

# Agent's Appointment Agreement

Farmers Underwriters Association, Truck Underwriters Association and Fire Underwriters Association, each a corporation (hereinafter called the "Associations"), each acting in its own behalf and for and as Attorney-in-Fact for the Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange, respectively (hereinafter called the "Exchanges");

Mid-Century Insurance Company, a corporation (hereinafter called "Mid-Century"), acting in its own behalf; and

Farmers New World Life Insurance Company (hereinafter called "Farmers New World"), acting in its own behalf;

Each hereby appoint \_\_\_\_\_ (hereinafter called the "Agent") as an Agent of and for the Associations, the Exchanges, Mid-Century and Farmers New World, respectively (all hereinafter collectively called the "Companies") in District No \_\_\_\_\_ in the State of \_\_\_\_\_ in the area generally in

and around \_\_\_\_\_ effective \_\_\_\_\_ 19 \_\_\_\_\_ and continuing until terminated or cancelled as provided herein, under the following terms and conditions:

A. The Associations and Mid-Century, respectively, agree in consideration of the Agent's Agreements:

1. To pay to the Agent for all business produced by him and written by the Exchanges and Mid-Century, respectively, production and service commissions and underwriting, claims, production, or other bonuses in accordance with rules adopted from time to time by the Exchanges, Associations and Mid-Century, respectively.
2. To provide Ad-Aid assistance to the Agent in such amounts as are regularly provided under the rules of the Exchanges, Associations and Mid-Century, respectively.
3. To pay to the Agent, if and when authorized to settle claims, commission for the settlement of claims on such schedule as may be determined from time to time by the Exchanges and Mid-Century, respectively.

B. The Associations further agree to arrange for group life insurance for the Agent, in such sums and under such conditions as shall be provided for by rules of the Associations or Exchanges, and to regularly pay their proportion of the premiums required for such insurance.

C. The Agent agrees, in consideration of the agreements of the Companies herein contained:

1. To actively represent the Companies in the production of business of all types written by them; to offer and place only with the Companies all business acceptable to them, and to represent no other insurer without the written consent of the Companies.
2. To conform to all rules and regulations, operating principles and standards of the Companies and the District Manager, and to diligently handle and settle claims, if and when authorized in writing by the respective Companies, and to provide other service, as required, to policyholders of the Companies.
3. To maintain adequate records of all business transacted and make them available for audit by representatives of the Companies at all reasonable times; to surrender on cancellation or termination of the agency or this agreement, all records, cards, books, manuals, papers, forms, or other material of whatsoever kind, and all copies thereof, whether or not furnished by any of the Companies, having to do in any manner with the business of the Companies.
4. To list any telephone service maintained by the Agent, under the name of "Farmers Insurance Group" and the District Manager of his District, and to execute concurrently herewith an irrevocable Request for Supersedure and Power of Attorney concerning said telephone service, in favor of Farmers Underwriters Association or its assignee, to be effective in the event of cancellation or termination of this Agreement or the agencies created hereby, it being understood and agreed that Farmers Underwriters Association or its assignee shall be entitled to all of the Agent's right, title and interest in such telephone service and number at said time.

D. This Agreement and any or all of the agencies created hereby shall terminate upon the death of the Agent, and may be cancelled by either the Agent or the Companies on thirty (30) days written notice; provided, however, that in the event of fraud or embezzlement of funds of any of the Companies by the Agent, or the failure to promptly remit such funds in accordance with prescribed rules, or the contacting, directly or indirectly, of any policyholder of any of the Companies for the purpose of switching insurance to any other insurer, cancellation may be effected immediately.

E. It shall be a condition precedent to the Agent's right to receive any commissions, fees, bonuses, benefits or compensation, or any portion or installment thereof, including any deferred commissions, that he be an agent of record of the Companies as of the date when they are payable in accordance with the rules of the Companies, and, in the event of cancellation or other termination of this Agreement or the agencies created hereby, they shall not be considered as earned by the Agent unless they are due and payable, in accordance with said rules, prior to the effective date of such cancellation or other termination, the Agent hereby waiving any and all right to receive any of the same after said date, and agreeing that no payment of any kind shall thereafter be made. It is agreed on the part of the Companies that the Agent shall not be liable to them for any return or "charge-back" of commissions on account of policy cancellations made after the cancellation of this Agreement or the agencies created hereby.

F. In the event of cancellation or other termination of the agencies created hereby for any reason whatsoever, except where a right of immediate cancellation exists for any of the reasons set forth in Paragraph "D" above, and provided that there shall be a total of 500 or more policies of the Companies in force, and in the Agent's name, the Companies agree to give first consideration to a written nomination of his successor by the Agent, or in case of his death, by his heirs or personal representative, provided such nominee is in all respects acceptable to the Companies. It is further agreed that the Agent or his heirs or personal representative may negotiate with such nominee for reasonable compensation for the value of such nomination and such good will as may attach to the agencies. Such nomination and all negotiations and agreements between the Agent, or his personal representative, and an acceptable nominee must be completed and the nominee ready, willing and able to replace the Agent within thirty days after the effective date of cancellation as set forth in the notice of cancellation, or in the event of termination by reason of the Agent's death, within thirty days thereafter. Time is of the essence, and upon the expiration of said thirty day period, unless the same is extended in writing by the Companies, the Agent shall have no further privilege to nominate, or right, title or interest in and to or arising out of the Appointment Agreement or Agency, including the good will thereof. It is further agreed that the privilege granted to the Agent in this Paragraph shall immediately lapse and be void if the Agent shall fail to remit funds in accordance with prescribed rules, or directly or indirectly make any contact with any policyholder of any of the Companies for the purpose of switching insurance to any other insurer, or shall be guilty of fraud or embezzlement of any of the Companies' funds.

The Agent further agrees that the amount of the above mentioned reasonable compensation for the value of said nomination and good will of the agencies will in no event, except with the written consent of the respective Companies, exceed an amount equal to two times the service commissions paid to the Agent during the six month period immediately preceding the date of cancellation or other termination of this Agreement on business written in the Exchanges and Mid-Century, and two times the service commissions paid to the Agent at the end of the two quarterly periods next preceding the date of cancellation or other termination of this Agreement on business written in Farmers New World.

G. In the event of cancellation or termination of this Agreement by either party, for whatsoever reason, the Agent will not, for a period of one year from the effective date of cancellation or termination, directly or indirectly, in any manner solicit, accept or service for or on behalf of himself or any insurer, agent or broker, the insurance business of any members or policyholders of any of the Companies within the County or Counties in which the District is located, or within the immediately adjoining Counties, nor will he use or divulge any information or list concerning any of such policyholders or their policies.

H. The Agent further agrees that in event of cancellation or other termination of this Agreement, or of the agencies created hereby, by either party, he will, subject to the approval of the Companies, in consideration of the compensation received for his nomination of a successor, sell the good will of the insurance agency to the nominee named in accordance with Paragraph "F" hereof, and further agrees that as long as the buyer, or any person deriving title to said good will from such buyer, carries on such business or agency, up to a period of one year from date of sale, he will neither directly nor indirectly, as an individual, employee, agent, partner, or otherwise, carry on, or engage in, any insurance business within the county or counties in which the District above referred to is located, or within the immediately adjoining counties, nor for said period, and within said territory, solicit or accept the custom, trade, or business, or interfere with the policy

contract of any members or policyholders of the Exchanges, Mid-Century or Farmers New World, and the Agent further agrees, that at the time of said sale, he will enter into a contract containing all of the foregoing provisions, with such nominee. The Agent further agrees that he will not, at any time after any such cancellation or termination of this Agreement, or the agencies created hereby, interfere with the agency contracts of any of the agents of the Companies by either directly or indirectly soliciting or urging any of said agents to cancel their agency contracts, or otherwise terminate their agencies with any of the Companies.

I. The Agent specifically agrees that all renewals and expirations, as well as any and all rights or privileges for the continuing effectiveness of all policies produced on behalf of the Exchanges, Associations, Mid-Century and Farmers New World, including all records pertaining thereto, are and shall at all times remain the property of the Associations, Mid-Century and Farmers New World, respectively, and the Agent waives any and all right, title and interest in and to the same, and nothing herein or elsewhere contained is intended to, or shall be construed to entitle him to the same or any interest therein.

J. Nothing contained herein is intended or shall be construed to create the relationship of employer and employee. The time to be expended by the 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 Agent. No control is to be exercised by the Companies over the time when, the place where, or the manner in which the Agent shall operate in carrying out the objectives of this Agreement, provided only that they conform to normal good business practice and to all State and Federal laws governing the conduct of the Companies and their agents.

K. This Agreement cannot be modified, nor any of its terms waived or changed except by written agreement of the parties hereto, and it supersedes all prior agreements or contracts, written or verbal, previously entered into by the parties hereto.

L. In addition to Paragraphs "C" to "K" above, both inclusive, which apply to the Agent's appointment as agent for all Companies, the following provisions shall apply only to his appointment as agent for Farmers New World:

1. The Agent shall be an agent of and for Farmers New World to solicit applications for insurance on the lives of individuals, to collect and pay over all premiums received as directed by the Company, and to perform such other duties as are hereinafter stated, and for no other purposes whatsoever.
2. The Agent shall have no authority to bind Farmers New World in any way, nor to waive any forfeiture or any of the Farmers New World's customary requirements.
3. The Agent shall promptly deliver to Farmers New World all applications obtained by him, and shall strictly observe all the rules and regulations of Farmers New World now in force, or such as may be adopted from time to time.
4. The Agent agrees to keep and render full and true accounts of all business done by or through him and of all money or property received and collected by him whenever required by Farmers New World, which, on the other hand, agrees to furnish the Agent with a copy of any ledger entries of his account made subsequent to those appearing on any previous copies so furnished, but not more often than once a month.
5. No expenses or charges of any kind, except those specifically allowed in writing, shall be paid by Farmers New World.
6. As compensation for his services Farmers New World will pay the Agent commissions, renewals and bonuses as announced and determined in schedules of commissions and rules and regulations adopted by Farmers New World from time to time.

FARMERS UNDERWRITERS ASSOCIATION  
TRUCK UNDERWRITERS ASSOCIATION  
FIRE UNDERWRITERS ASSOCIATION,  
For Themselves and as Attorneys-in-Fact  
for said Exchanges;  
MID-CENTURY INSURANCE COMPANY,  
FARMERS NEW WORLD LIFE INSURANCE COMPANY

WITNESSES: