

LOCAL AGENT'S AGREEMENT

The FARMERS UNDERWRITERS ASSOCIATION, TRUCK UNDERWRITERS ASSOCIATION and FIRE UNDERWRITERS ASSOCIATION, each a corporation, hereinafter called "The Associations" (representing the Farmers Automobile Inter-Insurance Exchange, the Truck Insurance Exchange, and the Fire Insurance Exchange, respectively, known herein as the "EXCHANGES") hereby appoint their local agents in District No. _____ hereinafter called "THE LOCAL AGENT", as one of _____ in the State of _____ effective _____ in the area generally in and around _____, 194 _____ and continuing until cancelled as provided herein, under the following terms and conditions:

- A. The Associations agree in consideration of the Local Agent's Agreement:
1. To pay to the Local Agent for all business produced by him and written by the Exchanges, production and service commissions, and underwriting, claims, production or other bonuses in accordance with rules adopted by the Exchanges or the Associations.
 2. To provide group life insurance for the Local Agent in such sum and under such conditions as shall be provided by rules of the Associations or Exchanges and to regularly pay their proportion of the premiums required for such insurance.
 3. To provide Ad-Aid assistance to the Local Agent in such amounts as are regularly provided under the rules of the Exchanges or the Associations.
 4. To pay to the Local Agent, if and when authorized to settle claims, commission for the settlement of claims (which the Local 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 Local 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; 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 all rules and regulations of the Associations, the Exchanges and the District Agent and to diligently provide claims and other service as required to policyholders of the Exchanges.
 3. To maintain adequate records of all business transacted as required by the Associations and to make them available for audit 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 undersigned Associations, having to do in any manner with the business of the Exchanges or the Associations.
- C. This Agreement may be cancelled by either of the parties hereto on thirty (30) days written notice.
- D. The Local 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 all renewals and expirations are and remain the property of the Associations.
- E. In the event of cancellation or other termination of the agency created hereby for any reason whatsoever except fraud or embezzlement of company funds, and provided that there shall then be a total of 500 or more policies of the Exchanges in force and in the Local Agent's name, the Associations agree to give first consideration to a nomination by the Local Agent or in case of his death, by his heirs or personal representatives, of his successor, provided his successor is in all respects acceptable to the District Agent and to them, and agree that Local Agent or his heirs or representatives may negotiate with such successor for reasonable compensation for the value of such nomination and such good will as may attach to the agency. Such nomination must be made in writing to the Associations within thirty (30) days from and after the date of mailing by the Associations of notice of cancellation or termination of his agency.
- The Local Agent agrees that such compensation will be reasonable and that, therefore, such compensation shall not exceed an amount equal to the renewal commissions which would become due over a twelve month period on business remaining on the books of the Associations in the name of the Local Agent on the date of termination of this agreement at the rate of such renewals prevailing on that date.
- F. Nothing contained herein is intended or shall be construed to create the relationship of employer and employee. The time to be expended by the Local Agent is solely within his discretion and the persons to be solicited and the area within the District involved wherein solicitation shall be conducted is at the election of the Local Agent. No control is intended to be exercised by the Associations over the time when, the place where, or the manner in which the Local Agent shall operate in carrying out the objectives of this agreement provided only that they conform to normal good business practice.

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FIRE UNDERWRITERS ASSOCIATION