or transfer the software or any related materials. Producer shall advise all of its directors, employees, agents, or anyone else who has access to the software of the requirements of his Agreement.

Company agrees to indemnify and hold Producer harmless against any liabilities Producer may incur for damages resulting from Company's errors or omissions in the electronic transmission of information between Company and Producer, which are beyond Producer's control. Company disclaims all other warranties as to its computer equipment or software, express or implied, including implied warranties of merchantability and fitness for a particular purpose, and disclaims any liability

for damage to Producer's computer equipment or software, the cost of procurement of substitute products or any special, exemplary, indirect, incidental or economic consequential damages, including loss of profits or revenues, loss of savings, loss of use, or costs of recovering lost data.

Producer shall indemnify and hold Company harmless against any liabilities. Company may incur for damages resulting from Producer's errors or omissions in the electronic transmission of information between Company and Producer. Company shall indemnify and hold Producer harmless against any liabilities arising as a result of the proper use of Company supplied software by Producer. In the event that Company is compelled to honor Produce caused rating error, Company reserves the right to deduct any premium deficiencies against commissions due Producer.

XVI. INDEMNIFICATION AND HOLD HARMLESS

A. Indemnification by Company

Company shall indemnify and hold Producer harmless against any liability, including attorney's fees and costs of investigation and defense incident thereto, arising as a result of:

1. Company acts and omissions in violation of this Agreement, including any action of Company which is in violation of any law or regulation, except to the extent Producer causes, contributes to, or compounds such errors;
2. Failure of an insured to receive notice of cancellation, non-renewal, impairment of aggregate limits, or any other notice affecting coverage on Company related business;
3. All actions or inactions of Producer based upon Producer's use of forms supplied by the Company, or upon Producer's following instructions, procedures or guidelines established by the Company, including Producer's following Company's directions on the use of credit reports in the acceptance or rejection of applications for insurance, except to the extent Producer causes, contributes to, or compounds such failure; and
4. Damages sustained by any person as a result of information furnished by Producer to Company, unless Producer furnishes false information with malice, knowledge or willful intent to injure.

This indemnification shall include, but not be limited to, claims, suits and actions arising out of any law, regulation order or directive issued by a government authority with jurisdiction. This indemnification shall not apply, however, if liability results from Producer's actions or inaction if the same is contrary to or inconsistent with Company's direction and procedures or the plain intent thereof. Producer shall promptly notify Company upon receipt of notice of the commencement of any action relating to such liabilities, and Company shall be entitled to participate in such action, or to assume the defense of such action with its own counsel. If Company assumes defense of any such action, it shall not be liable to Producer for any legal or other expenses subsequently incurred by Producer in connection with such action.

B. Indemnification by Producer

Producer shall indemnify and hold Company harmless against any liability Company may incur as a result of any act of Producer in violation of this Agreement or outside the scope of authority granted to Producer pursuant to this Agreement or any action of Producer which is in violation of any law or regulation, except to the extent Company has caused, contributed to, or compounded

such failure. Producer shall also reimburse Company for any legal or other expenses reasonably incurred by Company in connection with investigating such liabilities. Producer shall promptly notify Company upon receipt of notice of the commencement of any action relating to such liabilities, and Producer shall be entitled to participate in such action, or to assume the defense of such action with counsel of its own selection. If Producer assumes defense of any such action, it shall not be liable to Company for any legal or other expenses subsequently incurred by Company in connection with such action.

XVII. AMENDMENTS, MODIFICATIONS, SEVERABILITY; APPLICABLE LAW

Producer and Company agree that this Agreement may be amended from time to time by Company to modify: (a) allowable classes of insurance and the rules and rates for them; (b) authority of Producer; (c) commission payable to Producer, as outlined in Section IV, and; (d) other related matters. These amendments may be expressed as Addenda or Guidelines to the Agreement.

Company may formally revise this Agreement upon giving thirty (30) days prior written notice to Producer setting forth the revisions and their effective dates. If Producer requests within ten (10) days written notice, Company agrees to confer with Producer regarding the revisions. Upon compliance by Company with the provisions of this paragraph, the revisions shall become effective on the date specified in the notice.

This Agreement is subject to any restriction placed on Producer or Company by applicable Florida law, but shall be governed by, and construed in accordance with the laws of the State of Florida regardless of the laws that might otherwise govern under that state's applicable principles of conflict of law. Any provision of this Agreement that is contrary to the controlling law is hereby deemed to be amended to bring it into compliance with that law. The determination by any court of competent jurisdiction that any provision or term of this Agreement is unenforceable shall in no way impair or affect the validity or enforceability of any other provision in this Agreement.

XVIII. SUMMARY PROVISIONS

It is expressly understood that this Agreement constitutes the entire understanding and supersedes all previous agreements, whether oral or written, between Producer and Company and may not be altered or modified as to any terms or conditions unless such alterations are made in accordance with Section XVII above. Any and all prior representations, statements, and/or agreements between Producer and Company are merged herein. In the event Company should not insist upon strict compliance with any of the terms of this Agreement or any provisions contained in the Guidelines, such failure shall not constitute a waiver or relinquishment on Company's part to insist upon such compliance at any other time or times.

This Agreement shall extend to all successors, transferees and assigns of Company and neither it nor any of the conditions, reimbursements, benefits and/or obligations arising hereunder shall be assigned or transferred either in whole or in part without the prior written consent of Company as provided in Section VIII.

The enumeration, headings and captions contained in this Agreement are inserted for the convenience of reference only and are not intended to have any substantive significance in the interpretation or construction of this Agreement. The singular use of any term hereunder shall include the plural thereof where applicable and vice versa.

By signing this Agreement, you acknowledge receipt of a copy of the Agreement and agree to be bound by all of its terms and conditions.

XIX. ARBITRATION

If any dispute or disagreement arises in connection with interpretation of this Agreement, its performance or nonperformance, the parties shall make every effort to settle the dispute informally and in good faith. If the parties cannot agree upon a settlement of the dispute within thirty (30) days from the time it arises, or within a longer period agreed upon in writing by both parties, then the matter in controversy shall be submitted to arbitration in accordance with the rules of the American Arbitration Association (AAA), and judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

The parties may agree to submit the dispute to one arbitrator; otherwise, there shall be three. One named in writing by each party within twenty (20) days after notice of arbitration is served by either party against the other, and a third arbitrator selected by these two arbitrators within twenty (20) days thereafter. If the arbitrators are unable to agree upon a third arbitrator, then the third arbitrator shall be chosen impartially by the AAA. Discovery may be pursued at the option of either party prior to arbitration. The determination of arbitrators shall be final and binding on all parties, provided that such determination is made in writing and signed by a majority of the arbitrators. The arbitrators shall provide a written statement explaining the reasoning for their determination. When the arbitration results in an award, such award shall include interest at the judgment rate as determined by applicable law, from the date when the amount that is subject to the award first became due. Arbitration costs shall be borne equally by the parties, provided, however, that the arbitrators may assess one party more heavily than the other for these costs upon finding that the party did not make a good faith effort to settle the dispute informally when it first arose. Each party shall be responsible for its own attorney's fees. Unless the parties agree otherwise, all hearings or other proceedings shall be held in Producer's home state.

XX. RECORDS AND AUDIT RIGHTS

Producer shall forward to Company all applications, requests for cancellation of policies and endorsements or other modifications of existing insurance, except as may be modified by Section XXI – Original Records Maintenance Agreement herein applicable to this Agreement. Producer shall keep full, complete, true records of all transactions with policyholders and other parties on behalf of Company. Producer's records shall include full and accurate accounts of all premiums collected for Company and other financial transactions affecting Company in such form as is acceptable to Company.

At any reasonable time upon notice, all Producer's records and documents pertaining to the business placed with Company should be available for inspection and audit by Company during regular business hours. Producer shall grant Company, its agents, insurance regulatory authorities, and other examination personnel access to any of its facilities for the purpose of inspecting and auditing records and documents maintained by Producer relating to insurance transaction under this Agreement. Producer shall provide reasonable assistance in performing any such audit or inspection.

XXI. ORIGINAL RECORDS AGREEMENT

This section applies only if expressly signed and approved below by Company's representative. In the event that this section applies, and notwithstanding any provision in the Producer Agreement to the contrary, Company grants authority to Producer to receive and maintain original records and documents of policy forms, applications, certificates and other relevant printed material, collectively referred to hereinafter as "Original Documents," some of which may require the signature of policy applicants or policyholders. All Original Documents shall be retained by Producer from the date of policy termination for five (5) years. Producer shall notify Company in writing at least one hundred twenty (120) days before discarding or destroying any Original Document. Producer may choose to retain any Original Document longer than the number of years specified above, unless Company specifically directs otherwise.

Producer also agrees to retain all Original Documents for each of its policyholders and applicants with Company for which the original information has been electronically uploaded or submitted to Company. All Original Documents shall remain the property of Company and shall be returned to Company upon termination of the Producer Agreement or otherwise upon written request from Company to Producer. Producer may retain copies of any Original Document that has been returned to Company. Should Company need Original Documents or copies thereof for any reason, Producer agrees to cooperate completely with Company in the investigation or settlement of any loss, claim, accident or complaint. Failure to comply with any provision of this section shall constitute grounds for termination of the Producer Agreement.

The parties to this section acknowledge and agree that the provisions of this section shall not supersede any provision of the Producer Agreement except to the extent that provisions in this section contradict provisions in the Producer Agreement pertaining to the retention of records by Producer and/or the submission of records to Company. Should such contradiction occur, the provisions of this section shall be controlling and said contradiction shall in no way affect the validity of any other provisions in the Producer Agreement.

This Section applies to the Producer Agreement: _____

Signature of Company Representative

XXII. FUNDS TRANSFER AUTHORIZATION AGREEMENT

Completing this Funds Transfer Authorization Agreement (hereinafter referred to as "Authorization Agreement") allows Company to directly deposit commission checks electronically into a bank account designated by the Producer.

Producer hereby authorizes Company to CREDIT entries to the account indicated below at the financial institution named below hereinafter referred to as "Depository."

Depository Name: _____

Telephone: _____

Routing Number: _____

Account Number: _____

Producer Name: _____

Producer Code: _(co rep completes)_____

This authorization is to remain in force and effect until Company has received written notification from Producer of its termination in such time and manner as to afford Company and Depository a reasonable opportunity to process the termination.

Producer Signature: _____

PLEASE ATTACH THE FOLLOWING:

1. VOIDED CHECK (FUNDS TRANSFER CANNOT BE ACTIVATED WITHOUT A VOIDED CHECK)
2. W-9.
3. COPY OF YOUR CURRENT "E & O" DEC PAGE.
4. COPY OF AGENCY PRINCIPAL'S 220 LICENSE.