American Colonial Insurance

AMERICAN COLONIAL INSURANCE SERVICES LIMITED PRODUCER AGREEMENT
(Citizens Property Insurance Corporation Assumption Program)

THIS AMERICAN COLONIAL INSURANCE SERVICES LIMITED PRODUCER AGREEMENT, hereinafter referred to as "Agreement," is made this _____ day of _____, 20__ by and between

Producer Name_____

Producer Code _____

Producer Address _____

Telephone Number _____

Facsimile _____

Email Address _____
hereinafter referred to as "Producer," and ACIS (and its affiliates indicated on Schedule 1 attached hereto), all of which companies have their Administrative Offices at 550 West Merrill Street, Suite 200, Birmingham, MI 48009 and are hereinafter referred to, jointly or individually, as "Company."

WITNESSETH: In consideration of the foregoing and the mutual covenants and promises contained herein, the parties agree as follows:

I. Authority and Appointment

Company hereby appoints and grants limited authority to Producer to solicit, receive applications, provide quotes, and to assist in effectuating the Company's replacement contracts on policies assumed from Citizen's Property Insurance Corporation, ("Citizens"), at the time of the policyholders' respective expirations in Citizens and receipt of replacement policy offers from the Company and at each subsequent renewal thereof while the applicable policies and this Agreement remain in effect. This Agreement does not confer any authority to solicit or bind any other policies on behalf of the Company. For these services, Producer shall be eligible for a commission that is specified in Company's Commission Schedule, attached hereto. The services listed above shall be in compliance with the Company's current program manual, underwriting rules, rate guides, regulations, rates, procedures, directives, and other written and electronic instructions, hereinafter referred to as "Guidelines." The services set forth above are subject to Producer's restrictions dictated by the applicable laws of the state of Florida and State(s) where Producer is authorized to write insurance and to the terms and conditions specified in this Agreement.

Company also grants authority to Producer to collect, receive and record receipt for premium and to provide such usual and customary services of an insurance agent on all contracts of insurance accepted by Company, in accordance with the Guidelines. Premiums must be forwarded to the designated service office of Company pursuant to the terms of this Agreement. All of the authority granted is subject to the limitations set forth herein and in the Guidelines. Producer hereby agrees to indemnify Company for any loss sustained by Company as a result of failure of Producer to forward such premiums as required herein. Company retains the right to terminate this Agreement, seek a claim against Producer's Errors and Omissions Coverage, or seek any available legal or equitable remedy should Producer fail to follow the terms of this Provision.

Producer is not authorized to backdate the inception date of any policy or endorsement. Producer may not place any risk without first receiving the appropriate down payment and obtaining a signed application and other relevant forms from an applicant. Producer has no authority to submit to Company applicant or policyholder information that Producer knows or has reason to know is false or inaccurate. Producer may not place coverage on any risk or category of risk that is listed as unacceptable in the Guidelines, nor may Producer place coverage on any class of risk or type of insurance not specified in the Guidelines. Company may further restrict any part or all of Producer's authority, but exercising that right will not cancel this Agreement nor reduce Producer's obligations hereunder. Receipt of any program manuals that are outside Producer's authority shall not be construed as an expansion of that authority absent confirming written notice.

Producer does not have authority to issue cancellation or nonrenewal notices unless specifically authorized to do so in writing by Company. Producer does not have authority to investigate, adjust, settle, or arrange to settle, or litigate claims arising from policies written by Producer. Producer has no authority to and shall not admit any liability on the part of Company for any claim under any policy issued by Company. Producer shall not allow anyone other than an applicant or spouse to endorse, sign on behalf of, or affect coverage under a policy. Producer may issue financial responsibility filings, certificates of insurance or other proofs of insurance only if specifically authorized in writing by Company to do so.

This authority applies only to individuals, agencies, producers, and/or branch offices specifically appointed or authorized by Company. Producer is not authorized to accept business on Company's behalf from or provide Company programs and/or applications to parties not specifically included in this Agreement. Producer may not designate or appoint any sub-producer and none of Producer's rights and/or obligations under this Agreement may be assigned or granted to any sub-producer without the express prior written approval of Company. All activities to be performed by Producer under this Agreement shall be performed by Producer or employees of Producer who are properly licensed and appointed with Company.

The appointment under this Agreement is non-exclusive as to either party. Producer may represent other insurance companies and Company may appoint other agents. Nothing herein contained shall be construed to create the relationship of employee and employer between Company and Producer. Producer is acting as an independent contractor only and not as an employee, partner, joint venture or associate of Company. Producer may exercise its own judgment as to the time and manner of performance of services, except that Producer shall conform to Company's directives, Guidelines, rules, and regulations as specified in this Agreement, the Guidelines, and/or as announced from time to time. Producer shall have no power or authority to incur expenses on behalf of Company, nor shall Producer use Company's name in any advertising, publicity, or promotional material without prior written approval of Company.

A background check may be conducted at any time during the appointment as a Producer for Company. A background check may include, but is not limited to, consumer reports, credit bureau reports, insurance department records, and services of other information vendors. Producer authorizes Company to perform any background check by signing this Agreement.

II. Term

This Agreement shall be effective as of the date it is executed and shall continue in force thereafter for a term of one year, unless earlier terminated by either party pursuant to Section XII – Termination. Absent such prior termination, this Agreement shall automatically renew for successive one-year terms.

III. Licensure/Errors and Omissions Coverage

Producer shall maintain Errors and Omissions insurance coverage in such amounts as Company shall reasonably require, which coverage shall not be less than one million and 00/100 Dollars ($1,000,000) coverage per occurrence, which will be underwritten by insurers rated A-or better by A.M. Best or deemed otherwise satisfactory to Company, and which will cover Producer and each of its employees. The amount of the Errors and Omissions Coverage shall be reviewed annually to determine its adequacy. Producer shall provide evidence satisfactory to Company demonstrating the existence of such coverage within ten (10) days of the effective date of this Agreement and within ten (10) days of the renewal of such coverage. Such satisfactory evidence includes, but is not limited to, a photo static or facsimile copy of the Declarations page of said Errors and Omissions insurance policy. The Errors and Omissions Coverage shall provide that Company shall receive written notice within thirty (30) days in the event of termination, lapse, or reduction of this coverage.

Producer shall secure and maintain the insurance licenses for all business entities, officers, employees and/or applicable solicitors as required by state regulatory authority, and will not allow solicitation of insurance business outside the scope of said licenses. Failure to maintain required licensure and Errors and Omissions Coverage shall be grounds for termination of this Agreement.

IV. Commission/Compensation

Upon meeting the terms of this Agreement, Producer shall be entitled to receive and Company agrees to pay as full compensation a commission on the premium written and remitted to Company. The amount shall be based on the Commission Schedule in effect at the time such new business is written, as outlined in the Guidelines. No commission shall be paid to Producer on policy fees charged by Company. It is understood that Company may unilaterally change its Commission Schedule at any time. No minimum prior notice is required and no minimum commission is agreed upon except as required by law of the state in which the policy is written. Renewal commission shall be determined by the Commission Schedule in effect at the time each policy is renewed. Company has the right to deduct from commissions due to Producer any monies due from Producer.

V. Premium Payment and Trust Account

Money is due to Company on new business placed by Producer with Company and is to be remitted by Producer with each new application as further described in this section**.** Company retains responsibility for billing installments, endorsements, and renewals, including increases and additional premiums. Company shall send all cancellation or credit refunds directly to policyholders. Company agrees to hold Producer harmless for loss to policyholders caused by direct Company error in the billing, processing, and crediting of such monies. However, Producer is obligated to immediately notify Company of any known potential claim arising from problems related to these billing procedures. Producer shall also be obligated to notify Company of any check Producer receives from an applicant or policyholder that is returned for any reason by the bank upon which it is drawn. Company shall have the responsibility to collect all unpaid policy premium account balances resulting from negotiable instruments that are countermanded by the policyholder, returned for insufficient funds, or returned for any reason beyond Producer's control. Company will reimburse Producer for any charges imposed by any financial institution arising out of such occurrences. Company retains the right to examine physical proof of said charges prior to the issuance of any reimbursement made to Producer. Producer shall remain responsible for payment of all unpaid, earned premium if Producer causes such premium to be unpaid for any reason, voluntary or involuntary, including but not limited to the following occurrences: the failure to maintain an adequate premium fund trust account balance; attachment by or assignment of such funds to creditors; countermanded electronic funds transfer orders; the adjudication of Producer as insolvent in any court; the entry of an order for relief against Producer under the United States Bankruptcy Code and/or similar law; or the garnishment of premium funds held in trust for Company. Company will not be responsible for reimbursement of any charges imposed by any financial institution arising out of such occurrences. If Producer causes a policy premium to be unpaid for any such reasons, Company shall have the right to terminate this Agreement.

If Producer engages in electronic funds transfer with Company, then Producer shall deposit after receipt all premium payment funds into an account with a financial institution for the purpose of affecting an electronic transfer of such funds to Company. Producer shall complete and execute a Funds Transfer Authorization Agreement if Producer elects to make payments through electronic funds transfer. Producer acknowledges that the signing of the Funds Transfer Authorization Agreement does not affect Producer’s primary obligation for payment.

If Producer does not engage in electronic funds transfer with Company, then Producer shall forward to Company immediately after receipt any check, money order or other instrument of premium payment made payable to Company. Similarly, if such an instrument is made payable to Producer, then Producer shall properly endorse the instrument and immediately forward the same to Company. If the Producer receives premium payment in the form of cash, then Producer shall deposit such funds into an account with a financial institution and immediately forward a check made payable to Company for any applicable premium due.

Excluding the electronic transfer of funds, issuance of any check or draft by Producer, which is returned by the bank upon which it is drawn, shall be grounds for termination of this Agreement. Company reserves the right to require Producer to deposit all premiums received on Company's behalf in a premium fund trust account, whether or not required by state law. Producer shall be entitled to the income from such funds accrued during the time it is holding them in trust for Company in accordance with the terms of this Agreement.

VI. Monthly Statement

Company shall prepare and send a monthly commission statement to Producer after closing its books for the prior month. The statement shall reflect commissions due to Producer from Company on new business, renewals and/or endorsement premiums.

For amounts due to Producer, Company shall attach its check for the net amount. If the net result is an amount due to Company, Producer shall remit his or her payment to Company no later than ten (10) days after the billing of the amount due. Should there be any omission of any item from a monthly statement, this shall not affect the responsibility of either party to account for and pay all amounts due the other, and it shall not prejudice the rights of either party to collect such amounts.

VII. Fiduciary Relationship and Duties

Funds received by Producer for and on behalf of Company shall not be misappropriated or converted to Producer's own use or illegally withheld from Company. These funds shall be handled after receipt as described in Section V -Premium Payment and Trust Account. All funds received by Producer as premiums and related fees for insurance written under this Agreement shall be held in a fiduciary capacity in trust for Company's benefit. Company shall have a first lien on such funds, either before or after termination of this Agreement. In the event of termination of this Agreement, Producer shall continue to hold these funds in a fiduciary capacity in trust for Company's benefit until paid to Company. Notwithstanding any portion of this Agreement to the contrary, Company may use any amounts owed to Producer to offset amounts owed by Producer to Company.

Producer’s fiduciary duty to Company shall extend to representations made in the course of business. Should Producer engage in misrepresentation or permit another to engage in misrepresentation in connection with an application for insurance with Company, Producer's fiduciary duty shall have been violated and this Agreement shall be subject to termination at Company’s option. Company retains the right to seek any available legal or equitable remedy in the event Producer engages in willful misrepresentation with respect to any of the duties, responsibilities, or provisions set forth herein.

VIII. Successors & Assigns

Producer’s rights, responsibilities and interests under this Agreement shall not be assigned or transferred without the prior written consent of Company. Producer shall notify Company of its intent to sell, merge or otherwise transfer all or part ownership of its insurance agency or in its interest in the expirations of business or in its assets. Such notice shall be given as soon as practicable, but in no event less than thirty (30) days prior to the effective date of such proposed transaction. Company shall not unreasonably withhold its appointment of any successor producer, provided that Producer has given the required notice and has complied in all material respects with the obligations imposed upon it by this Agreement and the successor producer in the sole, reasonable opinion of Company, is reputable and qualified for appointment by Company.

IX. Policy Cancellation

Company shall have the right to cancel at any time and for any reason any policy of insurance, but Company shall cancel policies only in accordance with the policy terms and applicable state law. Company reserves the right to cancel any contract of insurance at any time by direct notice to the insured and without prior notice to Producer unless required under the laws of the state in which such a contract of insurance is written. If applicable state law provides Producer the opportunity to receive notice of policy cancellation before the same is delivered to an insured, this Agreement shall serve as a waiver of such prior notice.

X. Book of Business/Expirations

The ownership, use, and control of expirations, the records thereof, and Producer’s work product shall remain the property of Producer. Company reserves the right to notify current policyholders of any additional products and/or services that are available to the customer and could potentially result in premium savings. If Producer should enter into any separate third party agreement with any entity other than Company whereby the rights, privileges, or responsibilities of Company, as set forth herein, are in any way limited, altered, or modified, the ownership, use and control of expirations, renewals, and the records thereof shall become the property of Company.

If upon termination of this Agreement Producer has not accounted for and paid all premiums and return commissions due to Company within thirty (30) days of written notice thereof, the use and control of Producer’s expirations, including all right, title and interest in and to the records thereof, shall be vested in Company as of the date of termination. In the exercise of its right to collect any indebtedness due from Producer through the ownership, use and control of Producer’s expirations, Company shall use reasonable business judgment in selling the expirations and shall be accountable to Producer for all sums received which, after deduction of Company’s expense, exceed the amount of Producer’s debt to Company. To the extent that Producer’s debt

exceeds the sums received by Company in any sale of the expirations, Producer shall remain liable to Company. As an alternative, at Company's option, Producer may be permitted to post collateral acceptable to Company to ensure payment of any indebtedness, and upon conveyance of such collateral, Producer would retain the use and control of its expirations. Company would hold the collateral until the indebtedness is satisfied.

XI. Claims & Loss Adjustment

Producer shall report and direct the insured to report to Company directly all losses and claims of any type immediately upon receiving knowledge thereof. Producer shall immediately, but in no event more than forty-eight (48) hours, transmit to Company any claim report, notice of accident, proof of loss or other information, including documents related to lawsuits arising from a claim, known to Producer and related to any claim against Company on any insurance policy. Producer agrees to cooperate fully to facilitate the investigation, settlement and payment of any claim by Company. Notice to Producer of a claim shall not be deemed notice to Company, unless prohibited by applicable state law.

XII. Termination

A. Automatic Termination. This Agreement, and all authority hereunder, shall automatically terminate in the event that one or more of the following instances occurs:

- If any public authority revokes, cancels, or declines to renew Producer's license;

- If Producer sells, transfers, or merges with another agency, unless approved by Company pursuant to Section VIII – Successors & Assigns;

- Upon the death or total disability of Producer, if Producer is an individual;

- If Producer fails to account for or remit premium to or other monies due to Company;

- Abandonment, fraud, insolvency, bankruptcy, receivership, and/or gross and willful misconduct on the part of Producer.

B. Termination With or Without Cause. Subject to applicable state law, this Agreement, and all authority hereunder, may be terminated by either party at any time and with or without cause upon delivery of ten (10) days written notice to the address of the other, said address appearing on page one (1) of this Agreement. Written notice includes, but is not limited to, registered or certified mail with return receipt requested, express overnight mail via a nationally recognized carrier, or facsimile transmission.

C. Continuing Obligations after Termination. Termination by either method listed above shall not be construed as fully discharging Producer's or Company's obligations. Upon termination, Producer and Company will continue to service the policyholder until expiration, cancellation, or nonrenewal of the policy, but Producer shall not place any new risk or renew any policies with inception dates after the date of termination of this Agreement except as provided by applicable state law; nor shall Producer increase limits on existing policies or endorse additional vehicles onto existing policies without Company's prior approval. Producer shall pay Company all amounts as they become due by Company's account, and shall deliver to Company all supplies and other property furnished to Producer by Company. All sections of this Agreement, except those sections which provide for Producer's authority, shall survive termination of the Agreement. Company reserves the right to notify policyholders of the termination of this Agreement.

XIII. Suspension of Authority

In addition to Company's right to terminate this Agreement pursuant to Section XII -Termination, Company shall have the right to elect to immediately suspend the authority of Producer. If suspended pursuant to the terms of this Section, Producer may not obligate Company in any way under the terms of this Agreement. Company's right to suspend the authority of Producer is not intended to be an exclusive remedy and shall not restrict the ability to terminate the Producer subsequently.

XIV. Confidential Information

All supplies, including software, rating materials, agent manuals, underwriting guidelines, documents, forms, policies, and business plans, furnished by Company shall always remain the property of Company and shall be returned to Company or its representative upon demand. All such information provided by and included in the supplies shall also be deemed confidential and proprietary information of Company. Producer shall not disclose to any individual or entity not a party to this Agreement, other than Producer's employees, any of the aforementioned information that was furnished to Producer by Company. Confidential information shall also include all reproductions, copies, extracts and compilations of such information. The information may be in the form of, but not limited to, manuals, forms, correspondence, electronic media or software. Upon termination of this Agreement, all such information, including reproductions, copies, extracts, and compilations of such information, shall be returned within thirty (30) days of termination to Company. Any password(s) given to Producer by Company to access any software, Internet-based application or interface, or website shall be confidential and shall not be disclosed to any third party, other than Producer's employees, without the express permission of Company. Producer shall ensure that any and all of its employees who receive any confidential information and/or password(s) shall comply with the obligations of confidentiality set forth in this Agreement.

In states where Company's point of sale credit program has been implemented as part of the insurance application process, Producer may order a consumer report containing the applicant's specific credit score. Producer agrees to inform all such applicants that they will order consumer reports for use in calculating premium, and that the report will be available to Company and its affiliates. Consumer reports, including credit scores, may not be resold or transferred to any other person or entity. Producer agrees to adopt and enforce strict procedures within its office to protect applicants' privacy and to comply with all relevant laws including the federal Fair Credit Reporting Act (FCRA). Producer agrees to advise anyone within its office involved in the point of sale credit process that the FCRA provides for personal civil liability as well as fines or imprisonment for obtaining information without having a permissible purpose, or for other violations of the FCRA. Producer agrees that when an applicant's premium changes based on credit information, it will disclose all pertinent and required information to the applicant as prescribed by law.

Both Producer and Company share with one another confidential information regarding applicants and/or customers. In the course of dealing with one another, Producer and Company each have access to the non-public personal information of the applicants and/or customers of the other. Producer and Company hereby agree to maintain the confidentiality of such non-public personal information in accordance with all applicable privacy laws and regulations. Producer and Company, and the respective employees of each, may use the non-public personal information to provide the products and services contemplated by this Agreement and as otherwise permitted by law and regulation. Producer and Company further agree to implement and maintain throughout the term of this Agreement security measures reasonably designed to: (i) ensure the security and confidentiality of the non-public personal information; (ii) protect against any anticipated threats or hazards to the security and integrity of such information, and (iii) protect against unauthorized access to or use of such confidential information that could result in substantial harm or inconvenience to any of our applicants and/or customers.

XV. Software and Upload Licensing

A. To accept a revocable, non-transferable, non-exclusive license to use the software in object code form. Producer shall not acquire any right, title or interest in or to the software or future diskettes, except the right to use them as herein provided;
B. That the software is furnished to Producer "as is," and Company makes no warranties or representations, express, statutory, or implied, as to any matter whatsoever including, without limitation, the use, operation, performance, maintenance, or condition of the software, its merchantability or fitness for any particular purpose;
C. That Company's liability for any damages or losses resulting from the software, or the use, operation, performance, maintenance, or condition thereof, will be limited to the replacement of the software. In no event shall Company be liable for any loss of profits, or any direct, special, consequential, exemplary, or incidental damages; and
D. That the software and all related materials are proprietary to Company and are Company's valuable commercial property. Producer shall not: (i) disclose the software related materials to any third party; (ii) attempt to derive the source code or structure of the software; (iii) disassemble, reverse engineer, decompile, or decode or copy the software; (iv) modify, alter, or enhance the software; or (v) sell, assign, lease, sublicense, market, pledge, encumber, or transfer the software, or any related

materials. Producer shall advise all of its directors, officers, partners, employees, agents, contractors, or anyone else who has access to the software of the requirements of this Agreement.

All software provided to Producer by Company is Company's proprietary property, and is being licensed to Producer, without charge, by virtue of Producer's status as an insurance representative for Company. Producer agrees: Company agrees to indemnify and hold Producer harmless against any liabilities Producer may incur for damages resulting from Company's errors or omissions in the electronic transmission of information between Company and Producer, which are beyond Producer's control. Company disclaims all other warranties as to its computer equipment or software, express or implied, including implied warranties of merchantability and fitness for a particular purpose, and disclaims any liability for damage to Producer's computer equipment or software, the cost of procurement of substitute products or any special, exemplary, indirect, incidental or economic consequential damages, including loss of profits or revenues, loss of savings, loss of use, or costs of recovering lost data.

Producer shall indemnify and hold Company harmless against any liabilities the Company may incur for damages resulting from Producer's errors or omissions in the electronic transmission of information between Company and Producer, which are beyond Company's control. Company shall indemnify and hold Producer harmless against any liabilities arising as a result of the proper use of Company-supplied software by Producer. In the event that Company is compelled to honor Producer-caused rating error, Company reserves the right to deduct any premium deficiencies against commissions due Producer.

XVI. Indemnification and Hold Harmless

A. Indemnification by Company

Company shall indemnify and hold Producer harmless against any liability, including attorney's fees and costs of investigation and defense incident thereto, arising as a result of:

- Company acts and omissions in violation of this Agreement, including any action of Company which is in violation of any law or regulation, except to the extent Producer causes, contributes to, or compounds such errors;
- Failure of an insured to receive notice of cancellation, nonrenewal, impairment of aggregate limits, or any other notice affecting coverage on Company related business;
- All actions or inactions of Producer based upon Producer's use of forms supplied by the Company, or upon Producer's following instructions, procedures or guidelines established by the Company, including Producer's following Company's directions on the use of credit reports in the acceptance or rejection of applications for insurance, except to the extent Producer causes, contributes to, or compounds such failure; and
- Damages sustained by any person as a result of information furnished by Producer to Company, unless Producer furnishes false information with knowledge, malice or willful intent to injure. This indemnification shall include, but not be limited to, claims, suits and actions arising out of any law, regulation, order or directive issued by a government authority with jurisdiction. This indemnification shall not apply, however, if liability results from Producer's actions or inaction if the same is contrary to or inconsistent with Company's direction and procedures or the plain intent thereof. Producer shall promptly notify Company upon receipt of notice of the commencement of any action relating to such liabilities, and Company shall be entitled to participate in such action, or to assume the defense of such action with counsel of its own selection. If Company assumes defense of any such action, it shall not be liable to Producer for any legal or other expenses subsequently incurred by Producer in connection with such action.

B. Indemnification by Producer

Producer shall indemnify and hold Company harmless against any liability Company may incur as a result of any act of Producer in violation of this Agreement or outside the scope of authority granted to Producer pursuant to this Agreement or any action of Producer which is in violation of any law or regulation, except to the extent Company has caused, contributed to, or compounded such failure. Producer shall also reimburse Company for any legal or other expenses reasonably incurred by Company in connection with investigating any such liabilities. Producer shall promptly notify Company upon receipt of notice of the commencement of any action relating to such liabilities, and Producer shall be entitled to participate in such action, or to assume the defense of such action with counsel of its own selection. If Producer assumes defense of any such action, it shall not be liable to Company for any legal or other expenses subsequently incurred by Company in connection with such action.

XVII. Amendments, Modifications and Changes; Severability; Applicable Law

Producer and Company expressly agree that this Agreement may be amended at any time by Company to modify: (1) allowable classes of insurance and the rules and rates for them; (2) authority of Producer; (3) commission payable to Producer, as prescribed in Section IV – Commission/Compensation herein; and (4) other related matters. These amendments may be expressed as Addenda to the Agreement or as Guidelines.

Company may formally revise this Agreement upon giving thirty (30) days prior written notice to Producer setting forth the revisions and their effective dates. If within ten (10) days of such notice, Producer makes a written request, Company agrees to confer with Producer regarding the revisions. Upon compliance by Company with the provisions of this paragraph, the revisions shall become effective on the date specified in the notice.

This Agreement is subject to any restriction placed on Producer or Company by applicable state law, but shall be governed by, and construed in accordance with, the laws of the State of Florida regardless of the laws that might otherwise govern under that state's applicable principles of conflicts of law. Any provision of this Agreement that is contrary to the controlling law is hereby deemed to be amended to bring it into compliance with that law. The determination by any court of competent jurisdiction that any provision or term of this Agreement is unenforceable shall in no way impair or affect the validity or enforceability of any other provision in this Agreement.

XVIII. Summary Provisions

It is expressly understood that this Agreement constitutes the entire understanding and supersedes all previous agreements, whether oral or written, between Producer and Company and may not be altered or modified as to any terms or conditions unless such alterations are made in accordance with Section XVII above. Any and all prior representations, statements, and/or agreements between the Producer and the Company are merged herein. In the event Company should not insist upon strict compliance with any of the terms of this Agreement or any provisions contained in the Guidelines, such failure shall not constitute a waiver or relinquishment on Company's part to insist upon such compliance at any other time or times.

This Agreement shall extend to all successors, transferees and assigns of Company and neither it nor any of the conditions, reimbursements, benefits and/or obligations arising hereunder shall be assigned or transferred either in whole or in part without the prior written consent of Company as provided in Section VIII – Successors & Assigns.

The enumeration, headings and captions contained in this Agreement are inserted for the convenience of reference only and are not intended to have any substantive significance in the interpretation or construction of this Agreement. The singular use of any term hereunder shall include the plural thereof where applicable and vice versa.

By signing this Agreement, you acknowledge receipt of a copy of the Agreement and agree to be bound by all of its terms and conditions.

XIX. Records and Audit Rights

Producer shall forward to Company all applications, requests for cancellation of policies and endorsements or other modifications of existing insurance, except as may be modified by Section XXI -Original Records Maintenance Agreement herein if applicable to this Agreement. Producer shall keep full, true, and complete records of all transactions with policyholders and other parties on behalf of Company. Producer's records shall include full and accurate accounts of premiums collected for Company and other financial transactions affecting Company in such form as is acceptable to Company.

At any reasonable time upon notice, all Producer's records and documents pertaining to the business placed with Company should be available for inspection and audit by Company during regular business hours. Producer shall grant Company, its agents, insurance regulatory authorities, and other examination personnel access to any of its facilities for the purpose of inspecting and auditing records and documents maintained by Producer relating to insurance transacted under this Agreement.

Producer shall provide reasonable assistance in performing any such inspection or audit.

XX. Original Records Maintenance Agreement

This Original Records Maintenance Agreement section, hereinafter referred to as “ORMA,” applies only if expressly signed and approved below by Company’s representative. In the event that ORMA applies, and notwithstanding any provision in the Producer Agreement to the contrary, Company grants authority to Producer to receive and maintain original records and documents of policy applications, forms, certificates and other relevant printed material, collectively referred to hereinafter as "Original Documents," some of which may require the signature of policy applicants or policyholders. All Original Documents shall be retained by Producer from the date of policy termination for 7 years. Producer shall notify Company in writing at least one hundred twenty (120) days before discarding or destroying any Original Document. Producer may choose to retain any Original Document longer than the number of years specified above, unless Company specifically directs otherwise.

Producer also agrees to retain all Original Documents for each of its applicants and policyholders with Company for which the original information has been electronically uploaded or submitted to Company. All Original Documents shall remain the property of Company and shall be returned to Company upon termination of the Producer Agreement or otherwise upon written request from Company to Producer. Producer may retain copies of any Original Document that has been returned to Company. Should Company need Original Documents or copies thereof for any reason, Producer agrees to provide such documents to Company within twenty-four (24) hours of any Company request for the same. Producer further agrees to cooperate fully with Company in the investigation or settlement of any claim, loss, accident or complaint. Failure to comply with any provision of ORMA shall constitute grounds for termination of the Producer Agreement.

The parties to ORMA acknowledge and agree that the provisions of this section shall not supersede any provision of the Producer Agreement except to the extent that provisions in ORMA contradict provisions in the Producer Agreement pertaining to the retention of records by Producer and/or the submission of records to Company. Should such a contradiction occur, the ORMA provision shall be controlling and said contradiction shall in no way affect the validity of any other provisions in the Producer Agreement.

This ORMA applies to the Producer Agreement: (Signature of Company Representative)

XXI. Funds Transfer Authorization Agreement

Completing this Funds Transfer Authorization Agreement (hereinafter “Authorization Agreement”) allows Company to collect premium payments electronically from a bank account designated by Producer. Producer may establish a new account solely for Company premium collection, or use and existing escrow account.

Producer hereby authorizes Company to initiate DEBIT and CREDIT entries to the account indicated below at the financial institution named below, hereinafter referred to as “Depository.” Producer further authorizes Depository to accept such automatic deposits to or withdrawals from Producer’s account by Company and to automatically credit or debit, as the case may be, such amounts.

Depository Name: Branch Name: City, State, Zip: Telephone: Routing Number: Account Number: Account Type: Producer Name: Producer Code: This authorization is to remain in full force and effect until Company has received written notification from Producer of its termination in such time and manner as to afford Company and Depository a reasonable opportunity to process the termination. If there is a change in any of the information relating to the account name, number, or address provided by Producer in this Authorization Agreement, Producer agrees to notify Company within ten (10) days of such change. Producer further agrees to notify Company within two (2) days if the account listed above is closed, seized, or frozen, or any other action is taken upon the account by Depository or any other entity that would affect the debiting or crediting of funds to the account. This Authorization Agreement is non-negotiable and non-transferable. Producer authorizes Company to debit and credit the account listed above periodically in variable amounts as may be necessary to affect any Producer Agreement Producer has entered into with Company.

Producer Signature: _____

- **PLEASE ATTACH A VOIDED CHECK FUNDS TRANSFER CANNOT BE ACTIVATED WITHOUT A VOIDED CHECK**

IN WITNESS WHEREOF, Company and Producer, intending to be legally bound, have caused this Agreement to be executed by their duly authorized representatives as of this _____ day of _____, 20__. The parties hereto agree that a facsimile transmission of this fully executed Agreement shall constitute an original and legally binding document.

PRODUCER:

COMPANY: **AMERICAN COLONIAL INSURANCE SERVICES / AMERICAN COLONIAL INSURANCE COMPANY**

by: _____
Full Name / Title (print or type)

by: _____
Andrew D. Petcoff, President/Director

AGREEMENT FOR INCORPORATED AGENCY

KNOW ALL MEN BY THESE PRESENT THAT:

WHEREAS, Company has, at our request, entered into a certain Producer Agreement, bearing date of _____ day of _____, 20__, with _____, an incorporated agency, in which the undersigned are interested as the stockholders and officers:

NOW, THEREFORE, in consideration of the execution of such Producer Agreement and the continuance thereof, and as one of the inducements hereto, we the undersigned hereby guarantee and bind ourselves to Company, its successors and assigns, for the faithful and proper accounting for any payment by the above named incorporated agency of all monies of or due Company, or resulting from the operation of said Producer. We shall reimburse Company for all unearned commissions on policies canceled, and hold it harmless against any loss or expense which it may incur by reason of any failure of Producer to make payments as aforesaid. For the faithful performance of which obligations, we hereby bind ourselves, our heirs, executors and administrators, jointly and severally, by these presents.

Signed, sealed and dated this _____ day of _____. 20__.

WITNESS: _____ By: _____ Signature
Full Name / Title (print or type) Full Name / Title (print or type)

SCHEDULE I -COMPANY AFFILIATE NAMES

Attached to and becoming a part of AMERICAN COLONIAL INSURANCE SERVICES, INC. Producer Agreement as "Schedule 1."

American Colonial Insurance Company

EXHIBIT "A"

UNDERWRITING SCHEDULE
(Attach To Producer/Company Agreement)

EFFECTIVE: _____

1. **AGENT:**

2. **COMPANY: American Colonial Insurance Services/American Colonial Insurance Company**

3. **TERRITORY**

4. **CLASSES OF INSURANCE** **COMMISSION RATE:**

Homeowners Insurance Renewal Business: 12%

5. **EXCEPTIONS**

PRODUCER:

COMPANY: **AMERICAN COLONIAL INSURANCE SERVICES / AMERICAN COLONIAL INSURANCE COMPANY**

by: _____
Full Name / Title (print or type)

by: _____
Andrew D. Petcoff, President/Director

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Our Privacy Policy - How We Handle Your Personal Information

This is our **"privacy notice"** to you. You have probably received similar notices from other insurance companies, banks and credit card companies. You receive these sorts of notices because Federal and state laws require your financial institutions to explain to you how they handle your "nonpublic personal information."

"Nonpublic personal information" is personal information about you or your finances that you provide to us or we obtain when we do business with you. This information is generally private and unavailable to the general public.

When we refer to "we" or "us" we mean Conifer Insurance Company and its parent, Conifer Holdings, Inc.

Conifer does not sell your information to anyone, we do not share your information with anyone but our own Affiliates and the persons who provide services to us when we work for you and within our Company, we communicate the need to protect your information to those who may have access to it, and we've established physical, electronic, and procedural safeguards to protect your information. We even protect your information after you are no longer our customer.

We may share information about you that is not publicly available. We may share this information now or in the future. We do this for several reasons: to serve you, to identify you as our customer or our former customer, to process your policy and requests quickly, to pay your claim and to develop products we believe you will want and use. The information about you that we collect and where it comes from varies depending on how we are serving you.

Information from you – when submitting your application or requesting an insurance quote, you may give us information such as your name, address, telephone number, birth date, driver's license number, and social security number.

Information about your transactions – we may keep information about our transactions with us, such as the products you purchase from us, the amount you paid for insurance, your account balances, or payment history.

From other outside sources – we may also collect other information. This may include information from consumer reporting agencies such as your credit history, credit scores, driving record, employment, or we may ask a doctor for more information about our medical history.

We share your information with service providers who help us to help you

Sometimes we may share your information with a company or business that is not officially connected to us but who may do work on our behalf. These service providers need access to your information to provide these operational or other support services. Examples of the sorts of services that these companies may do are printing payment coupons, preparing or mailing account statements, processing customer transactions or software programming, claims adjusting or helping us market our own products. To make sure that your information stays confidential and secure, these service providers must agree to safeguard your information the same way we do.

We also share your information for other legal and routine business reasons

The privacy laws permit us to disclose information we have about you in other situations. We can disclose your information: If you say we can or tell us to, to protect against insurance fraud or unauthorized transactions, to control the risk of our insurance transactions, to resolve a dispute between us or answer your questions, to persons who hold some legal or beneficial interest relating to you, to persons who are acting in a fiduciary or representative on your behalf, to industry and professional organizations that ask us for customer information in order to conduct research studies that never identify individuals, to State guaranty funds or agencies, and our examiners, attorneys, accountants, and auditors, to a consumer reporting agency, or from a consumer report from a consumer reporting agency, to

an actual or potential buyer or investor in some or all of this company, to comply with federal, state, or local laws, rules, and other applicable legal requirements, to comply with a civil, criminal, or regulatory investigation, subpoena, or summons by a governmental authority, to respond to a subpoena or to our regulators and/or if otherwise required by law.

Finally, if we do provide your information to any party outside our company we require them to abide by the same privacy standards as indicated here.

We do not share your information with anyone else

The insurance companies, banks and credit card companies with which you deal sometimes share your information with other banks, motor vehicle manufacturers or dealers, health clubs, travel agencies, car rental agencies, hotels, airlines, or publishers, so they can offer you their own financial or non-financial products and services.

We do not share your information with any such outside companies.

If you have any questions concerning this notice, please contact the American Colonial Insurance at 550 West Merrill Street, Suite 200, Birmingham, MI 48009 or visit our website at www.amcoauto.com.