

AGENT AGREEMENT

1. This agreement is executed by the undersigned Agent (hereinafter called "Agent") and Universal Risk Advisors, Inc. (hereinafter called "Manager"). Pursuant to the terms and conditions set forth herein, Agent shall be authorized to transact insurance through the Manager on behalf of certain insurers (each being a "Company") having contracts with Manager and identified at Schedule A attached hereto.
2. As of the date set forth in Section 3 below, this Agreement consists of the following documents:

Agent Agreement PCO-6228 (12-01)(pages 1 - 8)

Schedule A to the Agent Agreement PCO-6234U (06-01)(one page)

The parties hereby acknowledge and agree that all pages referenced above are attached hereto, and that each of them has had sufficient opportunity to review these documents. Nothing in this section shall limit provisions set forth herein pertaining to amending, supplementing, or terminating this Agreement, nor the applicability of procedures and guidelines now or hereafter in effect for the Manager or Company.

3. This Agreement is effective the _____ day of _____, 20____, and supersedes and replaces all prior or contemporaneous agreements, whether oral or written, between Agent and the Manager and Company.

AGENT:

Signature

Printed Name

Street

City/State/ZIP

MANAGER:

By:_____

- Bradley I. Meier, President **or**
- Terry Wentroble, Vice President of Marketing

In exchange for the mutual promises herein and other good and valuable consideration, the Agent and the Manager hereby agree as follows:

4. AUTHORITY OF AGENT

- A. AGENT ACTIVITIES- The Manager hereby contracts with the Agent as an insurance agent who is an independent contractor, and not an employee of the Company or Manager, to transact insurance subject to requirements imposed by law, the terms of this Agreement, and underwriting rules and guidelines of the Company or Manager as they may be amended from time to time. In connection therewith, the Agent is authorized to:
1. Solicit, receive and transmit to the Company, or through the Manager, proposals for insurance contracts for which a commission is specified in the attached Schedule A to this Agreement, in accordance with procedures communicated by the Manager from time to time;
 2. Bind and execute insurance contracts as provided in Schedule A of this Agreement, but subject to any restriction, limitation or other underwriting guideline then in effect for the Company as may be communicated and modified by the Manager from time to time;
 3. Provide all usual and customary services of an insurance agent on all insurance contracts placed by the Agent;
 4. Collect and receipt for premiums (except to the extent of Direct Billed Premiums discussed in Article 5 of this Agreement). The Agent agrees to refund return commissions on policies upon cancellation, reductions, or other refunds or returns of premium, in each case at the same rate as such commissions originally were paid by the Company or Manager. With respect to premiums to be collected by the Agent, Agent shall collect and hold such premiums in a fiduciary capacity on behalf of the Manager and Company and shall be responsible for paying over such premiums to the Manager whether collected by the Agent or not;
 5. Exercise his authority personally or through authorized employees, provided that as between the Agent and the Manager and Company, the Agent shall be solely responsible for the acts, errors, and omissions of such employees;
 6. Represent other insurance companies;
 7. Exercise exclusive and independent control of Agent's time, the conduct of Agent's business, and the conduct and activity of Agent's employees;

By execution of this Agreement, it is understood and agreed that the Company or Manager shall have the authority to countersign any policy of insurance issued through Agent by the mechanical or facsimile imprinting of an appropriate agent name thereon. It is understood and agreed that such imprint shall be effective as if the resident agent had personally endorsed it thereon, and that such policy may thereafter be delivered or mailed directly to the policyholder. This procedure shall not reduce or alter the commissions otherwise due to Agent under such policies, nor shall it in any way affect the duties and responsibilities of the Agent to the policyholder, Manager or Company.

- B. LIMITATIONS ON AGENT'S AUTHORITY- In addition to authorities impliedly restricted through their exclusion from this Agreement:
1. The Agent shall not publish, distribute or circulate advertising of any character on behalf of or with reference to the Company or Manager without the prior written consent of the Manager. Agent hereby acknowledges and agrees that all logos and insignia of the Manager and the Company are and shall remain the exclusive property of those parties and may not be used in any way without such prior authorization;

2. All business placed by the Agent with the Company must originate from persons licensed for the Agent and holding proper appointments therefor. Brokered business shall be deemed a violation of this Agreement. Agent shall promptly advise Manager of any additional or changed appointments, or terminations of appointments, necessary or appropriate for the effectuation of business hereunder. Upon such advice, Manager shall assist Agent in obtaining such new, changed or terminated appointments as are appropriate for the transaction of business hereunder;
3. The Agent will not assign any policy from one person to another without the prior written consent of the Manager.
4. Agent acknowledges and agrees that the Manager will suspend binding or writing policies of insurance providing coverage for fire, windstorm, explosion, riot and civil commotion, damage to real or personal property, or extended coverage, except renewals of existing policies in the same company, upon any one or more of the following:
 - a. In accordance with any storm procedures of the Company or the Manager as set forth in the Company's rules of practice or other manual or in communications from the Manager to the Agent, or when hurricane or tornado watches or warnings have been posted, or when there are definite indications or there is general knowledge by the public that a named storm may be expected in the immediate future within the vicinity of the risk in question; or
 - b. When a named storm is in progress; or
 - c. When civil disorder, civil commotion, or a disturbance or riot is in progress; or
 - d. When there are definite indications or there is general knowledge by the public that a civil disorder, disturbance, civil commotion or riot is imminent or may be expected in the immediate future within the vicinity of the risk in question; or
 - e. On any risk in areas, subdivisions, municipalities, cities, counties, or states which are under curfew or martial law, such as for civil unrest; or
 - f. Upon receipt of any requests or directions from the Manager or Company relating to implementation of the Company's exposure management plans or business objectives.

5. DIRECT BILLED POLICIES

On business placed by the Agent, the following provisions apply:

- A. The completed application or original daily report, together with the initial premium without deduction of commission shall be submitted to the Manager;
- B. When available from the Company, the Company or Manager may elect in their sole discretion to assume responsibility for collecting the initial premium. Such election shall be made in a writing of either general or specific application;
- C. Upon the election described in Section 5.B. above, the Company or Manager shall be responsible for all billing and collection, unless otherwise mutually agreed in writing by the Agent and the Manager;

- D. Commissions on premiums shall be paid to the Agent within thirty (30) days of the end of the accounting month in which such premiums are received and recorded by the Manager, subject to offset by the Manager of any return commissions due from the Agent or other balance owing from the Agent to the Manager or Company;
- E. The Company or Manager shall clearly identify the Agent when transmitting policies and cancellation or nonrenewal notices to policyholders produced by the Agent;
- F. The Agent is authorized to advance premiums on behalf of policyholders, in which case the Agent accepts full responsibility for such premiums;
- G. The Manager or its designee shall have access at all reasonable times to the Agent's books and records for the purpose of determining any fact relating to money due under this Agreement or business placed under this Agreement.

6. POLICY CANCELLATION OR NONRENEWAL

Subject to requirements imposed by law and compliance with the applicable provisions of this Agreement and policies of insurance:

- A. At the Agent's request, the Manager shall cause the Company to:
 - 1. Cancel any policy; or
 - 2. Decline to renew any policy and give advance notice of nonrenewal to the policyholder.
- B. The Manager shall not, at its election, cause the cancellation any policy that has been in effect for 90 days except:
 - 1. For nonpayment of premium or non-reporting of the basis of premium;
 - 2. When, in the sole opinion of the Manager, there is:
 - a. An increase in hazard; or
 - b. A material change in the risk; or
 - c. Misrepresentation or a non-disclosure of a material fact
 - 3. Other reasons allowable under the Georgia Insurance Code
- C. By the execution of this Agreement, the agent is deemed to have waived any right to receive notice of intent to cancel or nonrenew a policy prior to mailing or delivery of such notice to the insured.
- D. Nothing in this Agreement shall require the Manager or Company to cancel or nonrenew any policy in contravention of applicable law or regulatory directives. Agent shall indemnify and hold harmless the Manager and Company from all costs, expenses, and liabilities associated with cancellations and nonrenewals made at the direction of the Agent.

7. DESIGNATION OF AGENT BY POLICYHOLDER

- A. If a conflict exists as to which producer is authorized to represent an existing or prospective policyholder, the policyholder's written statement designating his or her agent shall be binding upon the Agent and the Manager;

- B. Such designation on an unexpired policy shall be effective as of the date specified upon receipt by the Manager of a reasonable written agreement between the agents involved determining who shall be:
1. Responsible for collection of premium;
 2. Entitled to receive commissions;
 3. Responsible for the refund of return commissions; and
 4. Responsible for policyholder service.

8. AGENCY SALE OR TRANSFER

The Agent agrees to give advance notice to the Company and Manager of any sale or transfer of his business or any substantial sale of the assets thereof, or its consolidation with a successor firm, in order that the Company and Manager may, in their sole discretion and with the consent of the parties in interest:

- A. Agree to the assignment of this Agreement in writing; or
- B. Enter into a new agreement with the successor party; or
- C. Place into effect a Limited Agency Agreement with the successor party in order to provide the services of Section 10.B.

For purposes of this Agreement, the sale or transfer of the Agent's business shall include any change in which an owner's percentage of ownership increases or decreases by 10% or more, and any change in which any party comes to own 50% or more of the agency or any of its controlling entities. Agent further agrees to notify Manager of any new or replacement officer or director and any termination or resignation of an officer or director. Agent shall be responsible for communicating the rights and responsibilities set forth in this Agreement to all individuals who will perform services under it and for monitoring the compliance of those individuals with this Agreement. Agent hereby acknowledges and takes responsibility for the acts and omissions of such individuals.

9. CHANGES IN AGREEMENT

- A. This Agreement may be amended at any time by the mutual agreement of the Agent and the Manager. No such mutually agreed amendment shall be effective unless and until reduced to writing, on paper, and signed with a manual ("wet") signature.
- B. This Agreement may be revised unilaterally by the Manager upon thirty (30) days' notice to the Agent; provided, however, that if such revision is necessitated by a new or amended contract between a Company and the Manager, or new or amended procedures pertaining thereto, the Manager may revise this contract unilaterally to accommodate such new or amended contract upon such shorter notice as may be practicable.
- C. During the term of this Agreement, the commission rates specified in Schedule A shall remain continuously in effect, unless and until revised in accordance with Section 9.B. above. Revisions to the commission schedule shall be applicable immediately upon expiration of the notice period for new business and upon the first renewal after the notice period for existing business.
- D. The Agent hereby agrees, in the interest of record-keeping, to sign a copy of any revisions to this Agreement provided by the Manager if so requested by the Manager. However, the signing of

such revisions or failure to do so shall not be a condition to their effectiveness or otherwise alter this Agreement.

10. TERMINATION OR SUSPENSION

A. This Agreement shall terminate:

1. Automatically and immediately if any public authority cancels or declines to renew the Agent's license or certificate of authority;
2. Automatically on the effective date of any sale or transfer of the Agent's business, or its consolidation or merger with a successor firm, unless this Agreement is assigned as provided in Section 8 hereof;
3. Upon the expiration of sixty (60) days' advance written notice by either party;
4. Immediately upon either party giving notice to the other in the event of abandonment, fraud, insolvency or gross or willful misconduct on the part of the other party;

B. If this Agreement is terminated pursuant to clause A.3. of this Section 10, the Manager shall:

1. Immediately place into effect a Limited Agency Agreement authorizing the Agent to service unexpired insurance policies and arranging for the appropriate underwriting, claims, engineering, premium audit, and other necessary services on such policies; or
2. At the Agent's request, authorize on terms acceptable to the Agent, Manager and Company, the reinsurance of all of Agent's policies with another insurer identified by the Agent and acceptable to the Manager and Company, with such approval not to be unreasonably withheld.

C. If the Agent is delinquent, either in the accounting or payment of money due the Company or the Manager, the Manager may, by notice to the Agent, suspend the Agent's authority to:

1. Write or renew any business or impose other limitations thereon.
2. Change any policy during the period of delinquency, except as may be expressly approved by the Manager in advance, in writing.

This provision shall not apply to routine differences in the accounting records of the Agent, Manager and Company if such differences are minor, do not involve premiums collected and willfully withheld by the Agent, and Agent proceeds diligently and in good faith to resolve such differences.

D. In the event of suspension of the Agent's authority or termination of this Agreement:

1. The Agent's records, and use and control of expirations, including continuous term policies, shall remain the property of the Agent and left in his undisputed possession as set forth below, provided that the Agent has then rendered and continues to render timely payments on all accounts to the Manager or Company, or provides security therefor acceptable to the Manager, and complies with applicable law. Otherwise, the records and use and control of all expirations placed through the Manager or Company shall become vested exclusively in the Manager. If Broker has properly accounted for and paid all amounts due and otherwise complied with this Agreement and applicable law, the Agent may provide notice to the Manager, within thirty (30) days of the notice of termination (or the effective date of termination when no such notice is required), that Agent intends to assume exclusive control of the expirations of business produced by the Agent. If the

Agent provides such notice, the Manager shall issue or cause to be issued notices of nonrenewal to the affected policies unless such nonrenewals are prohibited by law or are contrary to an express directive of an authoritative regulatory body, and Agent agrees to indemnify and hold harmless the Manager and Company from and against all liabilities, losses, penalties, and costs associated with the requested nonrenewals. If Agent does not notify Agent during said thirty (30) day period, the Manager in its sole discretion may renew or nonrenew (or cause the renewal or nonrenewal) of any policies without liability or obligation to the Agent therefor. During the thirty (30) day notice period (or until such earlier time as the Agent provides the notice), the Manager may renew or nonrenew (or cause the renewal or nonrenewal) such of the policies as it considers appropriate in its sole discretion.

2. The Manager and Company shall not be required to dispose of such records or expirations, to obtain monetary consideration therefor, or to pay consideration to the Agent therefor.

11. INDEMNIFICATION BY COMPANY

- A. The Manager shall indemnify and hold the Agent harmless against any and all liabilities the Agent may become obligated to pay to or on behalf of any insured based upon an error of the Manager in processing or handling business placed by the Agent through the Manager, except to the extent that the Agent cause, contributed to, or compounded the error.
- B. The Agent shall promptly notify the Manager whenever the Agent receives notice of the commencement of any action relating to any alleged liability for which indemnification might be applicable, and the Manager shall be entitled to participate in such action, or to assume the defense of such action with counsel satisfactory to the Manager. If the Manager assumes the defense of any action, it shall not be responsible to Agent for any legal or other expenses incurred by Agent in connection with such action after the date of assumption. Manager shall not be responsible for indemnifying Agent to the extent that Agent's failure to promptly notify Manager of an action prejudices Manager's defense of a claim.

12. INDEMNIFICATION BY AGENT

The Agent shall indemnify and hold Manager and Company harmless from and against any and all claims or actions arising from or relating to Agent's performance, nonperformance, negligence or gross or willful misconduct in connection with transactions contemplated hereunder, including but not limited to any breaches hereof, and against all costs, attorneys' fees (at trial and through appeal), expenses, and liabilities incurred in or by reason of such claims or actions.

13. CONDITIONS

- A. The Manager and Company reserve the right to mail or deliver to any policyholder offers or solicitations that would enable the policyholder, upon application and payment of premium, to add one or more supplemental coverages to his policy. Any premium generated by such offers shall be credited to the Agent in accordance with the commission schedule attached hereto as may be amended from time to time, provided that the Agent holds appropriate licenses and appointments for the lines of business transacted.
- B. The provisions of this Agreement shall not apply to business administered by underwriting associations, syndicates, or pools, or business assigned to the company pursuant to any form of assigned risk program.
- C. This Agreement shall continue in full force and effect until suspended or terminated as provided herein.

- D. This Agreement represents the entire understanding of the parties with respect to the subject matter hereof, and supersedes and terminates any prior or contemporaneous agreements, whether written or oral, in which the Agent and the Manager are parties, except that commissions earned under any prior agreements will continue to be paid. Agent will perform all acts proper to continue and service insurance written under any previous agency agreement, and renewal of any business previously written under such agreement shall be deemed renewals under this Agreement.
- E. Neither the Company nor the Manager shall be responsible for any costs or expenses incurred by Agent, whether on the Agent's own behalf or on the Company or Manager's behalf, unless such costs or expenses are approved in advance and in writing by the Company or Manager, as the case may be.
- F. Agent acknowledges and agrees that Agent is fully responsible for the acts and omissions of all persons, whether licensed or unlicensed, whom Agent employs, retains, or allows to transact or assist in the transacting of insurance under this Agreement as if those acts or omissions were those of the Agent.
14. If the Agent is a corporation or other business entity, the Agent hereby acknowledges and agrees that the terms and conditions of this Agreement shall apply to the corporation or business entity, as well as to all persons, whether licensed or unlicensed, transacting insurance on behalf of the agency. Agent represents that the **officers, directors, and owners of 10% or more** of the outstanding interest in the corporation or business entity are as follows:

Name:	Title:	Ownership Interest:
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

15. **ERRORS & OMISSIONS COVERAGE**

The Agent shall have and maintain errors and omissions coverage having limits of not less than \$1,000,000 on an occurrence basis and not less than \$1,000,000 on an aggregate basis. The Agent shall provide documentation of such coverage at the request of the Manager or Company and shall notify the Manager within three (3) days of any cancellations, terminations, or modifications to the coverage. The Manager reserves the right to determine whether the form of coverage and insurance carrier are acceptable to the Manager in its sole discretion. Agent hereby acknowledges and agrees that such coverage shall extend to every person under Agent's supervision, direction or employ.

16. **OTHER ITEMS**

- A. This Agreement shall be governed by and construed according to the laws of the State of Georgia without giving effect to the conflict of laws principles thereof. If any clause, sentence, or other provision of this Agreement shall be determined to be invalid, the remaining provisions of this Agreement shall remain in full force and effect and the Agreement shall be construed as of the invalid clause, sentence, or other provision were not included.

- B. Venue for any dispute arising under or relating to this Agreement shall properly lie in the circuit court of Georgia (and in the United States District Court for Georgia in the event that any suit may be properly brought in federal court).
- C. Time is of the essence as to the dates and obligations set forth herein.
- D. Each party hereto acknowledges that it has had ample opportunity to review and participate in the development and execution of this Agreement and therefore no provision of this Agreement shall be construed in favor of or against any party by virtue of that party having drafted or not having drafted this Agreement.
- E. No past waiver of any provision of this Agreement by the Manager shall be construed as or deemed a future waiver of the same provision or any other provision of this Agreement or otherwise serve as a bar to enforcement of the same or other provision.

17. PRESERVATION OF NONPUBLIC PERSONAL INFORMATION

The Manager or a Company from time to time may have nonpublic personal financial information about customers of the Manager or the Company, or prospective customers of the Manager or the Company, that the Manager or Company may disclose to certain third parties only when those third parties have agreed to likewise protect that information. In that regard, Agent hereby acknowledges and agrees that during the course of this Agreement, whenever Agent has, is provided with, or learns of information about customers of the Manager or Company or prospective customers of the Manager or Company, Agent shall use such information only for the purposes set forth in this Agreement and for no other purpose. Agent agrees that during the term of this Agreement and thereafter, it will not provide such information to any other party, except such disclosures are may be permitted or required by law, without the Manager's prior written consent.

18. GUARANTEE BY OFFICERS, PARTNERS OR SPOUSE

In consideration of the Manager and Company (as applicable) executing this Agreement, each of the undersigned hereby personally guarantees the performance of all terms, conditions and covenants of Agent under this Agreement and assumes personal liability and responsibility for any default in said terms, conditions, and covenants.

_____ Signature	_____ Title
_____ Signature	_____ Title
_____ Signature	_____ Title
_____ Signature	_____ Title