

Supplement to Agent Agreement

This Supplement to Agent Agreement updates and supplements the Agent Agreement in force between the Agent and the Manager and identifies contractual changes dictated by the Manager's procedures or the procedures of one or more subject Companies:

Paragraph G. is hereby added to Section 13:

G. The parties acknowledge and agree that inaccurate or missing data submitted to the Manager during the application process and other processes requires the Manager to devote unnecessary time and expense toward correcting these avoidable problems, and that Companies processing applications or other papers with inaccurate or missing data might incur regulatory penalties, costs and other disruptions that otherwise can be avoided. Notwithstanding any other provision of the Agreement, the Manager may terminate the Agreement upon thirty (30) days' advance written notice if the Agent submits inaccurate or incomplete information and the Manager has previously notified the Agent of similar inaccuracies or omissions in prior submissions. Nothing in this provision shall alter the Manager's ability to otherwise terminate the Agreement upon sixty (60) days' notice as provided at Section 10.A.3. The Manager further shall be authorized to produce a penalty schedule applicable to submissions of inaccurate or incomplete information, provided that the schedule and any subsequent revisions thereto shall not take effect before the thirtieth (30th) day following the Manager's mailing or facsimile transmission of such schedule or revisions. The Manager's adoption of a schedule as provided herein shall not limit its right to indemnification as set forth at Section 12 of the Agreement. Also notwithstanding any other provision of this Agreement, the Manager or Company may elect to pay commissions on the basis of premiums written or premiums earned, as determined by the Manager or Company in its sole discretion by taking into account factors such as, but not limited to, the premium volume produced by the Agent, the loss ratio on business produced by the Agent, the frequency and/or effect of errors and omissions in the Agent's submissions, and competitive factors by territory, policy type or otherwise, and business factors affecting the Manager or Company.

Section 10.B. of the Agreement is hereby replaced in its entirety with the following:

B. If this Agreement is terminated pursuant to clause A.3. of this Section 10 or paragraph 13.G., the Manager shall:

1. Immediately place into effect a Limited Agency Agreement authorizing the Agent to service unexpired insurance policies, and in the sole discretion of the Manager, renewals thereof. The Limited Agency Agreement may address underwriting, claims-handling, and other service issues on such policies. The Limited Agency Agreement may provide for commissions to be paid at a different rate and/or upon a different basis than commissions paid on policies produced under this Agreement.