

MASTER AGENCY AGREEMENT

THIS MASTER AGENCY AGREEMENT (the “**Agreement**”) is made and entered into effective the 29th day of April, 2021 (the “**Effective Date**”), by and between Frederick Mutual Insurance Company (hereinafter the “**Company**”), and Independent Market Solutions LLC (hereinafter the “**Agent**” or “**Agency**”) (Company and Agent each a “**Party**,” and collectively, the “**Parties**”).

WITNESSETH:

Intending to be legally bound hereby, and in consideration of the mutual covenants and agreements herein contained, the Agent and the Company agree as follows:

1. AUTHORITY OF AGENT

A. The operations, conduct and pursuits of the Agent, except as provided in the terms and conditions of this Agreement, shall not be controlled in any manner by the Company. Nothing contained herein shall be construed to create the relationship of employer and employee between the Company and the Agent, and subject to requirements imposed by law, the terms of this Agreement, and the underwriting rules and regulations of the Company and such conditions and limitations as are from time to time established by the Company, the Agent and its individual employees and/or consultants duly authorized and licensed in the State in which this Agreement applies, is authorized to:

- a. Solicit and secure applications for the classes of insurance which the Company is authorized to issue, subject to the requirements of applicable law, the terms of this Agreement, the rules and regulations of the Company, and such conditions and limitations as are from time to time established by the Company.
- b. Execute insurance binders, solicit and secure proposals for contracts of insurance which the Company from time to time authorizes to be insured subject to the restrictions as may be specified by the Company.
- c. Represent other companies; it being understood and agreed, that the Agent has no exclusive right to represent the Company in any state or geographic location.
- d. Collect, receive and receipt for premiums on insurance tendered by the Agent to the Company, and accepted by the Company.
- e. Do all other things necessary and proper to carry out this Agreement.

B. The Agent further agrees:

- a. To abide by and be bound by all applicable statutes, rules, regulations, underwriting guidelines, rulings, manuals, and all other specific instructions, policies, and procedures as established and modified from time to time by the Company.
- b. To in no way obligate the Company except within the authority vested in the Agent by the written or printed instructions of the Company, nor to alter, waive or change any of the terms, rates, or conditions of the Company’s policies or contracts without specific written authority of the Company.
- c. To keep complete records and accounts of all transactions pertaining to insurance written under this Agreement. Such records and accounts shall be accessible to representatives of the Company at any time, with reasonable notice, while this Agreement is in force and subject to audit by the Company to the extent as determined by and within the sole discretion of the Company, and for a period of one (1) year after the termination of this Agreement, for any period as mandated by statute or regulation in the Agent’s applicable jurisdiction(s), or the termination date of any insurance written hereunder, whichever is longest.
- d. To provide insurance quotations, deliver applications, binders, policies and endorsements to policyholders in conformity with any document or reference stated in Paragraph 1.B.a, above.
- e. To adhere strictly to the requirements outlined in the Company’s Brand Guide, as amended from time to time, concerning the delivery of a unified and consistent Company brand experience. The Agent shall secure written authorization from the Company to use the Company’s logos and other proprietary branding tools presented in the Brand Guide. The current

version of the Brand Guide as of the Effective Date of the Agreement is available from the Company upon request. Updates and amendments are available at the Company website.

- f. To assist the Company in providing timely cancellation or non-renewal notices to policyholders, certificate holders, and regulatory authorities as may be required by any document or reference stated in Paragraph 1.B.a, above.
- g. To give the Company prompt notice of any and all claims, demands, actions, suits, or proceedings raised, brought, threatened, made, or commenced, of which the Agent is aware, with respect to any policy or binder issued pursuant to this Agreement. The Agent shall cooperate fully with the Company in all matters pertaining to such claims and policies issued under this Agreement.
- h. To ensure that all of the Agent's employees and other insurance producers have and maintain current and valid licenses for the jurisdictions in which those agents conduct business related to this Agreement, and to indemnify and hold harmless the Company for any and all losses and damages related to an Agent or Agent's employee or insurance producer's expired license, whether damages are direct, indirect, consequential, or otherwise, including but not limited to lost business opportunities due to the Agent's or producer's inability to sell products during the period from license expiration to reinstatement. Further, Agent shall provide a copy of all current Agent and Agent's employee or insurance producer licenses as of the Effective Date of the Agreement, and shall update the Company concerning any changes thereto or new licenses secured within thirty (30) calendar days of any such occurrence.
- i. The Company retains the right to communicate directly with policyholders on any matter pertaining to Company issued insurance (e.g. cancellation of existing policy, policy changes or amendments required by applicable law; billing statements).

C. The Agent may not:

- a. "Flat cancel" (no charge to an insured) without prior written approval from the Company. In the event of any flat cancellation to which the Company and the Agent agree, the Agent will be required to document the reason why the Company has no liability for payment loss for the period that the coverage was in force, which explanation may be accomplished by the Agent submitting a Loss Policy Release to the Company with a stated cancellation reason.
- b. Reinstate policies or certificates of insurance cancelled by the Company without the Company's prior written consent.
- c. Handle claims arising out of policies or binders issued under this Agreement.
- d. Endorse checks made payable to the Company. All such checks must be forwarded to the Company for endorsement and credit.
- e. Appoint agents for the Company without prior written consent.
- f. Publish, or cause to be published, any advertisements concerning the Company, or issue any circular or paper referring to the Company, without the prior written consent of the Company.

2. COMMISSIONS

A. The Company agrees to pay, and the Agent agrees to accept commissions at the applicable rates and conditions set forth in the "Schedule of Commissions," which Schedule is attached hereto and incorporated herein as **Addendum A**. The foregoing shall not preclude the negotiation of special commission rates on individual policies by specific agreement of the Company and the Agent.

Except as otherwise stated in this Agreement, commission rates may be revised by written mutual agreement with at least ninety (90) days' advance notice of the proposed revisions and the effective date. At the Agent's request, the Company agrees to provide an opportunity to discuss any revisions and the reasons therefor. Any commission revision on the given line will stay in effect for one (1) year. The revision shall then be effective on the date specified in the notice without further action being required of either Party. Failure to reach a written mutual agreement will terminate this Agreement.

B. The Agent shall be entitled to rates of commission in the "Schedule of Commissions," or those rates which have been negotiated and agreed upon in writing by and between the Company and the Agent concerning individual policies. No commissions shall be payable to the Agent on any premium not remitted to the Company.

C. The Agent shall pay the Company return commissions on policy cancellations or reductions. Calculation of such return premiums and return commissions shall be based on the respective rates prevailing at the time the applicable policy became effective and shall be pro-rated.

D. In the event of termination of this Agreement for any reason, except failure to pay monies for which the Agent is liable, the Company will continue to pay commissions on that business the Company is legally obligated to continue to write and that the Company agrees the Agent may continue to service.

E. All of the Agent's expenses and costs incurred in connection with the solicitation, sale, and underwriting of insurance binders and policies, and in the performance of any and all of the Agent's duties and obligations under this Agreement are borne by the Agent. Such expenses and costs include, but are not limited to: office rent or mortgage; supplies; employee, contractor, or consultant (including countersigning agents) salary, fees, bonus, commissions, or any other form of compensation, benefit or entitlement whatsoever; travel and communications (e.g. phone; mail; cable and internet; etc.); promotions, marketing, and advertising; and licensing fees.

3. DIRECT BILLED POLICIES

The Agent and the Company shall comply with the following on business written by the Agent, the premiums for which are directly billed by the Company:

A. The completed application or original policy(ies) to be billed directly, together with the applicable gross premium (without deducting commissions), shall be submitted by the Agent to the Company.

B. The Company shall thereafter be responsible for all further premium billing and collection.

C. Within thirty (30) days from the end of an accounting month, the Company will render to the Agent an itemized statement of all Direct Bill premiums processed for the Agent. At the same time, a commission check will be issued for those premium transactions.

D. The Company shall identify the Agent by name when transmitting policies, endorsements, premium notices, cancellation notices and other communication to policyholders, and shall provide the Agent with a copy thereof.

E. Unless authorized by the Agent, the Company shall not use, or permit the use of, its records of business placed by the Agent with the Company to solicit individual policyholders for the sale of other lines of insurance or other products or services; provided, however, that the foregoing shall not be applicable to policy changes or amendments required by applicable law. When the Agent grants such authorization, but only to the extent not prohibited by applicable law, the Agent shall be allowed the applicable commissions or fee on sales resulting from the use of such records. Inclusion of coverage brochures or the mention of other lines of insurance does not constitute soliciting of insurance within the definition of this Paragraph.

4. PREMIUMS

The Agent and the Company shall comply with the following on business, other than Direct Billed business, placed by the Agent with the Company:

A. The Company shall bill and collect all premiums directly from the policyholder. The Company shall provide the Agent and the policyholder with any detail affecting the premium balance of a policy. The Company retains the right to collect any uncollected premiums as permitted by law. The Agent agrees to remit to the Company, in a timely manner, all premiums the Agent receives from policyholders on business produced for the Company under this Agreement. The Agent also agrees not to take any commissions or withhold any amount from premium payments received by the Agent.

B. If for any reason whatsoever the Agent comes into receipt of premium payments or any other monies from a policyholder, unless released in writing by the Company, the Agent agrees that all premiums and other monies, received by the Agent for or on behalf of the Company and/or in connection with all insurance written under this Agreement, shall be held in a fiduciary capacity by the Agent, whether collected by the Agent from the insured or from any other source. The Agent agrees that all such premiums and other monies received by the Agent shall be set aside in a fiduciary account separate from the Agents operating funds, subject to audit by the Company, and shall be held by the Agent in a fiduciary capacity for the Company until delivered to the Company.

C. In case of the impounding or the holding in abeyance of premiums and other monies as a result of court order or other lawful authority, commissions thereon shall remain in abeyance while the premiums and other monies are so held or impounded and shall not be payable to the Agent unless and until the premiums and other monies revert to and are lawfully in the possession of the Company.

D. To the extent the Agent may, from time to time, be overdue in the payment of any monies hereunder to the Company, the Agent hereby assigns to the Company, a corresponding amount of the commissions or other monies payable to the Agent by the Company.

E. The Agent shall not knowingly charge, demand, or receive a premium or other monies for any policy of insurance except in accordance with the respective rating systems on file with and approved by the Company and the Commissioner of Insurance. This provision does not prohibit the Agent from charging service fees permissible by law.

5. OWNERSHIP OF EXPIRATIONS

A. During the life, and after termination, of this Agreement, the records, ownership, use and control of all expirations on business written by the Agent shall be and remain the property of the Agent and be left in the Agent's undisputed possession; subject, however, to the applicable provisions of Paragraphs 6 and 7. In the event this Agreement is terminated and the Agent has not, within ten (10) days of the effective date of termination of this Agreement, properly accounted for and paid all such premiums and other monies to the Company for which it is liable, the records, ownership, use and control of all expirations shall be vested in the Company.

B. If the records, ownership, use and control of all expirations are vested in the Company and the Company elects to dispose of such records and expirations but the Company does not realize net proceeds (which are determined after deducting the expenses of disposition) which are sufficient to discharge in full the Agent's indebtedness to the Company, the Agent shall remain liable for the balance of such indebtedness. Any net proceeds realized in excess of the amount of the Agent's indebtedness shall be paid to the Agent.

6. TERMINATION

A. This Agreement may be terminated by either Party upon not less than ninety (90) days written notice given to the other Party, except where termination is due to: (1) failure to pay to the Company all monies for which the Agent is liable, (2) fraud, (3) insolvency, (4) bankruptcy, (5) conviction of a felony, or (6) gross or willful misconduct, in which case termination shall be effective upon the receipt of written notice in accordance with notice provisions as stated in Paragraph 14.

B. If this Agreement is terminated by notice which is effective upon its receipt as provided in Subparagraph A of this Paragraph 6, or for "just cause", hereinafter defined in Subparagraph D of this Paragraph 6, or is terminated automatically as provided in Subparagraph C of this Paragraph 6, all authority of the Agent to act for or bind the Company and to solicit, execute or issue binders or policies of insurance on behalf of the Company shall cease on the effective date of termination, and the Company shall have no obligation to accept any binders or policies of insurance issued or executed by the Agent on or following that date or to assume any contractual obligations or liability thereunder.

C. Subject to the requirements of applicable law, this Agreement shall automatically terminate, without the necessity of any notice thereof, upon the occurrence and at the effective date of any of the following:

- a. The cancellation, revocation, or failure of the Agent to renew its applicable license(s);
- b. The sale, transfer, or merger of the Agent's business or assignment of this Agreement;
- c. The Agent abandons the agency;
- d. The Agent fails to maintain Error and Omissions ("E&O") insurance.

D. For purposes of this Agreement, "just cause" may include, but not be limited to, the failure of the Agent to comply with any material: terms and conditions of this Agreement, rules and regulations of the Company, applicable manuals and specific instructions, and policies and directives issued by the Company from time to time governing the soliciting, writing, execution, and issuance of binders and policies of insurance.

E. While the Company only authorizes direct billing under this Agreement, should the Agent for any reason whatsoever be in receipt of premiums or other monies from the policyholder, the Agent is responsible, following the date of termination, for the remittance of such premiums and monies due the Company.

7. LIMITED AGREEMENT UPON TERMINATION

Upon termination of this Agreement, with not less than ninety (90) days' notice, pursuant to Paragraph 6, for other than "just cause", the following provisions apply:

A. The Agent is authorized to issue and countersign appropriate endorsements on contracts of insurance in force, except that such endorsements shall not increase or extend the Company's liability or extend the term of any insurance contract without the Company's prior approval.

B. The Company shall provide to the policyholders of the Agent all normal and appropriate services on all in-force insurance contracts without interruption.

C. Pursuant to the terms and conditions of this Agreement, and provided the Company has not been furnished with a written designation of another agent or broker signed by the policyholder, the Agent shall be entitled to commissions on audits (subject to any limitation as stated in the Agreement) and endorsements to policies in existence at time of termination.

D. While the Company only authorizes direct billing under this Agreement, should the Agent for any reason whatsoever be in receipt of premiums or other monies from the policyholder, the Agent is responsible, following the date of termination, for the remittance of such premiums and monies due the Company.

8. ACCEPTANCE OF RISKS AND CANCELLATIONS

Subject to compliance with requirements of applicable law, the terms of this Agreement, the policies of insurance, the Company's rules and regulations, and such other conditions and limitations as are from time to time established by the Company, the Company shall have the right at any time:

A. To cancel or decline to renew any policy or policies or contract of insurance issued under this Agreement; and

B. To decline or accept any particular risk or class of risk. Should the Agent request the Company to cancel or decline to renew any policy written by the Agent, the Company shall give notice to the policyholder, subject to applicable law, of such cancellation or nonrenewal, if required.

9. ACCESS TO RECORDS

The Company shall have the right to inspect all books, records, processes, and files as the Company may reasonably request, and which records are related to matters covered under this Agreement, which inspection may also include an audit by the Company to the extent as determined by the Company. The Agent agrees to make such records available to the Company at the Agent's place of business as identified in the Agreement during normal business hours with reasonable notice. The Agent shall retain such records for not less than one (1) year after all obligations under this Agreement have terminated, for any period as mandated by statute or regulation in the Agent's applicable jurisdiction(s), or the termination date of any insurance written hereunder, whichever is longest.

10. INDEMNIFICATION

A. The Company agrees to indemnify and hold the Agent harmless from any adjudged civil liability damages, reasonable attorneys' fees, and court costs related to any claim, suit, action, or proceeding, arising from the Company's errors, omissions, and breaches of this Agreement, except to the extent that Agent (or Agent's employees or contractors) caused or contributed to such errors, omissions, or breaches.

B. The Agent agrees to indemnify and hold the Company and its officers, agents and employees harmless from any adjudged civil liability damages, reasonable attorneys' fees, and courts costs related to any claim, suit, action, or proceeding, arising from the Agent's (or Agent's employees or contractors) errors, omissions, and breaches of this Agreement, except to the extent that the Company caused or contributed to such errors, omissions, or breaches.

C. These indemnity provisions shall survive the termination of this Agreement with respect to matters which arise from the Agreement.

11. ALTERATIONS OR WAIVER

No officer, employee or representative of the Company shall have power to alter or waive any of the terms or conditions of this Agreement unless such alterations or waiver are made in writing, duly signed by an authorized representative of the Agent and the Company and attached hereto.

12. AGENCY SALE AND ASSIGNMENT

It is understood that the Company has, at the time of entering into this Agreement, relied on the personal representations of the management about ownership and control of the Agency and that this Agreement shall not be assignable without the prior written consent of the Company. For purposes of this Paragraph 12 and Subparagraph C(b) of Paragraph 6, an assignment of this Agreement and a sale, transfer or merger of Agent's business shall include the transfer of 40% or more of the voting common stock of the Agent or the transfer of substantially all of the business and/or assets of the Agent. The Agent shall give the Company a minimum of thirty (30) days advance written notice of any such transfer, which notice shall set forth the name and address of the transferee and the terms and conditions of such transfer to enable the Company to determine if it wishes to continue with the Agent and waive the requirements of Subparagraph C of Paragraph 6.

13. DISPUTE RESOLUTION (GOVERNING LAW; JURISDICTION; VENUE; JURY WAIVER)

A. The Parties agree that this Agreement and all matters related hereto shall be governed by, and construed in accordance with, the laws of the United States and the State of Maryland, without giving effect to any choice or conflict of law provision or rule, whether of the State of Maryland or any other jurisdiction.

B. The Parties shall exercise commercially reasonable efforts to settle all disputes arising between them under this Agreement before proceeding with litigation. If resolution or settlement cannot be reached between the Parties using commercially reasonable efforts, the Parties agree to further attempt to settle the dispute through the use of mediation. In such event, the Parties agree to mediate in Frederick County in the State of Maryland. The Parties shall endeavor to settle on a single, mutually acceptable mediator. If the Parties cannot agree upon a mediator, each Party shall then select a mediator and a third mediator shall be selected by mutual agreement of the mediators selected by the Parties. The third mediator will then mediate the dispute.

C. If resolution between principals and through mediation is unsuccessful, the Parties agree that all suits, proceedings and other actions relating to, arising out of or in connection with this Agreement, shall be submitted to the personal jurisdiction of the courts of the State of Maryland, and venue for all such suits, proceedings and other actions shall be in Frederick County, Maryland. The Parties, jointly and severally, hereby waive any claim or objection to personal jurisdiction and venue in the courts of Frederick County, Maryland.

D. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THE PARTIES MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY THE PARTIES, AND THE PARTIES HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.

14. NOTICES

A. All notices required or permitted hereunder shall be in writing and shall be deemed effectively received (a) upon personal delivery to the Party to be notified; (b) when sent by confirmed electronic mail or facsimile (provided that such notice is also provided in a manner set forth in subsection (a), (c) or (d) of this Section within two (2) business days thereafter); (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery. All communications shall be sent to the following addresses (with respect to mail or courier delivery), electronic mail addresses, or facsimile numbers, or to such other addresses, electronic mail addresses or facsimile numbers as the Parties may designate by ten (10) days' advance written notice to the other Parties given in accordance with this Paragraph:

If to Company: Frederick Mutual Insurance Company
57 Thomas Johnson Drive
Frederick, MD 21702
Attention: President & CEO

If to Agent: Independent Market Solutions, LLC
6675 Westwood Blvd, #360
Orlando, FL 32821
Attention: Richard Sweat

B. Subject to the provisions of Paragraph 12 hereof, this Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the Agent and the Company.

15. SEVERABILITY

A. The failure of the Company to insist in any one or more instances, upon the performance of any one of the covenants or conditions of this Agreement or failure to exercise any right or privilege herein conferred, shall not be construed as thereafter waiving any such covenants, conditions, rights or privileges but the same shall continue and remain in full force and effect.

B. If any of the terms of this Agreement are deemed to be invalid by any Court, the remainder of the Agreement shall remain in full force and effect.

16. ERRORS & OMISSIONS INSURANCE

The Agent agrees to obtain and to keep in effect, during the term of this Agreement, E&O insurance in an amount not less than One Million Dollars (\$1,000,000.00). The Agent shall provide the Company with a copy of such policy and declarations evidencing the E&O insurance policy, and shall further update the Company and provide a copy of any document evidencing additions, modifications, or changes thereto, including but not limited to addenda, disclosures, and declarations.

17. CONFIDENTIAL INFORMATION AND RELATED SECURITY

A. The Agent shall not disclose or use, either during or after the term of this Agreement, any proprietary or confidential information of the Company (“**Confidential Information**”) without Company’s prior written permission.

B. The Parties agree that the term “Confidential Information” as used herein includes:

- a. The Company’s trade secrets, software programs, source code, object code, data, formulas, technical information, methods, processes, operating procedures, know-how, designs, documentation, program files, flow charts, diagrams, specifications, developments, improvements, inventions, devices, techniques, customer information and prospective client and customer lists not otherwise owned by Agent and reasonably considered expiration on business written by the Agent, labor rates, overhead rates, existence or amount of personal referral fees, accounting and other financial data, statistical data, test results, technical memoranda and correspondence, research projects, development and marketing plans, business plans, promotional ideas, strategies, budgets, projections, licenses, prices, cost information, new products, purchasing techniques and supplier lists;
- b. The written, printed, graphic or electronically recorded materials clearly marked in some fashion as “Confidential” as furnished by the Company for the Agent to use;
- c. The terms and conditions of this Agreement, all documents referenced herein, all communications between the Agent and the Company related to the services described herein; and
- d. Information which, not otherwise specified above, is not generally known to the public, is beyond the scope of expirations on business written by the Agent (as discussed in Paragraph 5 of this Agreement), and which, if misused or disclosed, could reasonably be expected to adversely affect the Company's business, reputation and/or competitiveness.

C. The following shall not be considered Confidential Information for the purposes of this Agreement:

- a. Information that is known to the Agent at the time of disclosure by the Company;
- b. Information that is now or hereafter becomes known to the public or generally available to the public through no act or failure to act on the part of the Agent;
- c. Information that corresponds in substance to information disclosed or made available to the Agent by others as a matter of right without restriction on disclosure; or

d. Information which is publicly disclosed as required by judicial action; provided, however, that prior to making any such disclosure, the Agent shall promptly provide notice to the Company and cooperate with the Company, at the Company's sole cost and expense, to employ available legal remedies to maintain the confidentiality of said information (e.g. Protective Order); or

e. Expiration on business written by the Agent.

D. The Agent shall not be restricted in using any information or material which is not Confidential Information. The Agent shall be permitted to share Confidential Information with the Agent's attorney, accountant, expert witnesses or expert consultants retained by the Agent's attorney or accountant, and/or applicable authorities, if necessary.

E. All Confidential Information shall be the sole and exclusive property of the Company, and the Company shall be the sole owner of all copyrights, trademarks, service marks, patents, and other rights in connection with such Confidential Information, including any improvements, betterments or additions to any Confidential Information developed during the course of this Agreement. To the extent applicable, the Agent hereby assigns to the Company all of its rights, title, and interest in such Confidential Information and the Agent agrees to execute and deliver any and all such additional documents and to take any and all such additional actions as are reasonably necessary to effect such assignment of rights.

F. Upon termination of the Agent's performance under this Agreement or at the Company's request, the Agent shall deliver to the Company all Confidential Information and all other materials in the Agent's possession relating to the Company's business, including all documents provided by the Company to the Agent in the course of performance with the terms of this Agreement.

G. In the event that the Agent violates any of the clauses concerning Confidential Information, set forth above, or Personal Information or security provisions set forth below, the Parties hereby acknowledge and agree that the Company will be irreparably harmed and that the Company could not be sufficiently compensated for such harm, monetarily. Accordingly, the Agent hereby acknowledges and agrees that the Company shall be entitled to pursue and obtain injunctive relief, whether temporary or permanent, in a court of competent jurisdiction of the Company's choosing, in such event, without a requirement to post bond, in addition to any and all other remedies available to the Company at law or in equity. Confidential Information does not include personally identifiable information regarding a policyholder and such policyholder's covered family members receiving services under this Agreement ("**Personal Information**").

H. The Agent agrees to disclose fully and provide notification to the Company immediately (and in any event within twenty-four (24) hours unless prohibited by law from doing so) following the Agent's identification of any suspected or actual breach or unauthorized access of any Confidential Information maintained or transmitted by the Agent or any of the Agent's third party service providers, and to take appropriate actions to address any incident of suspected or actual breach or unauthorized access, to enable the Company to expeditiously and effectively implement its information security response program. In addition to any other remedies available to the Company, the Company shall have the right to terminate this Agreement, without penalty or liability for payment other than earned commissions due to the Agent, in the event of security incidents affecting the Agent and/or its third-party service providers.

I. All Confidential Information maintained by the Agent shall be maintained on servers within the continental United States, unless otherwise expressly authorized in writing by the Company. The Agent shall throughout the Term of this Agreement implement and continuously maintain security and control protocols designed to protect the security of Confidential Information, using standards that, at a minimum, comply with any applicable industry best practices identified by the Company.

J. In addition to the terms and conditions of Paragraph 9 concerning the Company's access to the Agent's records, upon reasonable notice from the Company, the Agent shall provide Company (including external auditors) and any of the Company's regulators, if applicable, (collectively, "**Company Auditors**") with access to and any assistance that they may require with respect to the Agent, the Agent's personnel (including contractors and other providers and the personnel of these third parties), the services provided by the Agent, the Agent's facilities, systems, books, records and supporting documentation for the purpose of performing audits or inspections of the services concerning this Paragraph 17. The Agent shall provide full cooperation to the Company and the Company Auditors in connection with the foregoing and shall promptly implement any corrections or recommended changes in practice identified in any such audit. Failure to comply with the provisions of this Paragraph 17 shall constitute a material breach of this Agreement, entitling the Company to suspend the Agent's authority to provide services hereunder pending cure of the deficiency as required by the Company or termination of this Agreement.

K. The Agent agrees to comply with the Security Protocol attached hereto and incorporated herein as **Addendum B**.

L. The Company may revise the requirements of this Paragraph 17 from time to time as commercially reasonable to address operational risks and concerns.

M. The Agent's obligations of confidentiality under this Paragraph 17 shall survive the expiration or termination of this Agreement and shall continue for so long as such Confidential Information remains Confidential Information in accordance herewith.

18. PERSONAL INFORMATION AND RELATED SECURITY

A. For purposes of this Agreement, “**Personal Information**” includes, but is not limited to: name and address; social security numbers; driver’s license numbers; financial account information; and any other information that comes into the possession or control of Agent and which, by itself or together with other information, is sufficient to identify an individual. Agents must be familiar with the applicable federal and state statutes and regulations concerning personally identifiable information as each jurisdiction may have a slightly different definition for such information. The Parties shall comply with all applicable federal and state laws and regulations related to the privacy of Personal Information, and the Agent shall not disclose any Personal Information obtained from or through the Company, regardless of the original source, with the limited exception of Personal Information reasonably considered expiration on business written by the Agent and used in the course of the Agent conducting is regular course of business, other than as required or permitted by law and/or this Agreement. The Agent agrees to comply with the Security Protocol attached hereto and incorporated herein as **Addendum B**

B. The Company may revise the requirements of this Paragraph 18 from time to time as commercially reasonable to address operational risks and concerns.

19. PRIOR AGREEMENTS

This Agreement supersedes and replaces as of its Effective Date, all previous Agreements, if any, between the Company and the Agent.

20. SURVIVING PROVISIONS

The terms and conditions of the following Paragraphs shall survive the termination or expiration of this Agreement: 5, 6, 9, 10, 13, 17 and 18.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Agreement as of the Effective Date.

WITNESS:

COMPANY:

FREDERICK MUTUAL INSURANCE COMPANY

By: _____(Seal)
Nancy Newmister, President

AGENT:

Independent Market Solutions, LLC

By:  _____(Seal)
Richard Sweat, Agent in Charge

MASTER AGENCY AGREEMENT, ADDENDUM B

SECURITY POLICY

As of the Effective Date of the Agreement, the Agent represents that it has implemented and shall thereafter maintain current, a comprehensive security policy (“**Security Policy**”) that satisfies the requirements set forth below:

1. **Objectives.** The Agent’s Security Policy ensures that the Agent:
 - (a) Protects the confidentiality, integrity, and availability of all data which is disclosed by the Company and/or the Company Affiliates or otherwise comes into the possession of the Agent, its affiliates or sub-contractors, through various Cloud services that the Company subscribed to, directly or indirectly as a result of the Agreement, including to the Company Confidential Information and Personal Information obtained from or through the Company (collectively, “**Company Content**”) in the Agent’s possession or control or to which the Agent has access; and
 - (b) Protects against accidental, unauthorized, or unlawful access, copying, use, processing, disclosure, alteration, transfer, loss or destruction of the Company Content. Where access to the Company Content is permitted, the Agent shall not copy, download or store the Company Content on any desktop, laptop, server or other device that does not comply with this Security Policy, or in any other circumstance, without the Company’s prior written approval.
2. **Security Measures.** The Agent shall also be responsible for implementing and maintaining the following security measures:
 - (a) The Agent is responsible for implementing and maintaining appropriate security measures and procedures to ensure that access to all systems hosting the Company Content and/or being used to provide services to the Company shall be protected through the use of access control systems that uniquely identify each individual requiring access, grant access only to authorized individuals and based on the principle of least privileges, prevent unauthorized persons from gaining access to the Company Content, appropriately limit and control the scope of access granted to any authorized person, and log all relevant access events. The Agent shall ensure that its security measures comply with industry standards for security practices, including, by way of example only, use of network firewalls, installation and maintenance of anti-virus/malware on each computer, application of manufacturer security patches in a timely manner; controls regarding shared use of accounts, and continuous use of secure wireless networks.
 - (b) The Agent shall ensure storage of applicant and policyholder data in a secure manner (including encryption, when practicable, of personally identifiable information) that complies with all regulatory, statutory, and federal requirements (which includes, without limitation compliance with the Payment Card Industry Data Security Standard (“**PCI-DSS**”) for credit card information). By way of example only, this includes encryption of personal identifiable information.
 - (c) In connection with the foregoing, the Agent shall implement and maintain appropriate policies and procedures regarding the granting of access rights to the Company Content, in order to ensure that only authorized and trained individuals have access and only to that information necessary for the Staff’s performance of duties. Agent is solely responsible for the acts or omissions of Staff or anyone else accessing the Company’s computer systems and/or data through accounts provided for Agent’s use.
 - (d) The Agent shall maintain an accurate and up-to-date list of all Staff who have access to the Company Content and shall have the facility to promptly disable access by any individual Staff. The Agent must notify the Company within forty-eight (48) hours of any change in Staff (whether employees or non-employee personnel) so that the individual’s account access is properly terminated.
3. **Authentication Credentials and Procedures.**
 - (a) The Agent shall use appropriate security measures and procedures for strong authentication credentials for authorized Staff, including, but not limited to, the following:
 - (1) All systems shall prevent access by unauthorized users;
 - (2) Strong password management to be in place;
 - (3) New passwords shall be communicated to users in a secure manner, for the sole use of a specific person and shall not be shared with or divulged to any other person; and
 - (4) Passwords shall not be stored or transmitted in readable form.
 - (b) The Agent shall implement appropriate security measures and procedures (i) to ensure that the Company Content, assets and /or systems being used to provide services under the Agreement is protected against the risk of intrusion and the effects of

viruses, Trojan horses, worms, time bombs and other forms of malware that could reasonably be anticipated to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or information, and (ii) to monitor access to the Agent's assets and information systems and to the Company Content to detect and respond to the same. The Agent shall immediately notify the Company of any actual instances of unauthorized access to the Company Content and/or such assets and systems.

4. **Organizational Security Measures.** The Agent is responsible for implementing and maintaining appropriate security measures and procedures to ensure the reliability, technical expertise, and personal integrity of all employees, agents, and contractors who have access to the Agent's information system or the Company Content. If required by the Company, Agent shall conduct comprehensive background checks on all Staff. The Agent shall ensure that all Staff and other persons accessing the Company Content know his/her obligations and the consequences of any security breach.
5. **Sub-contractors.** The Agent shall ensure that any subcontractor that provides any or all of the services under the Agreement (including all sub-contractors and other providers having access to the Company's computer systems or data), to the extent practicable, complies with security measures commensurate with those described in this Security Policy, in addition to complying with all other applicable requirements set forth in the Agreement. In addition, and to the extent practicable, the Agent shall endeavor to use third party infrastructure service providers, that host information related to the services stated in the Agreement, that meet the following qualifications: be a reputed organization with United States based data centers and have SOC 1 and SOC 2 certifications. The Agent is responsible for all transitioning between providers and related costs, including for payment of all costs and compliance with all laws and industry best practices applicable to the transmittal of the Company Content. In any event, all data must be hosted and stored on servers in locations located within the continental United States.
6. **Incident Management/Escalation.** The Agent shall develop and implement (and require its sub-contractors to develop and implement) an incident response plan for dealing with any security incidents that could in any way affect Company Content. To the extent practicable, such incident response plan should include escalation paths to senior management based on the incident classification or severity, incident contact lists, initial responses, investigation log, system recovery, issue and eradication, reporting and review and follow up procedures, including appropriate reports to regulatory and law enforcement agencies. The Agent agrees to disclose fully and provide notification to the Company immediately (and in any event within twenty-four (24) hours unless prohibited by law from doing so) following the Agent's identification of any suspected or actual breach or unauthorized access of any Company Content maintained or transmitted by the Agent or any of the Agent's third party service providers, and to take appropriate actions to address any incident of suspected or actual breach or unauthorized access, to enable the Company to expeditiously and effectively implement its information security response program. . The Agent will ensure that all Staff (including sub-contractors) fully understand the processes and conditions under which they are required to invoke the appropriate incident response plans. The Agent acknowledges and agrees that records of system activity and of handling of the Company Content may be evidence in the event of a security breach or other inappropriate activity. Upon the Company's reasonable request, the Agent will deliver these records to the Company for use in any legal, investigatory or regulatory proceedings.
7. **Breach and Risk Assessment Obligations.** The Agent:
 - (a) Shall fully comply with all applicable federal and state legal requirements relating to data breach, including as to all notification and remediation requirements. In addition, Agent shall provide regular updates (not less than weekly) and a final report and analysis of the breach assessment and response, in a form and containing information, as reasonably required by the Company;
 - (b) Shall take corrective action, as required by law or otherwise as reasonably requested by the Company, to respond to the intrusion, protect Company information and to properly isolate and contain Company information that may be compromised therein;
 - (c) Shall allow the Company to receive and review periodic security assessments, summaries, and other reporting information as are reasonably deemed necessary by the Company or its regulators, and will perform additional assessments when requested by the Company to do so; and
 - (d) Shall provide the Company with proof of the Agent's backup and record protection, including specific processes relating to business interruption and recovery planning.