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**HP MANAGING AGENCY, LLC  
AGENT/AGENCY AGREEMENT**

HP MANAGING AGENCY, LLC ("HPMA"), will be authorized by MONARCH NATIONAL INSURANCE COMPANY ("MNIC") to solicit the coverages set forth herein (such coverages are hereinafter individually and collectively referred to as "MNIC Business") and, if applicable, to make the appointments as set forth in this Agreement (the "Agreement"). Pursuant to this Agreement, and pending formal regulatory approval of the appointment of HPMA as the managing general agency of MNIC, HPMA authorizes and, where applicable, appoints the Agency or Agent whose name and business address is set forth on the signature page of this Agreement to represent MNIC for those lines of MNIC Business specified herein. The authorized and, where applicable, appointed agency ("the Agency") or agent (the "Agent") set forth herein agrees to be bound by the following:

**TERMS AND PROVISIONS**

**SECTION I - REQUIREMENTS**

To obtain authorization or an appointment, if applicable, to write any of the lines of MNIC Business, an Agency or Agent must: (a) have and continuously maintain all licenses in the state in which it does business as required by applicable state law and to otherwise be in good standing with the Department of Insurance of that state; (b) not have been either suspended or terminated for cause by HPMA or MNIC; and; (c) with respect to all employees, representatives, agents or sub-agents of the Agency or Agent required to be licensed pursuant to applicable state law, be duly licensed in the state in which they conduct business and otherwise comply with all laws and regulations of such stated during the Term of this Agreement; and (d) abide by all of the terms and provisions of this Agreement.

HPMA reserves the right, to be exercised in its sole discretion, to decline to authorize and/or appoint any Agency or Agent who fails to comply with and satisfy the licensure and/or appointment criteria, as applicable, established by HPMA or MNIC at the inception of, and at all times during, the Term of this Agreement.

**SECTION II - TERM AND RENEWALS**

This Agreement shall be effective for a one-year period (the "Term") commencing at 12:01 A.M. on the day set forth herein (the "Original Effective Date") and terminating at 11:59 P.M. Eastern Standard Time on the 365th day from the Original Effective Date (the "Original Termination Date"). Subject to the promulgation by HPMA of any additional licensure or appointment criteria and the Agent's or Agency's compliance therewith, if the licensed and/or appointed Agency or

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# HP MANAGING AGENCY, LLC

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Tallahassee, FL 32312

Agent, as applicable, is in compliance with the terms hereof, and this Agreement has not otherwise been terminated by HPMA or the Agency prior to the Original Termination Date, this Agreement shall automatically renew for each Agency or Agent for successive one-year periods, subject in each instance to all provisions of this Agreement, any additional criteria, terms or provisions as promulgated by HPMA and noticed to the Agency or Agent, and the annual payment by the Agency or Agent of all required appointment fees, where applicable. The Effective Date of each renewal year shall be the first day of the renewal period and the 365th day from such date shall be deemed the Renewal Termination Date.

## SECTION III - AUTHORIZED COVERAGES; NON-EXCLUSIVE TERRITORIAL LIMIT

- A. **AUTHORIZED COVERAGES.** HPMA grants non-exclusive authority to Agency or Agent to solicit the following types of insurance in accordance with the terms and conditions of this Agreement for MNIC Business:

### LINES OF BUSINESS

Carrier	Line(s)	Line(s)	NAIC Code
Monarch	Homeowners, HO3, HO4, HO6	Dwelling Fire DP3	15715
Hudson Insurance Group	Personal Liability PUP		003081
National Flood Service	NFIP Flood		

- B. **NON-EXCLUSIVE TERRITORIAL LIMIT.** HPMA grants non-exclusive authority to Agency or Agent to solicit the above-authorized type(s) of insurance in the territories designated by HPMA. The non-exclusive territorial limit may be changed at the sole option of HPMA without providing the Agency or Agent written notice of such change. It is understood that HPMA may contract with other agencies and agents in all states and territories in which it intends to conduct business. This Agreement shall not be construed to convey to Agency or Agent an exclusive right to represent HPMA or MNIC in any state or territory.

## SECTION IV - DUTIES

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- A. GOVERNING RULES AND LAW.** The Agency or Agent authorized and/or appointed by HPMA under this Agreement agrees to know and abide by the terms and provisions of this Agreement, which Agreement shall be subject to the provisions of the applicable statutory provisions relative to the Agency or Agent, HPMA or MNIC (collectively the "Statutes"), the Insurance Code in each state in which the Agency or Agent HPMA or MNIC do business ("Insurance Code") and the rules and regulations of the Office of Insurance Regulation in each state in which the Agency or Agent, HPMA or MNIC do business ("Insurance Regulations"). In addition, the Agency or Agent authorized and/or appointed pursuant to this Agreement agrees to conduct all business operations on behalf of HPMA in compliance with the terms of this Agreement, the MNIC Underwriting Manuals ("Underwriting Manuals"), any producer policies and procedures manuals (collectively, "Procedures Manuals"), all Agent Bulletins ("Bulletins"), and other instructions provided to the Agency or Agent by HPMA or MNIC (all documents set forth or referenced in this Section IV A are sometimes collectively referred to as the "Documents"), which Documents may be unilaterally supplemented or amended from time-to-time by HPMA or MNIC. It shall be the obligation and responsibility of the principal agent of the Agency or the authorized and, where applicable, appointed Agent to supervise the actions of its agents, sub- agents and employees to ensure that all agents, sub- agents and employees know, abide by, and comply with all terms and provisions of the Agreement, Documents, Statutes, Insurance Code and Insurance Regulations, as they currently exist or as they may be subsequently amended or modified. It shall be the obligation and responsibility of the Agency or Agent to otherwise fulfill all the functions of the Agency or Agent as required by the Agreement with reference to the obligation of the Agency and Agent.
- B. BINDING AUTHORITY.** Agency or Agent shall have no authority to bind MNIC or HPMA in any respect, unless specifically authorized by this Agreement or in writing by MNIC or HPMA. Any binding authority of the Agency or Agent is subject to, and limited by, the authority and procedures for MNIC Business set forth in the applicable Underwriting Manuals or any of the Documents as such Documents currently exist or as they may be subsequently amended or modified and the applicable Statutes and Insurance Code of the State wherein the Agent or Agency transacts the MNIC Business. Any binding authority of agents of the Agency, or the Agent, ceases at such times as the agent is no longer employed or retained by the Agency or Agent or such agent is not otherwise in full compliance with any provision of this Agreement. All binding authority for MNIC Business ceases immediately upon termination of this Agreement or suspension of any authorization and/or appointment hereto. Binding authority of the Agency or Agent for any MNIC Business ceases immediately upon the Agent's or Agency's suspension or termination pursuant to this Agreement.
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MNIC and the Agency or Agent shall comply with the laws of the state wherein the Agency or Agent transacts the MNIC Business in regard to the licensure, appointment and/or registration of individual agents employed or retained by the Agency or Agent which agents will have binding authority only pursuant to the terms of this Agreement and those limitations set forth in any of the Documents.

- C. PREMIUM SUBMISSION.** All premiums and monies received by the Agency or Agent for MNIC Business shall be made payable to MNIC and be received by HPMA no later than fifteen (15) days from the effective date of the policy, in accordance with the provisions and procedures set forth in the Documents. The Agency or Agent may not charge or collect any fee or surcharge, including fees for inspections or photographs, from an applicant or insured in excess of the authorized MNIC premium, surcharge, assessment, or fees, if any. Bank charges for returned checks and applicable credit card fees, if used to collect premiums, are recoverable from the applicant or insured by the Agency or Agent only to the extent authorized under the laws and regulations of the applicable state; however, these charges may not be included as part of the MNIC premium.
- D. APPLICATIONS.** The Agency or Agent, in accordance with the procedures established by HPMA and the Documents, shall be responsible for ensuring that all submitted MNIC applications are complete and accurate and in compliance with applicable application requirements for that coverage. All applicants shall be furnished a copy of any completed application at the time of the application. All applications are to be submitted via MNIC's electronic signature processing application or a hard copy uploaded to the customer file. Transmittal of new business via paper applications requires prior approval from HPMA. Applications will be considered bound only at that time the applicant and Agency or Agent have agreed to binding and both parties have attested to the information provided on the application by their respective signatures and applicable premium is received by HPMA. Backdating of applications is grounds for immediate termination of this Agreement by HPMA.
- E. BOOKS AND RECORDS.**
1. The Agency or Agent, for a period of five (5) years from the date of any document's creation, and for a period of five (5) years after any policy expires, terminates or is not renewed, or as required by any applicable federal or state law or regulation, whichever is greater, shall maintain legible and accurate copies of all applications and related documents including, but not being limited to, binder logs, policy logs, correspondence, reports, photos, claims information, books, premium payment records, accounts and
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records and any other documentation, electronic, film or otherwise ("MNIC Records") used, prepared or obtained by the Agency or Agent, its agents, sub-agents and employees in conducting MNIC Business. The requirements set forth in this section remain in effect for the period of time established regardless of termination of this Agreement by either party.

2. Records for MNIC Business for the current year and the prior policy year shall at all times be maintained at the Agent's or Agency's primary business location. Thereafter, MNIC Records may be stored outside of the Agent's or Agency's primary business location so long as HPMA approves, in writing, the relocation of such records.
3. The Agency or Agent, at its sole expense, shall immediately comply with any request or requirement to produce, reproduce, copy, deliver or otherwise make available any or all of HPMA Business records to MNIC, HPMA, or their designee.
4. The Agency or Agent is required to implement and maintain adequate procedures to safeguard the security of, and access to, MNIC Business records or HPMA data regardless of the form in which the data is stored.
5. The Agency or Agent shall implement and maintain adequate procedures to safeguard the confidentiality of personal financial information relevant to MNIC or HPMA applicants and policyholders as required by the Gramm-Leach-Bliley Financial Modernization Act ("GLB", 15 U.S.C. §6801 et seq.) and all applicable Federal and State laws including, but not limited to, those set forth in the Insurance Code and/or Administrative Code of the applicable state.
6. All policy forms, materials and other supplies furnished to Agency or Agent by HPMA shall be returned to HPMA or accounted for upon demand.

**F. ERRORS AND OMISSIONS COVERAGE.**

1. As of the Original Effective Date, the Agency or Agent shall have an Errors and Omissions policy in full force and effect providing coverage for the Agency or Agent and all of its agents in an amount not less than \$500,000 per occurrence and \$1,000,000 annual aggregate and shall continue to maintain Errors and Omissions coverage with at least the same minimum limits, and rating as set forth in Section IV F 2 below, during the original Term and any renewals of this Agreement covering the Agency or Agent and all of its authorized and, where applicable, appointed agents.
  2. The Agent's or Agency's Errors and Omissions coverage shall be issued by an insurer
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with at least an A.M. Best 'A-' rating authorized to do business in the state in which the Agency or Agent is licensed and produce policies or by an eligible surplus lines insurer with at least an A.M. Best 'A-' rating.

3. Proof of the Errors and Omissions coverage required by this Agreement shall be provided by the Agency or Agent to HPMA on the effective date of this Agreement and thereafter upon such policy's renewal within five (5) days of any request by HPMA.
4. This Agreement may be immediately terminated by HPMA in the event that the Agency or Agent fails to provide written proof of Errors and Omissions Coverage or otherwise fails to maintain such coverage as required by this Agreement during the Term of this Agreement.

**G. INDEMNIFICATION.** Without, in any manner, limiting or diminishing HPMA's or MNIC's right to make a claim pursuant to Section IV F of this Agreement, the Agency or Agent does and shall indemnify and hold harmless MNIC and HPMA, their parent, subsidiary and affiliate companies, and their respective Board Members, shareholders, officers, agents, representatives, employees, designees, committees and committee members (collectively, the "Indemnified Parties") from any liability, damage, claims or causes of action with regard to any and all losses, claims, damages, fees and expenses, including legal or other expenses (including, but not limited to reasonable attorney's fees and costs incurred and all pretrial, trial, post-trial, post-judgment and applicable levels), reasonably incurred or paid by any of the Indemnified Parties on account of any negligent or wrongful act, error or omission of the Agent or Agency, its agents, sub-agents, employees or representatives in the rendering of services pursuant to this Agreement or any breach or default hereof (including but not being limited to, failure to remit premiums or other fees or sums due HPMA or failure to comply with the provisions of the Federal Fair Credit Reporting Act, Gramm-Leach-Bliley Act, or similar State laws) except to the extent that HPMA has caused or contributed to such liability or damage.

HPMA shall indemnify and hold harmless the Agent or Agency, its officers and employees from any liability, damage, claims or causes of action with regard to any and all losses, claims, damages, fees and expenses (including, but not limited to reasonable attorney's fees and costs incurred at all pretrial, trial, post-trial, post-judgment and applicable levels), reasonably incurred or paid by the Agent or Agency as a result of any negligent or willful misconduct of HPMA in the performance of any duty set forth in this Agreement except to the extent that the Agent or Agency or any of its officers, employees, representatives or agents has caused or contributed to such claim, cause of action, liability or damage.

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- H. CONTINUING AUTHORIZATION.** If the Agency or Agent does not have an agent authorized to represent HPMA for those lines of business authorized by this Agreement, HPMA may transfer the HPMA book of business in house until such time as an authorized agent is appointed with HPMA.
- I. MAINTAINING AGENCY INFORMATION.** The Agency or Agent shall notify HPMA within ten (10) business days of any change in the ownership or management of the Agency's or Agent's business operations. Changes include, but are not limited to, any change in the principal agent, officers, directors, and/or managers of the Agency, or changes in physical address, mailing address, e-mail address, phone number(s), and fax number(s), name changes, or changes in the Social Security number, Tax Identification Number and ownership of the Agency or Agent, or the acquisition, opening or closing of any branch offices.
- J. COUNTERSIGNATURE.** A Power of Attorney is herein created pursuant to this Section. The Agency or Agent acknowledges, authorizes and grants said Power of Attorney (the "Power") to HPMA and, by doing so, expressly authorizes HPMA in its sole discretion to countersign, electronically or otherwise, on behalf of the Agency or Agent, as necessary, all MNIC policies, endorsements and renewals, and any other endorsements required as a result of changes in the Statute, Insurance Code, Insurance Regulations, or the Documents.
- K. INDEPENDENT CONTRACTOR RELATIONSHIP.** The Agent or Agency acknowledges that, pursuant to this Agreement, an independent service contractor relationship between HPMA and the Agent or Agency is established. Nothing contained herein shall be construed as giving rise to an employee/employer, partnership or joint venture relationship between the Agent or Agency or its agents and HPMA.
- L. APPOINTMENT FEES.** If an Agent or Agency appointment from MNIC is required by law or regulation, the Agent or Agency shall pay for all applicable appointment fees and taxes in regard to such appointment, in any applicable state, upon acceptance of appointment by HPMA.
- M. TECHNICAL CAPACITY.** The Agent or Agency is required to implement and utilize, at the Agent's or Agency's sole expense, all technology and equipment as required by HPMA including, but not being limited to, a working e-mail address and internet access. The failure of an Agent or Agency to have, implement or maintain the technical and technological capacity required by HPMA, or to require its agents to utilize such technical and technological capacity, shall be grounds for HPMA to terminate or suspend this Agreement.
- N. BROKERAGE OF HPMA BUSINESS.** The Agent or Agency shall not submit applications to HPMA pursuant to a formal or informal brokering arrangement with
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unauthorized and/or unappointed agents in other agencies.

**O. RESPONSIBILITY OF AGENCY OR AGENT.** The Agency or Agent shall be liable for ensuring that all agents employed or retained by the Agency or Agent are aware of, and fully comply with, the terms and provisions of this Agreement, the Statute, Insurance Codes, Insurance Regulations and the Documents in all aspects relevant to the conducting of MNIC Business by the Agent or Agency and its agents and the fulfilling of all responsibilities of the Agent or Agency as set forth in this Agreement.

**P. AGENT'S OR AGENCY'S ACCESS TO HPMA.** The Agent's or Agency's access to HPMA will be limited to the systems and methods mutually agreed upon by the parties.

**Q. REQUIRED NOTIFICATION.** Agent or Agency shall advise HPMA promptly if the Agent or any officer, director, manager, principal, owner or employee of Agency, or any of the Agent's or Agency's agents or sub producers are convicted of a felony, or other offense set forth in the federal Violent Crime and Law Enforcement Act of 1994, or are otherwise not in compliance with any provision of this Agreement including, specifically, the maintenance of all licenses in good standing with all applicable regulatory authorities. This is an ongoing obligation.

**R. EXPENSES.** The Agent or Agency shall be responsible for all expenses, fees, taxes or any other charges whatsoever incurred by Agent or Agency or on their behalf with reference to the services of the Agent or Agency pursuant to this Agreement, unless otherwise agreed to in writing by HPMA.

## SECTION V - DUTIES OF HPMA

### A. COMMISSIONS.

1. HPMA shall pay commissions due as a result of the Agent's or Agency's writing of MNIC Business pursuant to this Agreement to the respective authorized and/or appointed Agent or Agency as set forth in Section VI, below. Commissions shall be based on a percentage of the total collected premium received by HPMA, less any deductions, setoffs, reimbursements or holdbacks, in a timely manner, and shall be paid not later than the last day of the calendar month following the calendar month in which each MNIC policy becomes effective or is issued, whichever is later. Commissions shall be payable to the Agency or Agent in accordance with the applicable provisions of the Documents and this Agreement. HPMA reserves the right to withhold and not pay any commission to the Agency or Agent should the Agent or Agency or its employed or retained agent's or sub-agent's authority to conduct MNIC Business be suspended or terminated or should the Agency or Agent not
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otherwise fully comply with the terms of the Agreement, the Documents, applicable Statutes, Insurance Codes and/or Insurance Regulations.

2. Whenever premium is returned to any policyholder or obligor the Agency or Agent agrees to refund unearned commission at the same rate at which commissions were originally paid to the Agency or Agent, such refund being calculated as of the date such refund is due. If HPMA has made any payments on the Agent's or Agency's behalf, the Agent or Agency agrees to refund such monies to HPMA.
3. Agency or Agent shall not retain or receive any compensation on any business written in jurisdictions in which Agency or Agent is not licensed, not authorized hereunder or not appointed by HPMA.
4. No commissions will be paid on premiums the Agency or Agent has requested HPMA collect or which have been placed in collection.

**B. COMMISSION STATEMENTS.** HPMA shall issue commission statements to the Agency or Agent by the last day of each calendar month detailing the Agency's or Agent's policy and commission activity for each line of MNIC Business for all policies issued during the previous calendar month. The statements shall include identification of the policies issued or renewed, commissions earned, and the amount due the Agency or Agent (or amounts due HPMA or otherwise withheld by HPMA). Failure to pay any amount due HPMA pursuant to such commission statements may result in immediate termination of this Agreement by HPMA.

**C. AGENCY OR AGENT RESPONSIBILITY.** As a material inducement for entering this Agreement, Agency or Agent hereby warrants and represents that it is authorized and entitled to receive all fees, commissions and other sums that may be payable hereunder by HPMA and that Agency or Agent possesses and shall maintain for as long as this Agreement is in effect, all licenses which may be required to accept and receive such compensation. Agency or Agent shall be solely responsible for any payment that may be due to an employed or retained agent, sub-agent, producer or authorized sub producer of the Agency or Agent for any commission or other sum and does indemnify and hold HPMA and MNIC harmless for any claims, demands, actions, payments, expenses, attorney's fees and costs (at all pretrial, trial, appellate, and post-judgment levels), and liability for any such commission or payment demanded or claimed by any agent, employee, or representative of the Agency or Agent.

**D. HPMA FORMS.** HPMA will prepare such documents and forms as may be required to produce MNIC Business. Such forms and documents shall be available to the Agency or Agent on the HPMA or MNIC Website and shall be utilized by the Agency or Agent pursuant to the

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Documents.

**SECTION VI—COMPENSATION**

1. **Section VI - Compensation** is removed in its entirety and replaced with Agency Compensation Addendum Attachment A -Compensation

**SECTION VII - TERMINATION AND SUSPENSION**

**A. TERMINATION.**

1. This Agreement may be terminated by the Agency, Agent or HPMA at any time upon at least sixty (60) days advance notice, which notice shall be in writing via certified mail, return receipt requested. The effective date of any such termination shall be as stated in the notice.
  2. In the event that this Agreement is terminated for a reason other than set forth in paragraph VII A 3 below, the Agency or Agent shall continue to service insurance policies placed by the Agency or Agent with HPMA and the Agency or Agent shall continue to receive commissions related thereto until expiration of the current policy terms of such policies, or at the sole discretion of HPMA, the Agency or Agent shall be granted a Limited Agency or Agent Authority, as set forth in paragraph C of this Section VII.
  3. Notwithstanding any other provisions herein concerning termination and in addition to any other termination provision set forth in this Agreement, this Agreement and the authorization and/or appointment of the Agency or Agent, as applicable, may be terminated by HPMA immediately and without notice or right to cure upon the occurrence of any one of the following events:
    - a. The termination, suspension, dissolution or withdrawal from the applicable State by HPMA or MNIC; or
    - b. The termination or suspension by any governmental or regulatory entity of any state(s) in which Agency or Agent does business with HPMA of the authority of the Agency or Agent or any agent in their employ to place MNIC Business with HPMA or MNIC; or
    - c. The loss, expiration, suspension or revocation of, or administrative action taken against, any license held by any officer, director, principal or manager of the
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- Agency or Agent in any state(s) in which Agency or Agent does business with HPMA; or
- d. The occurrence of any violation or breach by the Agency or Agent of: (a) the laws, regulations, or directives of any state(s) in which Agent or Agency does business with HPMA; (b) the applicable Insurance Code; (c) the applicable Insurance Regulations; or (d) this Agreement or the Documents; or
  - e. Where applicable, the failure of the Agency or Agent and its agents to maintain the mandated appointment requirements of the applicable state(s) in which the Agency or Agent does business with HPMA; or
  - f. With respect to an Agency's or Agent's license, the loss, suspension, revocation, or expiration of, or administrative action taken against, the license held by the Agency or Agent in any state(s) in which the Agency or Agent does business with HPMA; or
  - g. The failure of the Agency or Agent to cooperate in the use, disclosure or production of HPMA or MNIC Records; or
  - h. The occurrence of any event or events which, in the sole but reasonable discretion of HPMA, constitutes either: (a) a material impairment to an Agent's, or the Agency's, ability to properly render those services and fulfill those obligations as required of the Agency or Agent under this Agreement; or (b) conduct evidencing an inability, failure or refusal of the Agency or Agent to abide by the terms and provisions of this Agreement; or
  - i. Failure of the Agency or Agent to remit premiums and/or fees collected on behalf of HPMA or MNIC; or
  - j. Failure of Agency or Agent to follow established guidelines and procedures as contained in any MNIC manual, directive and bulletin or any of the Documents; or
  - k. Failure of the Agency or Agent to maintain Errors and Omissions coverage in accordance with the provisions of Section IV F; or
  - l. Failure of the Agency or Agent to return unearned commissions on cancelled policies within sixty (60) days of the date of cancellation of the policy.
4. This Agreement may be terminated upon the failure of a party to comply with the terms and provisions of this Agreement, or the Documents, within ten (10) days after receipt
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of written notice of such default or breach.

**B. SUSPENSION.** Upon the occurrence of any act, default, breach or omission that could constitute grounds for termination of this Agreement or the Agency or Agent's authorization and/or appointment in accordance with paragraph A. 3 or 4 of this Section VII, in lieu of terminating this Agreement, HPMA may, in its sole discretion, suspend for a stated period the authority of the Agency or Agent to bind new MNIC Business or to write new HPMA applications. During this suspension, if Agency or the Agent binds new MNIC Business or writes a new HPMA application, whether directly or indirectly through another agent, HPMA may immediately terminate the Agency's or the Agent's authority and/or appointment and this Agreement.

**C. LIMITED AGENCY OR AGENT AUTHORITY.** As a further alternative to termination of this Agreement, HPMA may, but is not required to, grant an Agency or Agent a limited authority to service and renew existing policies, execute endorsements and undertake such other Agency or Agent functions as may be authorized by HPMA in its sole discretion. The grant of limited authority by HPMA shall not include the authority for the Agency or the Agent to write new MNIC Business and such limited authority shall be conducted by the Agency or the Agent in accordance with all other applicable provisions of this Agreement and the Documents and subject to any other standards, requirements, or rules determined by HPMA, in its sole discretion.

**D. ADMINISTRATIVE PAYMENT.** In addition to any other rights of HPMA set forth herein or in the Documents, HPMA may require payment by the Agency or the Agent of an amount not to exceed the gross amount of any commission derived by the Agency or the Agent on any MNIC policy or policies written or bound in violation of this Agreement or the Documents, applicable Statutes, Insurance Codes, or Insurance Regulations. Failure of the Agency or the Agent to make such payment upon written demand by HPMA is grounds for immediate termination of the Agreement by HPMA.

### **SECTION VIII - GENERAL PROVISIONS**

**A. CONTROLLING LAW.** This Agreement shall be controlled by and subject to the laws of the state in which the MNIC Business is produced by the Agent or Agency authorized and/or appointed hereunder.

**B. ENTIRE AGREEMENT.** This Agreement supersedes all prior agreements between the parties and constitutes the sole and entire agreement setting forth the benefits and obligations of the parties hereto.

**C. AMENDMENT AND MODIFICATION.** Except as otherwise specifically provided herein, this Agreement may not be modified except in writing signed by the parties hereto.

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However, the parties acknowledge that HPMA may, from time to time, unilaterally adopt requirements and/or standards applicable to Agencies and Agents, which requirements and/or standards shall be adhered to and enforced by Agencies and Agents and be deemed incorporated into this Agreement and shall be deemed as a part of the Documents, as defined and referred to herein.

**D. SURVIVAL OF OBLIGATIONS.** The parties hereto acknowledge that they shall continue to be bound by, and shall perform, subsequent to the termination or expiration of the Agreement, all of the obligations set forth herein necessary to fulfill the obligations of the parties pursuant to this Agreement.

**E. SEVERABILITY.** In the event any provision of this Agreement is held to be invalid by a court of competent jurisdiction, the remainder of this Agreement not held otherwise unenforceable shall be deemed valid and enforceable.

**F. WAIVER.** The failure of HPMA to take any action, or to delay taking any action, respecting any default by the Agency or the Agent or any other HPMA right hereunder shall not be deemed to constitute a waiver of the default, any subsequent default, or any other right hereunder or an amendment to this Agreement.

**G. HEADINGS.** The section and paragraph headings herein are for convenience of reference only and do not define or limit any of the provisions hereof.

**H. CONSIDERATION.** All parties to this Agreement do acknowledge that there is good and valuable consideration for the undertakings and obligations set forth herein.

**I. REMEDY.** Subject to the provisions of the Documents, all parties shall have all remedies available according to the laws of the State in which the MNIC Business is produced hereunder.

**J. ADVERTISING.** The Agency or the Agent shall not use HPMA's, MNIC's or any of their affiliates', names or logos in any advertising, circular, stuffer, brochure, or promotional material without HPMA's prior written consent. HPMA shall not use the Agency's, Agent's, or any of its affiliates', names or logos in any advertising, circular, stuffer, brochure, or promotional material without the Agent's or Agency's prior written consent.

## **K. CONFIDENTIALITY.**

1. The term "Confidential Information" shall mean this Agreement, the Documents, and all data, trade secrets, business information and other information of any kind whatsoever that a party ("Discloser") discloses, in writing, orally, visually or in any other medium, to the other party ("Recipient") or to which Recipient obtains access and that relates to Discloser or, in the case of HPMA and/or MNIC, to the Agency or the Agent, or its customers, employees, third-party vendors or licensors. Confidential Information
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includes Customer Information, as defined below. A "writing" shall include an electronic transfer of information by e-mail, over the Internet or otherwise.

2. HPMA acknowledges that Agent or Agency and its agents have a responsibility to its customers and other consumers using its services to keep information it has received or produced about their usage of its services and about their accounts ("Customer Information") strictly confidential. Each of the parties to this Agreement, as Recipient, hereby agrees that it will not, and will cause its employees, officers, directors or agents, consultants, affiliates and independent contractors not to, disclose Confidential Information of the other party or use Confidential Information, including Customer Information, during or after the Term of this Agreement, other than on a "need to know" basis and then only: (a) to affiliates of Discloser; (b) to Recipient's employees or officers; (c) to affiliates of Recipient, its independent contractors at any level, agents and consultants, provided that all such persons are subject to a written confidentiality agreement that shall be no less restrictive than the provisions of this Section; (d) pursuant to the exceptions set forth in 15 U.S.C 6802(e) and accompanying regulations, which disclosures are made in the ordinary course of business and (e) as required by law or as otherwise expressly permitted by this Agreement. Recipient shall not use or disclose Confidential Information of the other party for any purpose other than to carry out this Agreement. Recipient shall treat Confidential Information of the other party with no less care than it employs for its own Confidential Information of a similar nature that it does not wish to disclose, publish or disseminate, but not less than a reasonable level of care.
  3. Recipient shall notify Discloser of any actual or threatened requirement of law or legal process to disclose Confidential Information promptly upon receiving actual knowledge thereof and shall assist and cooperate with Discloser's reasonable, lawful efforts to resist, limit or delay disclosure. Such requirements include, but are not limited to, requests or demands for Confidential Information by banks or insurance examiners and regulators, or courts of competent jurisdiction.
  4. The Recipient agrees that Confidential Information shall remain confidential and shall not be used or disclosed to any third party other than to perform the business of insurance as permitted by law and pursuant to this Agreement. In the event the Recipient intends to disclose Confidential Information, the Recipient agrees to provide affected customers and/or consumers with the required legal notice and an opportunity to tell the Recipient that they do not want the receiving party to share the information.
  5. The Recipient acknowledges and agrees that any violation of this subsection K shall cause immediate and irreparable harm to the Discloser and, in addition to any other available rights and remedies, the Discloser shall be entitled to immediate injunctive and other relief to prevent the further use and disclosure of the Confidential Information. This
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Section shall survive any termination or expiration of this Agreement.

**L. WEBSITE, PASSWORD, AND TERMS OF USE.**

1. Agency or Agent agrees to adhere to the terms and conditions governing Agency's or Agent's use of any existing HPMA or MNIC website or any website HPMA or MNIC may own, make available, operate, acquire, use from time to time, create or sponsor in the future, and any services available under such websites.
2. Agency or Agent acknowledges and is aware that HPMA shall utilize Security First Insurance Company's policy tracking system in connection with its internet services. The Agency's or the Agent's password for the policy system will be provided by HPMA to Agent or Agency.
3. Agency or Agent shall only permit licensed and, where applicable, HPMA-appointed Agents, as defined in this Agreement, to utilize HPMA's internet services, including the policy system and shall not disclose, reveal, divulge or otherwise provide the Agency's or Agent's password to any third party.
4. Agency or Agent shall appoint a principal agent ("Principal Agent") who shall be responsible for the supervision of all agents and sub-agents in order to ensure full compliance with the terms of this Agreement.
5. Agency or Agent shall be responsible to ensure that it is, at all times during the term of the Agreement, in compliance with all terms and conditions which may be established from time to time by HPMA for the use of any internet services.
6. Notice that the Agency or Agent or any of its agents has bound any insurance coverage through the policy system shall be immediately be given to HPMA and all appropriate documents including, without limitation, the binder, application, and all other supporting documents, shall be signed by the insured and binding Agent and maintained by the Agency after the coverage is bound.
7. These terms and conditions governing Agency's or Agent's use of any existing HPMA or MNIC website and software programs, including the policy system, may change without notice. Agent's or Agency's use of these websites and software constitute agreement to the terms and conditions that exist at that point in time.

**M. NOTICES.**

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2. Any controversy or claim, other than those specifically excluded, between or among the parties not resolved through mediation under the preceding provision, shall at the request of a party be determined by binding arbitration. The arbitration shall be conducted by one independent arbitrator who shall be a retired judge or attorney practicing in the areas of insurance and information technology law, as applicable. The Arbitration shall be held in Broward County, Florida in accordance with the United States Arbitration Act (Title 9, U. S. Code), notwithstanding any choice of law provision in this Agreement, and under the auspices and the Rules of Practice and Procedure for the Arbitration of Commercial Disputes of JAMS, Inc. then in effect. If JAMS, Inc. is unable or legally precluded from administering the arbitration, then it shall be conducted under the auspices and Commercial Arbitration Rules of the American Arbitration Association. Each party may serve a single request for production of documents. If disputes arise concerning these requests, the arbitrator shall have sole and complete discretion to determine the disputes. The arbitrator shall give effect to statutes of limitation in determining any claim, and any controversy concerning whether an issue is arbitrable shall be determined by the arbitrator. The arbitrator shall follow the law in reaching a reasoned decision and shall deliver a written opinion setting forth findings of fact, conclusions of law and the rationale for their decision. The arbitrator shall reconsider the decision once upon the motion and at the expense of a party. The Section of this Agreement entitled "Confidentiality" shall apply to the arbitration proceeding, all evidence taken, and the opinion, which shall be Confidential Information of both parties. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction.
3. No provision of this Section shall limit the right of a party to obtain provisional or ancillary remedies from a court of competent jurisdiction before, after, or during the pendency of any arbitration for matters or claims based on an allegation of irreparable harm and the need for injunctive relief. The exercise of a remedy does not waive the right of either party to resort to arbitration. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of either party to submit the controversy or claim to arbitration if the other party contests such action for judicial relief.
4. If either party commences legal or arbitral proceedings to enforce the provisions of this Agreement, the prevailing party, as determined by the court or arbitrator, shall be entitled to recover, from the other party, reasonable costs incurred in connection with such enforcement including, but not limited to, attorneys' fees (at all pretrial, trial, post-trial, post-judgment and appellate levels), expenses and costs of investigation, litigation, arbitration, appeal and collection.
- P. PRINCIPAL AGENT RESPONSIBILITY.** The Principal Agent of the Agency or Agent as designated by the execution of the Agreement shall be responsible for the Agency's or Agent's compliance with, and performance of, the obligations as set forth in this Agreement.
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**HP MANAGING AGENCY, LLC**

6265 Old Water Oak Road  
Suite 204  
Tallahassee, FL 32312

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**SIGNATURE PAGE FOLLOWS**

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**HP MANAGING AGENCY, LLC**

6265 Old Water Oak Road  
Suite 204  
Tallahassee, FL 32312

**AGENCY/AGENT AUTHORIZATION AND APPOINTMENT  
AGREEMENT SIGNATURE PAGE 1**

IN WITNESS HEREOF, the parties have set their hands and seals this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.


Signed in the presence of:

HP Managing Agency, LLC

By: 

Name: Kerie A. Ruland  
Title: Authorized Representative of HPMA

\_\_\_\_\_ Agency

By: 

Name: David D Burt

Title: President

Address: \_\_\_\_\_

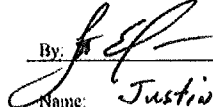
3159 SWANROCK STREET SOUTH  
TALLAHASSEE, FL 32309  
Telephone: 850-702-5653

Fax: \_\_\_\_\_

Email Address: dburt@saia.com

\_\_\_\_\_ Agent

OR

By: 

Name: Justin H. Edanfield

Title: CFO

Address: 1441 Mackay Commerce Dr.  
Ste 200  
Tallahassee, FL 32312

Telephone: 850-772-0693

Fax: \_\_\_\_\_

