

FARMERS INSURANCE GROUP AGENT APPOINTMENT AGREEMENT

Between _____ (hereinafter called the "Agent") and
FARMERS INSURANCE EXCHANGE, TRUCK INSURANCE EXCHANGE, FIRE INSURANCE EXCHANGE,
MID-CENTURY INSURANCE COMPANY, FARMERS NEW WORLD LIFE INSURANCE COMPANY, and,
_____ all hereinafter collectively called the "Companies."

The Agent accepts appointment by the Companies as an agent of and for the Companies in District No. _____
in the State of _____ effective _____ and continuing until terminated
by either party as provided herein, under the following mutually agreed upon terms and conditions:

A. The Companies agree in consideration of the Agent's agreements:

1. To pay new business and service commissions or any other commission to the Agent in accordance with commission schedules as established by the Companies and in effect on the effective date of a commission transaction.
2. To arrange for Group Life and Comprehensive Medical Insurance plans and pay a portion of the premium if the Agent elects to apply for coverage under these plans. The balance of the premium will be paid by the Agent if he is covered under these plans.
3. To provide approved Company manuals, forms and policyholder records necessary to carry out the provisions of this Agreement.
4. To provide advertising assistance (Ad-Aid) as provided by the Ad-Aid programs as established by the Companies.
5. To make available to the Agent education and sales training programs developed by the Companies.

B. The Agent agrees in consideration of the Companies' agreements:

1. To sell insurance for the Companies and to submit to the Companies every request or application for insurance for the classes and lines underwritten by the Companies and eligible in accordance with their published Rules and Manuals. All business acceptable to the Companies and written by the Agent will be placed with the Companies.
2. To provide the facilities necessary to furnish insurance services to all policyholders of the Companies including, but not limited to, collecting and promptly remitting monies due the Companies, receiving and adjusting claims within his authority, notifying the Companies of all claims beyond his authority, and servicing all policyholders of the Companies in such a manner as to advance the interests of the policyholders, the Agent and the Companies.

The location of the Agent's office cannot unduly interfere with the business established by another Agent.

3. To permit authorized representatives of the Companies to review and examine agency records for the purpose of verifying compliance with this Agreement.
4. To provide a fidelity bond in favor of the Companies. The Agent may either participate in the blanket fidelity bond arranged by the Companies by paying the applicable premium, or he may obtain a separate fidelity bond acceptable to the Companies, at his expense, with a minimum limit of \$10,000.

C. This Agreement terminates upon the death of the Agent and may be terminated by either the Agent or the Companies on three (3) months written notice.

If the provisions of this Agreement are breached by either the Agent or the Companies, the Agreement may be terminated by the other party on thirty (30) days written notice. This Agreement may be terminated immediately by mutual consent or by the Companies for the following reasons:

1. Embezzlement of monies belonging to the Companies.
2. Switching insurance from the Companies to another carrier.
3. Abandonment of the Agency.
4. Conviction of a felony.
5. Wilful misrepresentation that is material to his Agency operation.

D. In the event this Agreement is terminated by the Companies, the Agent may within ten (10) days of receiving the notice of termination request a review of the termination by a termination review board.

The termination review board will be composed of:

1. An Agent of the Companies selected by the terminated Agent, such Agent must be a member of the President's Council from the same Region as the terminated Agent;
2. The Regional Manager or his representative, and
3. A third party to be mutually selected by the other two members of the board.

The Review Board will convene within twenty (20) days of the request by the Agent at the Regional Office or such other convenient place selected by the Regional Manager.

The Board will submit a summary of the hearing and its recommendations to the Executive Home Office.

The chief executive officer and members of his staff will review the summary and recommendations, reach a decision and promptly advise the Agent of that decision.

E. If this Agreement is terminated, the Agent shall be entitled to first year commissions which become payable over the next twelve months following termination for Farmers New World Life business written prior to termination and payment of those commissions will be after the completion of the twelve months. The Agent shall also be entitled to new business commissions less new business chargebacks for business written prior to termination in the Companies other than Farmers New World Life.

No service commissions will be payable to the Agent after termination of the Agreement.

F. The Agent or his heirs may sell all or any part of this Agency to a member(s) of the Agent's immediate family at any time, provided the purchaser is acceptable to the

Companies, and provided the sale price does not exceed the proportionate share of the "Contract Value" (as hereinafter defined) of the Agency.

- i. In the event of termination of this Agreement, the Companies will normally pay "Contract Value" to the Agent or his heirs in the manner hereinafter set out. If the Companies do not pay the "Contract Value," the Agent or his heirs may, in writing, nominate a successor(s). Such nominee(s) must be acceptable to the Companies, and be ready, willing, and able to operate the Agency within thirty (30) days of termination of this Agreement.

The Agent, or his heirs, may negotiate with such nominee(s) for the purchase of his interests under this Agreement, but the sale price shall in no event exceed the "Contract Value."

CONTRACT VALUE

Contract Value is based upon (1) the amount of service commissions paid to the Agent on his active policies during either the six month or twelve month period immediately preceding termination; (2) the number of policies in the Agent's active code number; (3) the number of years of continuous service as an Agent for the Companies immediately prior to termination.

In the event termination is because of embezzlement, there is no Contract Value.

If the Agent has less than 50 policies in his active code number, there is no Contract Value, otherwise Contract Value will be computed for each Company in accordance with the following schedules on either a six month or twelve month basis, whichever is higher:

Six Month Service Commissions

Number of Active Policies	Years of Service			
	First 5 yrs.	Next 5 yrs.	Next 5 yrs.	Over 15 yrs.
	%	%	%	%
50- 500	50	100	150	200
501-1000	100	150	200	
1001-1500	150	200		
Over 1500	200			

Twelve Month Service Commissions

	Years of Service			
	First 5 yrs.	Next 5 yrs.	Next 5 yrs.	Over 15 yrs.
	%	%	%	%
50- 500	25	50	75	100
501-1000	50	75	100	
1001-1500	75	100		
Over 1500	100			

Active policies are all policies registered in an Agent's code number except those policies assigned to his 500 series code number.

When an Agent dies or becomes totally disabled, Contract Value will be paid in one installment. Otherwise, Contract Value will be paid in not less than three equal installments, and at not less than six month intervals. The number of installments and interval of payment, subject to the above stated minimums, is at the election of the Agent. The first installment will be paid as soon as possible following termination.

- H. The Agent agrees to transfer and assign all of his interest under this Agreement and Agency (including any interest in the telephone numbers and leased or rented office location) to the Companies or any other purchaser in the event they make payment to the Agent pursuant to Paragraph G of this Agreement. For the payment received, he further agrees that for a period of one year following the date of sale he will neither directly nor indirectly solicit, accept, or service the insurance business of any policyholder of record in the agencies of this district as of the date of sale. The Agent acknowledges that all manuals, lists and records of any kind (including information pertaining to policyholders and expirations) are the confidential property of the Companies and agrees they shall not be used or divulged in any way detrimental to the Companies and shall be returned to the Companies upon termination of the Agency.

- I. Nothing contained herein is intended or shall be construed to create the relationship of employer and employee; rather, the Agent is an independent contractor for all purposes.

The time to be expended by the Agent is solely within his discretion, and the persons to be solicited and the area wherein solicitation shall be conducted is at the election of the Agent.

The Agent shall, as an independent contractor, exercise sole right to determine the time, place and manner in which he carries out the objectives of this Agreement, provided only that he conform to normal good business practice, and to all State and Federal laws governing the conduct of the Companies and their Agents.

- J. This Agreement shall take the place of any previous "Agent's Appointment Agreement" between the Agent and the Companies; however, any existing written addendums to such Agent's Appointment Agreement and/or any other existing supplementary written agreements between the Companies and the Agent shall remain in force, and any reference therein to "Agent's Appointment Agreement" shall be related and applied to this Agreement.

No change, alteration or modification of this Agreement may be made unless it is in writing and signed by the Agent and an authorized representative of the Companies.

FARMERS INSURANCE EXCHANGE by Farmers Underwriters Association, Attorney-in-Fact;

TRUCK INSURANCE EXCHANGE by Truck Underwriters Association, Attorney-in-Fact;

FIRE INSURANCE EXCHANGE by Fire Underwriters Association, Attorney-in-Fact;

MID-CENTURY INSURANCE COMPANY • FARMERS NEW WORLD LIFE INSURANCE COMPANY