

Grange Insurance Companies

Master Profit Sharing Agreement

This Master Profit Sharing Agreement (this "Agreement") between Grange Mutual Casualty Company, including its wholly owned property and casualty insurance company subsidiaries, (the "Company"), and the Primary Agency (the "Agent, or "Agency") who is identified in your Agency Appointment Summary and Agency Agreement with the Company is effective January 1, 2016 and shall remain in effect until revised, replaced or terminated by the Company, and replaces any and all previous profit sharing and/or contingent commission agreements between the parties hereto which cover the same lines of insurance as this Agreement. This Agreement is supplemental to and is not a part of the Agency Agreement.

The Company hereby agrees to pay the Agent a Profit Sharing Payment as outlined in the attached Preferred Lines Addendums and Specialty Lines Addendum, if earned, based upon the following conditions, definitions, eligibility rules, and payment schedule.

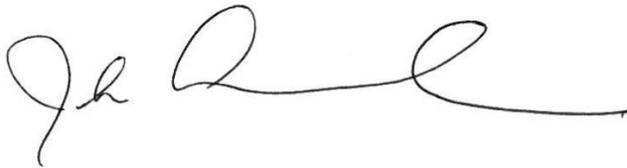
General Terms and Conditions

- A. "Profit Sharing Payment Period" (the "Period") shall mean the one-year period commencing January 1 and ending December 31 of each calendar year.
- B. This Agreement applies only to Agencies with an active, in-force Agency Agreement with the Company at the time payments are made. If the Agency Agreement is terminated by either party for any reason, this Agreement will be considered null and void immediately upon issuance of notice of termination of the Agency Agreement by the Company.
- C. The Company reserves the right to revise, replace or terminate this Agreement at any time for any or no reason.
- D. The Company shall have the right to deduct from the Profit Sharing Payment due the Agent any and all delinquent sums of money due and owed to any Grange Company, including the Grange Life Insurance Company.
- E. Payment by the Company of any amount due to the Agent under this Agreement shall be made on or before March 31 of the year subsequent to the year in which the Profit Sharing Payment is earned.
- F. If there are two or more Agencies under common ownership, whether solely owned, in partnership or under common management, or an existing Agent purchases another Agent during the Period, the results will be combined and the Profit Sharing Payment due will be paid as though this were one Agent throughout the Period. The Company will not be involved in the division of proceeds.
- G. If an Agency representing the Company is sold during the year, the Profit Sharing Payment will not be paid to the seller. If the buyer represents the Company at the time of sale or is appointed as a Company representative, the Profit Sharing Payment earned at year-end will be paid to the legal owner of the Agency as of December 31. The Company will not be involved in the division of proceeds.

- H. The calculations for the purpose of determining the Profit Sharing Payment will be based solely upon the Company records.

- I. As a condition precedent to any right or action hereunder, in the event of any dispute or difference of opinion hereunder arising with respect to this Agreement, it is hereby mutually agreed that such dispute or difference of opinion shall be submitted to binding arbitration in accordance with the "Arbitration" provisions of the Agency Agreement in effect between the agent and the Company at the time the dispute arose.

GRANGE INSURANCE COMPANY

A handwritten signature in black ink, appearing to read "John Ammendola", written in a cursive style.

John Ammendola
President and CEO

Preferred Personal Lines Addendum

Definitions

- A. "Preferred Personal Lines Direct Written Premium" shall mean all Personal Lines business written during the Period, excluding Errors & Omissions, Non-Standard Auto, Motorcycle, Passport Auto, and any other lines of business as determined by the Company to be excluded.
- B. "Preferred Personal Lines Earned Premium" shall mean the amount of Preferred Personal Lines premium which is considered by the Company to have already been earned during the Period.
- C. "Preferred Personal Lines Incurred Loss" shall mean Preferred Personal Lines losses paid during the Period plus the net change, positive or negative, in reserves during the Period, excluding Errors & Omissions, Non-Standard Auto, Motorcycle, Passport Auto, Umbrella, and any other lines of business determined by the Company to be excluded.
- D. "Preferred Personal Lines Adjusted Incurred Losses" shall mean Preferred Personal Lines Incurred Losses minus independent adjuster expenses, catastrophe credits and large loss credits during the Period.
- E. "Preferred Personal Lines Adjusted Loss Ratio" shall mean the result of Preferred Personal Lines Adjusted Incurred Losses divided by Preferred Personal Lines Earned Premium during the Period. Preferred Personal Lines Loss Ratio is calculated to one tenth of one percent.
- F. "Preferred Personal Lines Growth Rate" shall mean the percentage difference between the total Preferred Personal Lines Direct Written Premium of the prior year and the total Preferred Personal Lines Direct Written Premium for the current year for the same agency relationship. Preferred Personal Lines Growth Rate is calculated to one tenth of one percent.

Eligibility

To be initially eligible for the Preferred Personal Lines Profit Sharing Payment, the Agent must attain a minimum production level of \$75,000 total Preferred Personal Lines Direct Written Premium through the first calendar year of Company representation. Through the second calendar year of representation, the Agent must attain a minimum production level of \$150,000 total Preferred Personal Lines Direct Written Premium. Each calendar year thereafter, the Agent must attain a minimum production level of \$250,000 total Preferred Personal Lines Direct Written Premium.

Agents whose total Preferred Personal Lines Direct Written Premium during the Period shrinks by twenty-five percent (25%) or more, will not be eligible to receive a Preferred Personal Lines Profit Sharing Payment. Refer to the Preferred Personal Lines Growth Bonus Payment Schedule for additional information.

If an Agent splits into two or more Agencies during the Period, the Preferred Personal Lines results will be calculated separately based on the individual Agent results as of the end of the Period, unless a written request to combine is received before September 30 to be eligible for the Lock-In Option or before December 31 for the year-end calculation. The Lock-In option is automatically null and void for Agencies that split after September 30 of the Period, unless a written request has been received to combine.

Method of Calculation

The Preferred Personal Lines Profit Sharing Payment for the Preferred Personal Lines Profit Sharing Payment Period will be calculated by adding together the results of the Preferred Personal Lines Base Payment Schedule and the Preferred Personal Lines Growth Bonus Payment Schedule:

1. Agent's Preferred Personal Lines Earned Premium will be multiplied by the percentage qualified for as shown in the Preferred Personal Lines Base Payment Schedule. Locate the appropriate total Preferred Lines Direct Written Premium column and Preferred Personal Lines Adjusted Loss Ratio row to determine the Preferred Personal Lines Base Payment Schedule percentage.
2. The Preferred Personal Lines Base Payment Schedule result will then be multiplied by the qualifying Preferred Personal Lines Growth Rate Bonus Payment Schedule percentage. Locate the appropriate Preferred Personal Lines Growth Rate row to determine the Preferred Personal Lines Growth Rate Bonus Payment Schedule percentage.
3. Add the results created in steps 1) and 2) above to determine the Preferred Personal Lines Profit Sharing Payment earned.

Catastrophe Protection

For purposes of calculating the Preferred Personal Lines Profit Sharing Payment, all losses identified by the Company as catastrophe weather losses for one event shall be reflected on the Agent's Preferred Personal Lines Incurred Loss amount only up to a maximum of either \$250,000 or ten percent (10%) of the Agent's prior year's total Preferred Personal Lines Direct Written Premium, whichever is greater per event, regardless of the actual amount paid. Catastrophe protection applies to all claims arising from the same catastrophic weather event for which the catastrophe stop loss protection is applied.

Large Loss Protection

For the purposes of calculating the Preferred Personal Lines Profit Sharing Payment, all losses identified by the Company as a large loss single claim shall be reflected on the Agent's Preferred Personal Lines Incurred Loss amount only up to a maximum of \$250,000 per event of claim, regardless of the actual amount paid. Large Loss protection applies to all incurred amounts arising from the same claim for which the large loss protection is applied. If the claim is subject to catastrophe loss protection, large loss protection does not apply.

Profit Sharing Lock-In Option

By selecting the Profit Sharing Personal Lines Lock-In Option (“Lock-In Option”), the Agent agrees to receive a Personal Lines Profit Sharing payment, according to the process described above in the Method of Calculation section of this Agreement, based on the Agent’s results as of either September 30 or December 31 of each year, whichever is greater. The Agent also agrees that by selecting this Lock-In option, the Preferred Personal Lines Profit Sharing payment, whether based on results through September 30 or through December 31, will be reduced by a fee of fifteen percent (15%). To select the Preferred Personal Lines Lock-In Option, the Agent must notify the Company electronically each year by agreeing to the terms and conditions of the Preferred Personal Lines Lock-In Option via the online acceptance form no later than October 31 of each year.

If the Agent does not elect the Preferred Personal Lines Lock-In Option, or the Preferred Personal Lines Lock-In Option online acceptance form is not received by the Company by October 31, the Company will calculate the Agent’s Preferred Personal Lines Profit Sharing payment based on the full calendar year results ending December 31 of each year, and as described in the Method of Calculation section above.

This Personal Lines Lock-In Option offer is automatically nullified and voided if the Agent’s Preferred Personal Lines Direct Written Premium as of December 31 is below the minimum Preferred Personal Lines Direct Written Premium required to qualify for the Preferred Personal Lines Profit Sharing program.

Preferred Personal Lines Base Payment Schedule
Percent to be applied to Preferred Personal Lines Earned Premium

Preferred Personal Lines Loss Ratio		Total Preferred Lines Premium (Personal and Commercial Lines)												
From	To	0-400K	400-600K	600-800K	800K-1M	1-1.25M	1.25-1.5M	1.5-2M	2-2.5M	2.5-3M	3-3.5M	3.5-4M	4-5M	5M+
Below	25.0%	2.69%	3.71%	4.18%	4.56%	4.93%	5.29%	5.76%	6.29%	6.74%	7.15%	7.52%	7.71%	7.89%
25.1%	27.5%	2.51%	3.45%	3.88%	4.24%	4.59%	4.92%	5.35%	5.84%	6.27%	6.65%	6.99%	7.19%	7.39%
27.6%	30.0%	2.32%	3.19%	3.59%	3.92%	4.24%	4.55%	4.95%	5.40%	5.80%	6.15%	6.46%	6.67%	6.86%
30.1%	32.5%	2.13%	2.93%	3.30%	3.60%	3.89%	4.18%	4.54%	4.96%	5.32%	5.64%	5.93%	6.13%	6.33%
32.6%	35.0%	1.94%	2.67%	3.00%	3.28%	3.55%	3.81%	4.14%	4.52%	4.85%	5.14%	5.41%	5.71%	6.00%
35.1%	37.5%	1.75%	2.41%	2.71%	2.96%	3.20%	3.43%	3.74%	4.08%	4.38%	4.64%	4.88%	5.20%	5.75%
37.6%	40.0%	1.56%	2.15%	2.42%	2.64%	2.86%	3.06%	3.33%	3.64%	3.90%	4.14%	4.35%	4.64%	5.13%
40.1%	42.5%	1.37%	1.89%	2.13%	2.32%	2.51%	2.69%	2.93%	3.20%	3.43%	3.64%	3.82%	4.08%	4.51%
42.6%	45.0%	1.18%	1.63%	1.83%	2.00%	2.16%	2.32%	2.53%	2.76%	2.96%	3.14%	3.30%	3.51%	3.89%
45.1%	47.5%	0.99%	1.37%	1.54%	1.68%	1.82%	1.95%	2.12%	2.32%	2.49%	2.63%	2.77%	2.95%	3.27%
47.6%	50.0%	0.88%	1.11%	1.25%	1.36%	1.47%	1.58%	1.72%	1.88%	2.01%	2.13%	2.24%	2.39%	2.64%
50.1%	52.5%	0.62%	0.85%	0.95%	1.04%	1.13%	1.21%	1.31%	1.43%	1.54%	1.63%	1.72%	1.83%	2.02%
52.6%	55.0%	0.43%	0.59%	0.66%	0.72%	0.78%	0.84%	0.91%	0.99%	1.07%	1.13%	1.19%	1.27%	1.40%

Preferred Personal Lines Growth Bonus Payment Schedule
Percent to be applied to Preferred Personal Lines Base Payment

From	To	Percentage
Below	-25.0%	-100.0%
-24.9%	-20.1%	-50.0%
-20.0%	-15.1%	-25.0%
-15.0%	-10.1%	-10.0%
-10.0%	0.0%	0.0%
0.0%	5.0%	0.0%
5.1%	10.0%	10.0%
10.1%	15.0%	15.0%
15.1%	20.0%	20.0%
20.1%	25.0%	25.0%
25.1%	Above	30.0%

Preferred Commercial Lines Addendum

Definitions

- A. "Preferred Commercial Lines Direct Written Premium" shall mean all Commercial Lines business written during the Period, excluding Errors & Omissions, AutoAccel, and any other lines of business as determined by the Company to be excluded.
- B. "Preferred Commercial Lines Earned Premium" shall mean the amount of Preferred Commercial Lines premium which is considered by the Company to have already been earned during the Period.
- C. "Preferred Commercial Lines Incurred Loss" shall mean Preferred Commercial Lines losses paid during the Period plus the net change, positive or negative, in reserves during the Period, excluding Errors & Omissions, AutoAccel, Umbrella, and any other lines of business determined by the Company to be excluded.
- D. "Preferred Commercial Lines Adjusted Incurred Losses" shall mean Preferred Commercial Lines Incurred Losses minus independent adjuster expenses, catastrophe credits and large loss credits during the Period.
- E. "Preferred Commercial Lines Adjusted Loss Ratio" shall mean the result of Preferred Commercial Lines Adjusted Incurred Losses divided by Preferred Commercial Lines Earned Premium during the Period. Preferred Commercial Lines Loss Ratio is calculated to one tenth of one percent.
- F. "Preferred Commercial Lines Growth Rate" shall mean the percentage difference between the total Preferred Commercial Lines Direct Written Premium of the prior year and the total Preferred Commercial Lines Direct Written Premium for the current year for the same agency relationship. Preferred Commercial Lines Growth Rate is calculated to one tenth of one percent.

Eligibility

To be eligible for the Preferred Commercial Lines Profit Sharing Payment, the Agent must attain a minimum production level of \$150,000 total Preferred Commercial Lines Direct Written Premium at the end of the Period.

Agents whose total Preferred Commercial Lines Direct Written Premium during the Period shrinks by twenty-five percent (25%) or more, will not be eligible to receive a Preferred Commercial Lines Profit Sharing Payment. Refer to the Preferred Commercial Lines Growth Bonus Payment Schedule for additional information.

If an Agent splits into two or more Agencies during the Period, the Preferred Commercial Lines results will be calculated separately based on the individual Agent results as of the end of the Period, unless a written request to combine is received before September 30 to be eligible for the Lock-In Option or before December 31 for the year-end calculation. The Lock-In option is automatically null and void for Agencies that split after September 30 of the Period, unless a written request has been received to combine.

Method of Calculation

The Preferred Commercial Lines Profit Sharing Payment for the Preferred Commercial Lines Profit Sharing Payment Period will be calculated by adding together the results of the Preferred Commercial Lines Base Payment Schedule and the Preferred Commercial Lines Growth Bonus Payment Schedule:

1. Agent's Preferred Commercial Lines Earned Premium will be multiplied by the percentage qualified for as shown in the Preferred Commercial Lines Base Payment Schedule. Locate the appropriate total Preferred Lines Direct Written Premium column and Preferred Commercial Lines Adjusted Loss Ratio row to determine the Preferred Commercial Lines Base Payment Schedule percentage.
2. The Preferred Commercial Lines Base Payment Schedule result will then be multiplied by the qualifying Preferred Commercial Lines Growth Rate Bonus Payment Schedule percentage. Locate the appropriate Preferred Commercial Lines Growth Rate row to determine the Preferred Commercial Lines Growth Rate Bonus Payment Schedule percentage.
3. Add the results created in steps 1) and 2) above to determine the Preferred Commercial Lines Profit Sharing Payment earned.

Catastrophe Protection

For purposes of calculating the Preferred Commercial Lines Profit Sharing Payment, all losses identified by the Company as catastrophe weather losses for one event shall be reflected on the Agent's Preferred Commercial Lines Incurred Loss amount only up to a maximum of either \$350,000 or ten percent (10%) of the Agent's prior year's total Preferred Commercial Lines Direct Written Premium, whichever is greater per event, regardless of the actual amount paid. Catastrophe protection applies to all claims arising from the same catastrophic weather event for which the catastrophe stop loss protection is applied.

Large Loss Protection

For the purposes of calculating the Preferred Commercial Lines Profit Sharing Payment, all losses identified by the Company as a large loss single claim shall be reflected on the Agent's Preferred Commercial Lines Incurred Loss amount only up to a maximum of \$350,000 per event of claim, regardless of the actual amount paid. Large Loss protection applies to all incurred amounts arising from the same claim for which the large loss protection is applied. If the claim is subject to catastrophe loss protection, large loss protection does not apply.

Profit Sharing Lock-In Option

By selecting the Profit Sharing Preferred Commercial Lines Lock-In Option (“Lock-In Option”), the Agent agrees to receive a Preferred Commercial Lines Profit Sharing payment, according to the process described above in the Method of Calculation section of this Agreement, based on the Agent’s results as of either September 30 or December 31 of each year, whichever is greater. The Agent also agrees that by selecting this Lock-In option, the Profit Sharing payment, whether based on results through September 30 or through December 31, will be reduced by a fee of fifteen percent (15%). To select the Preferred Commercial Lines Lock-In Option, the Agent must notify the Company electronically each year by agreeing to the terms and conditions of the Preferred Commercial Lines Lock-In Option via the online acceptance form no later than October 31 of each year.

If the Agent does not elect the Preferred Commercial Lines Lock-In Option, or the Preferred Commercial Lines Lock-In Option online acceptance form is not received by the Company by October 31, the Company will calculate the Agent’s Preferred Commercial Lines Profit Sharing payment based on the full calendar year results ending December 31 of each year, and as described in the Method of Calculation section above.

This Preferred Commercial Lines Lock-In Option offer is automatically nullified and voided if the Agent’s Preferred Commercial Lines Direct Written Premium as of December 31 is below the minimum Preferred Commercial Lines Direct Written Premium required to qualify for the Preferred Commercial Lines Profit Sharing program.

Preferred Commercial Lines Base Payment Schedule
Percent to be applied to Preferred Commercial Lines Earned Premium

Preferred Commercial Lines Loss Ratio		Total Preferred Lines Premium (Personal and Commercial Lines)									
From	To	0-500K	500-1000K	1M-1.5M	1.5M-2M	2M-2.5M	2.5M-3M	3M-3.5M	3.5M-4M	4-5M	5M +
Below	26.0%	2.98%	4.08%	4.72%	5.20%	5.58%	5.91%	6.20%	6.46%	6.80%	7.38%
26.1%	28.0%	2.74%	3.77%	4.33%	4.77%	5.12%	5.42%	5.69%	5.92%	6.24%	6.77%
28.1%	30.0%	2.49%	3.41%	3.94%	4.34%	4.66%	4.94%	5.18%	5.39%	5.68%	6.16%
30.1%	32.0%	2.25%	3.07%	3.55%	3.91%	4.20%	4.45%	4.66%	4.86%	5.12%	5.56%
32.1%	34.0%	2.00%	2.74%	3.16%	3.48%	3.74%	3.96%	4.15%	4.33%	4.56%	4.95%
34.1%	36.0%	1.75%	2.40%	2.77%	3.05%	3.28%	3.47%	3.64%	3.79%	4.00%	4.34%
36.1%	38.0%	1.51%	2.06%	2.39%	2.63%	2.82%	2.99%	3.13%	3.26%	3.44%	3.73%
38.1%	40.0%	1.25%	1.73%	2.00%	2.20%	2.36%	2.50%	2.62%	2.73%	2.88%	3.12%
40.1%	42.0%	1.02%	1.39%	1.61%	1.77%	1.90%	2.01%	2.11%	2.20%	2.31%	2.51%
42.1%	44.0%	0.77%	1.05%	1.22%	1.34%	1.44%	1.52%	1.60%	1.67%	1.75%	1.90%
44.1%	46.0%	0.52%	0.72%	0.83%	0.91%	0.98%	1.04%	1.09%	1.13%	1.19%	1.30%
46.1%	48.0%	0.28%	0.38%	0.44%	0.48%	0.52%	0.55%	0.58%	0.60%	0.63%	0.69%
48.1%	50.0%	0.03%	0.04%	0.05%	0.05%	0.06%	0.06%	0.07%	0.07%	0.07%	0.08%

Preferred Commercial Lines Growth Bonus Payment Schedule
Percent to be applied to Preferred Commercial Lines Base Payment

From	To	Percentage
Below	-25.0%	-100.0%
-24.9%	-15.1%	-40.0%
-15.0%	-10.1%	-20.0%
-10.0%	-5.1%	-10.0%
-5.0%	0.0%	0.0%
0.0%	5.0%	0.0%
5.1%	10.0%	10.0%
10.1%	15.0%	15.0%
15.1%	20.0%	20.0%
20.1%	25.0%	25.0%
25.1%	Above	30.0%

Specialty Lines Addendum

Definitions

- A. "Specialty Lines Direct Written Premium" shall mean all business written in Non-Standard Automobile, Motorcycle, PassPort Auto, AutoAccel and any other lines of business as determined by the Company to be Specialty Lines during the Period, excluding Errors & Omissions, Umbrella, and all Preferred Lines business.
- B. "Specialty Lines Earned Premium" shall mean the amount of Specialty Lines premium which is considered by the Company to have already been earned during the Period.
- C. "Specialty Lines Incurred Loss" shall mean Specialty Lines losses paid during the Period plus the net change, positive or negative, in reserves during the Period.
- D. "Specialty Lines Incurred Loss Ratio" shall mean the result of Specialty Lines Incurred Losses divided by Specialty Lines Earned Premium during the Period.

Eligibility

To be eligible for the Specialty Lines Profit Sharing Payment, the Agent must attain a minimum production level of \$150,000 total Specialty Lines Direct Written Premium at the end of the Period and maintain a Specialty Lines Incurred Loss Ratio not to exceed fifty-two (52%) percent for the Period.

Method of Calculation

The Specialty Lines Profit Sharing for the Period will be calculated by multiplying the Agent's Specialty Lines Earned Premium by a percentage based on the Agent's Specialty Lines Incurred Loss Ratio and Specialty Lines Direct Written Premium.

Specialty Lines Payment Schedule
Percentage to be applied to Specialty Lines Earned Premium

Incurred Loss Ratio		Specialty Lines Direct Written Premium			
From	To	\$150-250K	250-500K	500-750K	750K +
Below	32.0%	2.5%	2.5%	2.5%	2.5%
32.1%	37.0%	2.0%	2.0%	2.0%	2.0%
37.1%	42.0%	1.5%	1.5%	1.5%	1.5%
42.1%	47.0%	1.0%	1.0%	1.0%	1.0%
47.1%	52.0%	.50%	.50%	.50%	.50%