

DISTRICT AGENT'S APPOINTMENT AGREEMENT

The Farmers Underwriters Association, Truck Underwriters Association and Fire Underwriters Association, each a corporation, (hereinafter referred to as the "Associations") acting in their own behalf and for and as Attorneys-in-Fact for the Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange, respectively (hereinafter referred to as "the Exchanges") hereby appoint _____ (hereinafter referred to as "the District Agent") as agent of and for the Associations, _____ and of and for the Exchanges in District No. _____ in the State of _____ effective _____ and continuing until cancelled as provided herein, under the following terms and conditions:

- A. The Associations agree, in consideration of the District Agent's agreements:
1. To pay to the District Agent for all business produced by or through him, and written by the Exchanges, production and service commissions and production, underwriting, claims or other bonuses in accordance with the scale and rules adopted from time to time by the Exchanges and the Associations.
 2. To provide group life insurance for the District Agent in such sum and under such conditions as shall be provided by the rules of the Exchanges or the Associations and to regularly pay their proportion of the premiums required for such insurance.
 3. To provide Ad-Aid advertising assistance to the District Agent in such amounts as are regularly provided for like agencies and like districts.
 4. To pay to the District Agent, commission for the settlement of claims (which the District Agent hereby agrees to handle and settle to a conclusion) on such schedule as may be determined from time to time by the Exchanges.
- B. The District Agent agrees, in consideration of the Associations' agreements:
1. To actively represent the Associations and the Exchanges and to produce a satisfactory amount of business of all types written by them, such amount to be determined by the quota set for each district by the Associations; to offer to and place with the Exchanges only, all business acceptable to them; to represent no other insurer without written consent of the Associations.
 2. To conform to the regulations of the Associations and the Exchanges and to diligently provide claims and other service to policyholders of the Exchanges and to train and appoint sufficient Local Agents to extend the benefits of the Exchanges' insurance throughout the district.
 3. To maintain adequate records of all business transacted as required by the Associations, and to make them available for audit and review by the Associations' representatives at all reasonable times; to surrender, on demand, all records, cards, books, manuals, papers, forms or material of whatsoever kind, and all copies thereof, whether or not furnished by any of the Associations, having to do in any manner with the business of the Exchanges or the Associations.
 4. To maintain telephone service under the name of the Exchanges, the contract or subscription therefor to be signed by the Farmers Underwriters Association for the Farmers Insurance Exchange by the District Agent as agent.

C. This agreement and the agencies created hereby may be cancelled by either of the parties hereto on thirty (30) days written notice; provided, however, that in the event of fraud or embezzlement of Exchange or Association funds by the District Agent, such cancellation may be effected immediately.

D. The District Agent agrees that all commissions, fees or compensation of whatsoever kind, except such as are then due and payable, shall cease on the date of cancellation or other termination of this agreement, and that renewals and expirations are and remain the property of the Associations.

E. In the event of cancellation or other termination of the agencies created hereby for any reason whatsoever, except for fraud or embezzlement of Exchange or Association funds, the Associations agree to give first consideration to a nomination by the District Agent, or in the event of his death, by his heirs or personal representatives, of his successor, provided such nominee is in all respects acceptable to them, and agree that the District Agent or his heirs or representatives may negotiate for compensation for the value of such nomination and such good will as may attach to the district and office. Such nomination must be made in writing to the Associations and the nominee ready, willing and able to replace the District Agent within thirty (30) days from and after the date of mailing by the Associations of notice of cancellation or termination of these agencies unless extended by the Associations in writing.

F. The District Agent agrees that such compensation will be reasonable and in line with current values and, therefore, agrees that such compensation will not (except with the consent of the Associations) exceed a sum equal to five (5) times the amount of service commission income earned as District Agent (but not as Local Agent) in the above-numbered district from business written by the Exchanges in the six (6) months period immediately preceding the date of cancellation or other termination of this agreement.

G. Nothing contained herein is intended or shall be construed to create the relationship of employer and employee. The time to be expended by the District Agent is solely within his own discretion so long as the quota required is maintained and the persons to be solicited and the areas within the district involved wherein solicitation shall be conducted are at the election of the District Agent. No control is intended to be exercised by the Associations over the time when, the place where or the manner in which the District Agent shall operate in carrying out the objectives of this agreement, provided only that they conform to normal good business practice.

WITNESSES:

FARMERS UNDERWRITERS ASSOCIATION
TRUCK UNDERWRITERS ASSOCIATION
FIRE UNDERWRITERS ASSOCIATION

Reference is hereby made to Sub-paragraph 1 of Paragraph B of that certain contract between

and the Farmers Underwriters Association, Truck Underwriters Association, and Fire Underwriters Association, referred to herein as "The Associations", dated _____ and notwithstanding anything contained herein, said _____ is hereby granted permission to represent the following companies for the purpose only of placing there-with such insurance as is either not written by or acceptable to the Exchanges represented by the Associations.

This permission shall continue until written notice of cancellation thereof shall be given to the said

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For the Associations.