

PRODUCER AGREEMENT

This PRODUCER AGREEMENT (“Agreement”) is entered into by and between America’s Health Care/RX Plan Agency, Inc., a Delaware Corporation and its affiliate companies, including Quotit Corporation, Health Compare Insurance Services, Inc. and Velapoint LLC, which are all indirect subsidiaries of National General Holdings Corp. (collectively “Company”), and Producer. The Agreement shall become effective upon Producer’s execution of one Carrier contract under Company.

WHEREAS, Producer is a duly licensed agent or broker in compliance with all applicable laws in the jurisdiction(s) in which Producer is doing business; and

WHEREAS, Producer may desire to place insurance business with insurers through Company; and

WHEREAS, Company is willing to do so, but only upon the terms and condition set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1) Appointment. Company appoints Producer to act as marketer soliciting sales of products offered by and through Company and its Carrier partners. “Carrier” means any insurance Company, program manager, membership association, or similar entity with whom Company has entered into a marketing agreement.

Producer and Sub-Producers must be properly licensed, registered, approved, and appointed by and/or through Company. "Sub-Producer" means a person or entity that (i) has executed a Producer Agreement with Company after being solicited by Producer, or (ii) has executed a Producer Agreement with Company independent of any solicitation by Producer, and has been duly appointed by Company and assigned by Company to assist Producer in the performance of duties under the Producer Agreement. All Sub-Producers are marketing Producers of Company whether recruited by Producer or Company. Once the Sub-Producer’s paperwork has been submitted and approved by Company, the Sub-Producer may be appointed with Company Carriers under the Producer.

- 2) Relationship and Authority. The relationship of Producer to Company and scope of authority are set forth in the Producer Guidelines. Producer shall be solely responsible for paying all expenses incurred by Producer in performance of this Agreement.

Company or the Carrier retains the right at all times to deny appointment of any proposed Producer or Sub-Producer or to terminate Company’s relationship with any Producer or Sub-Producer for any reason, with or without cause.

A Sub-Producer may submit a written request to Company to be transferred to another Producer if (1) the Sub-Producer has not sold business for at least six-months, and (2) has no outstanding balance with Company. If the Sub-Producer has sold business within the preceding six months, Sub-Producer must obtain a written release from their current Producer. If the Sub-Producer has an outstanding debit balance, the new Producer must agree to assume liability for the balance before the transfer will be approved by Company.

Upon thirty (30) days’ written notice to Producer, Company may, in its sole discretion and without incurring any liability to Producer or Sub-Producers, discontinue conducting all or any part of its business within all or any part of Producer’s territory or any other territory even if Company is still licensed and authorized therein.

- 3) Producer Responsibilities.
 - a) Producer shall at all times comply with all laws and regulations of the states in which Producer solicits business. Producer shall be responsible for acquiring and maintaining all licenses in any territory in which Producer solicits insurance, as required by applicable law.
 - b) Producer shall pay for all of Producer's license fees, appointment fees, bond fees, and fees and taxes required by any federal, state or local government, and any required by carriers. Further, Producers are solely and strictly responsible for the performance, fidelity and honesty of employees, Sub-Producers, and independent contractors, all of whom are expected to act in full compliance with the Agreement and Producer Guidelines.
 - c) Producer is solely responsible for the performance, fidelity and honesty of Producer's employees and Sub-Producers during the term of their employment or relationship with Producer.
 - d) Producer shall immediately report to Company any suspension, revocation, or administrative action taken against their license.
 - e) All funds collected by Producer are held by Producer in trust and are the property of the Carriers. Producer shall act as fiduciary with respect to those funds, which will in no event be used by Producer for personal, business or other purposes.

- f) Producers may not: (i) rebate any premiums or commissions to any party; (ii) make, alter or discharge any contract or policy; (iii) extend the time for payment of any premium; (iv) waive any forfeiture, policy provision or premium payments; or (v) modify any rate, receipt or requirement.
 - g) Producer agrees to work diligently to prevent lapsing and replacement of insurance effected hereunder.
 - h) All insurance written by Producer is and remains the property of the Carriers.
 - i) Producers and Sub-Producers shall make no representations, warranties or commitments of any type to applicants as to the issuance of a policy or coverage of specific medical conditions or claims, nor shall Producers or Sub-Producers incur any liability or debt on behalf of Company or any Carrier. All insurance placed by Producers and Sub-Producers shall be the property of the Carrier.
 - j) Producers have no authority to act on behalf of Company or its Carriers other than as expressly provided under the Producer Agreement. Producers shall at all times comply with all of Company's and its Carriers' rules and regulations as amended from time to time (including but not limited to this Agreement and Producer Guidelines), and with all applicable federal and state laws, rules, and regulations.
 - k) Producers will immediately remit to Company or its Carrier any premiums collected or received. Any premiums and funds collected by Producers and Sub-Producers shall be held in trust for Company and its Carriers and will, in no event, be used by any of them for personal, business or other purposes.
 - l) Producers agree to work diligently to prevent lapsing and replacement of insurance effected hereunder.
 - m) Producers are financially responsible to Company, Carriers, and their assigns, for any and all debit balances due by Producer, any Sub-Producer, or any Sub-Producer from which Producer receives an override. In the event any such debit balance or account is not paid in full when due, the debit balance or account will be transferred to the account of Producer and Producer agrees to pay the same. Coincident with that transfer, all rights to any and all future Earned Commissions attributable to the account, and tax benefits, will also be transferred to Producer.
- 4) Company Responsibilities. Company agrees to provide Producer with the following benefits and services:
- a) Competitive carriers and products, as determined by Company;
 - b) Lead Marketing Credits, issued as a fixed value based upon policies issued through Company, where applicable (varies by Carrier and product type), to be used to off-set the cost of lead acquisitions through Company;
 - c) Carrier and product training support;
 - d) As-earned and/or Advanced funded commissions by Company (may vary by carrier/product);
 - e) A toll-free Producer support line;
 - f) Opportunities for production bonuses or incentives;
 - g) Agency newsletters which include Carrier updates, important announcements and new carrier and product information; and
 - h) Access to agency management tools and technology.
- 5) Commissions.
- a) **Assigned Commissions:** Subject to all terms of the Agreement, Company or its delegate will compensate Producer with the commissions as determined by each Carrier and Company. Company does not impose a vesting schedule on Producer. Producer is immediately vested according to each Carrier's vesting schedule.

Company shall pay no commission to Producer for the sale of any insurance policy or product unless and until Company receives payment of its commission from the Carrier that accepts an application for and issues the policy or product.

Commissions paid to Producer will be net of any commissions paid to the Sub-Producer. Producer shall be solely responsible for paying all expenses incurred by Producer in performance of this Agreement. Company reserves the right to approve all commission percentages to Sub-Producers, which approval shall not be unreasonably withheld.

Confirmation of first year and renewal percentages shall be made available to Producer upon written request to Company. Commissions may be modified by Company. Company will make best efforts to provide at least ten (10) days' notice to Producer. In this event, commissions paid to Producer will be net of any commissions paid to the Sub-Producer. Company reserves the right to approve and modify all commission percentage assigned to Sub-Producers, which approval shall not be unreasonably withheld. No commission shall be deemed earned until the policy or membership agreement is issued, delivered, and accepted by the applicant. Commissions will not be paid until Company collects or receives payment of its commission from Carrier.
 - b) **Unassigned Commissions:** For any Carrier commissions that are paid by Carrier to Producer directly, Producer will be compensated in accordance with the terms and conditions of the Carrier's appointment contract and payment schedule(s).
6. Advance Commissions/Debit Balances. Company, or Carriers on Company's behalf, may, at its discretion, make Advances to Producer in anticipation of future commissions subject to the rules set forth in Producer Guidelines. Such Advances will increase debit balances, which both parties expressly agree are loans from Company.

In consideration for the Advance commissions, Producer agrees to repay to Company or their assigns, the debit balances along

with interest and/or administrative fees. Company reserves the right to charge a reasonable interest on all debit balances. Producer is financially responsible to Company and their assigns, for any and all debit balances due by Producer, their Sub-Producers, or any Sub-Producer on whom Producer receives an override. Producer and Sub-Producers shall assume the full and complete advance balance and debit balance of any Sub-Producer.

Company may satisfy debit balances of Producers or Sub-Producers by retaining and setting off unpaid earned commissions and override commissions and any other monies due and owed to the Producer by any Company Carrier.

In the event of a transfer of a Producer from one general agency or manager to another, debit balance will transfer to the new manager who agrees to assume financial responsibility for repayment or transfer shall not be approved.

7. Carrier Requirements. Producer will comply with all Carrier requirements, including providing information or executing forms. Failure to comply may result in forfeiture of commissions and appointments by Carrier.
8. Termination.
 - a) This Agreement may be terminated without cause by either party upon thirty (30) days prior written notice to the other party.
 - b) Company may terminate immediately "for cause" with written notice to Producer if a Producer or any of their employees' Sub-Producers:
 - i. Commits any fraud or dishonesty in connection with the duties, services or actions while performing on behalf of Company or any of its Carrier;
 - ii. Violates any of the terms of the Producer Agreement or Producer Guidelines, or the laws, rules, or regulations governing insurance sales in the state or states in which Producers or Sub-Producers are licensed or any state or assigned territory;
 - iii. Is indicted or convicted of a felony;
 - iv. Publishes, distributes, posts or uses any circulars, advertising, sales material, or other matter referring to Company or its Carrier or to contracts or policies without first securing written approval;
 - v. Becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors, or is in default of any obligation, including accumulation of a debit balance that is unlikely to runoff in twelve (12) months; or
 - vi. Uses Company furnished leads to sell a policy or product issued by a Company other than Company or its Carriers.

If the Producer Agreement is terminated for cause, then all of Producer's rights to any compensation will be immediately terminated, including but not limited to all commissions and renewal commissions.
 - c) Upon termination of this Agreement, Company may reassign, solicit, appoint or otherwise work with the Sub-Producers of Producer.
 - d) Termination of this Agreement does not absolve Producer of its obligation to repay any outstanding debit balances or chargebacks owed and does not terminate Carrier commissions due to Company.
9. Premiums. Producer shall immediately remit all premiums collected or received by Producer and its Sub-Producers in accordance with Company Producer Guidelines. For products which require payment of initial premium at the time of application, such premium must be accepted by Company or Carrier.
10. Rolling Business. Company acknowledges that Producer must act in the client's best interest when recommending changing carriers. However, Producer agrees that moving a block of business from one carrier to another carrier, for the sole purpose of generating or increasing commissions, is not permitted by Company and may result in termination of this Agreement for cause.
11. Records. Producer shall keep records of all sales and provide reports as set forth in the Producer Guidelines. Company or Carrier will furnish Producer with a monthly statement of Producer's accounts and will pay any amounts due, subject to other provisions of the Agreement. Producer must report any discrepancies and return payment within 30 days or payment will be deemed accepted.
12. Printed Material. Company will, itself or through its Carriers, furnish Producers with all applications, circulars, and printed matter which Company determines is necessary for doing business under the Producer Agreement. Producers and Sub-Producers agree not to publish, distribute or use any circulars, advertising, sales material, or other matter referring to Company or the Carriers or their policies or use their logos without first securing Company's and the pertinent Carrier's written approval. All printed matter and supplies Company furnishes are property of Company and will be promptly returned to Company upon request or when the Producer Agreement terminates.
13. 1099 Tax Form Distribution. Agents consent to receiving 1099 tax forms electronically. Company shall keep the electronic forms available for the timeframe required under federal law and notify Agent of any future changes to the distribution method.

14. Discontinuance of Policy Forms. Without incurring any liability to Producers or Sub-Producers, Company or the Carrier may discontinue, replace, or withdraw any policy or other product offering now or hereafter made available for Sale. Company, or the Carrier, in its discretion, may also determine commissions and renewal commissions, if any, on any policy or other product offering.
15. Insurance. Producers must carry and cause Sub-Producers to carry, at all times during the term of the Producer Agreement, Errors and Omissions liability insurance with not less than \$500,000 per occurrence, or such other amount as Company, Carrier or applicable law may approve or require, covering Producers and Sub-Producers, and naming Company as an additional insured. Each policy of such insurance shall be issued by an insurance Company acceptable to Company. Producers will deliver to Company a certificate evidencing such insurance prior to commencement of marketing activities.
16. Proprietary Information. Except as may be necessary to perform services under the Producer Agreement, or as may be compelled by law or legal process, Producers may not directly or indirectly divulge, disclose, or communicate to any person, firm, or corporation any Proprietary Information or Trade Secrets of Company.

Any breach of the terms of this paragraph is a material breach of the Producer Agreement. The provisions of this Agreement may be enforced by all applicable legal and equitable means, including, without limitation, injunctive relief and suit for damages.

"Proprietary Information" includes, but is not limited to, prospect, policyholder, customer, client, and vendor or supplier lists; identity of customers and clients (including names, addresses, telephone numbers, social security numbers, medical records, medical conditions, or other personal information); amounts and types of insurance; expiration and renewal dates of policies; claim histories; due dates of premiums and amounts thereof; reinsurance companies; premiums and conditions; the prices Company obtains or sells, or has obtained or sold, any products or services, and any other information of, about, or concerning the business of Company, its manner of operation, its plans, or processes, and any information contained in monthly accounts submitted to Producers and Sub-Producers by Company.

Producers agree that Proprietary Information also constitutes Trade Secrets. "Trade Secret," in those states that have adopted the Uniform Trade Secrets Act, is defined as in the Act. In other states, a "Trade Secret" shall have the same meaning as defined in the Act or the meaning given such term by the law of such state, whichever is the more encompassing. Producers agree that Company derives independent economic value from its Proprietary Information and Trade Secrets and from their not being generally known to the public or to other persons who can obtain economic value from their disclosure. Producers agree that all Proprietary Information and Trade Secrets are the sole property of Company and that Company utilizes efforts that are reasonable under the circumstances to maintain the secrecy of its Proprietary Information and Trade Secrets.

Producers hereby assign to Company all rights it might otherwise have acquired or might hereafter acquire in Proprietary Information and Trade Secrets. Producers will not during or after the term of the Producer Agreement make use of any Proprietary Information or Trade Secret for any purpose except as authorized by Company, including but not limited to the solicitation of business from any person or entity.

17. Indemnity. Producer agrees to indemnify Company, its affiliates, shareholders, directors, officers, and employees and to hold them harmless from all expenses, liabilities, cost, causes of action, loss, damage, and expense, including attorney's fees and costs of litigation, resulting from any breach of the Agreement or unauthorized, negligent or wrongful act, omission, statement, or presentation by Producer, Producer's employees or Sub-Producers. Company agrees to indemnify Producer and to hold them harmless from all expenses, liabilities, cost, causes of action, loss, damage, and expense, including attorney's fees and costs of litigation, resulting from any breach of the Agreement or unauthorized, negligent or wrongful act, omission, statement, or presentation by Company.
18. Assignment. Company may assign its rights hereunder to a third party, including but not limited to any lender.

Producers may not, without the express prior consent of Company, assign any of its rights or responsibilities under the Producer Agreement. No assignment of commissions payable by Company to Producers will be valid unless authorized by Company in advance in writing.

Company will, at all times, have a superior, continuing security interest in all commissions prior to the rights of any permitted assignee. Any assignment so authorized shall be subject to any and all indebtedness of Producers to Company.

19. Relationship. Producers have been appointed to act as a marketing Producer for Company and to represent Company in selling the products offered by and through Company and its authorized insurance carriers, program managers, and membership associations. The relationship of the Producer to Company is that of an independent contractor, and nothing about the Producer Agreement shall be construed to create the relationship of employee and employer, a partnership or joint-venture.
20. Audits. Producer shall maintain sufficient and accurate records for the performance its business. Such records shall be open

for the inspection of Company and Carriers or their authorized representatives at any time.

Producer, on behalf of itself and Sub-Producers, agrees to maintain all documents, records and other information concerning its arrangements with Policyholders for at least ten (10) years following the termination of this Agreement, or such longer period as may be required by law, and to make such documents, records and information available to Company and Carrier on request. This provision shall survive the termination of this Agreement.

Producer agrees to allow Company and/or Carrier to audit all relevant books and records upon at least five (5) business days' prior written notice and during regular business hours. Company and Carrier are solely responsible for their own expenses in connection with conducting the audit.

21. Security Interest. Company will have a superior, continuing security interest in all commissions prior to the right of any permitted assignee. Any assignment so authorized shall be subject to any and all indebtedness of Producer to Company then existing or thereafter accruing. To secure the payment of any indebtedness and performance of Producer of all terms of the Agreement, Producer agrees to assign commissions to Company pursuant to the terms set forth in Addendum A.
22. Governing Law. The Agreement shall be governed by the laws of Delaware.
23. Partial Invalidity. If any provision of this Agreement is declared invalid for any reason, the invalidity of that provision shall not affect the validity of any other provision of this Agreement.
24. Dispute Resolution; Equitable Relief. Each Party agrees that, in the event of a dispute or alleged breach, they shall first work together in good faith to resolve the matter internally through negotiations and, if necessary, by escalating it to higher levels of management. The foregoing shall not apply to, and shall not prevent a party from seeking immediate relief in the event of, disputes involving confidentiality or data protection provision of this Agreement or infringement of intellectual property rights (in which case either party shall be free to seek available remedies in a court of competent jurisdiction in accordance with the Governing Law section of this Agreement).
25. Entire Agreement. This Agreement, including Addendum A – Advance of Commissions and Addendum B – Producer Guidelines, constitutes the entire agreement and supersedes and replaces any and all prior written or oral agreement between these parties. This Agreement may not be modified without written consent of both parties and shall be binding upon the successors and heirs of the parties hereto.

ADDENDUM A
ASSIGNMENT OF COMMISSIONS

In exchange for access to Company programs and services, Producer agrees to assign eligible commissions earned to Company, subject to the following terms and conditions:

1. This assignment only applies to commissions for Company business while this Agreement is in effect. Subject to use of commission to repay debit balances owed, Company shall retain no interest in or control of business sold by Producer. Company expressly acknowledges that this agreement in no way changes or affects the Producer's status as "Producer of Record" for any business for which commissions have been assigned to Company.
2. All earned commissions assigned to and received by Company are received on the Producer's behalf and will promptly be paid out in its entirety to the Producer pursuant to the terms and conditions of this Producer Agreement, the commission structure and advance commission schedule between Company and the Producer. All commission payments will be made by Company or its delegate.
3. Producer may, upon written notice to Company, opt out of receiving any advance commissions. Company will pay out to Producer all earned commissions.
4. Company reserves the right to modify commission or advance commission agreements by providing advance written notice to Producer when possible.
5. Company may not assign any Producer-earned commissions to any unaffiliated party without Producer's express written consent.
6. This assignment may be revoked by Producer upon 30 days' written notice to Company and the Carrier. Once revoked, Producer will be entitled to receive commissions from Carriers so long as all debit balances with Company have been paid.
7. Company does not impose a vesting schedule on Producer. Producer is immediately vested per Carrier's requirements. Company will use reasonable efforts to provide vesting information from Carriers to Producer.
8. Producer expressly acknowledges that advance commission from Company may result in debit balances being owed by Producer to Company. Producer understands that these debit balances are loans which are tied to Producer and must be repaid to Company. If Company determines that monthly commissions will not satisfy the debit balance within ten (10) months, Producer agrees that Company may use any earned commissions of Producer under other accounts with Company or any of its Carriers to offset the debit balance in any other account of the Producer. In the event of termination of the Producer Agreement, termination by any Carrier of its marketing of policies through Company or through the Producer or their Sub-Producers, or following a determination by Company that the estimated value of future Earned Commissions is not sufficient to pay the remaining debit balances, then all Earned Commissions, if any, shall be applied to repay the remaining debit balances until fully paid. If the debit balances are not paid off, the entire remaining balance will be immediately due at the earlier of ten (10) months or upon determination that Earned Commissions will not be sufficient to repay the debit balance in full. Any amount remaining unpaid after the due date shall bear interest until paid at the highest applicable lawful rate of interest. If the balance due is not paid in full within thirty (30) days after the due date, the Producer forfeits rights to any future vested Earned Commission.

ADDENDUM B

PRODUCER GUIDELINES

The Producer Guidelines (“Guidelines”) were developed to enhance and facilitate the business relationship between Company and Producer. These Guidelines and any rules contained herein are intended to promote an environment that is both stable and productive for a Producer sales distribution system. The Producer Guidelines are also intended to provide additional information on provisions set forth in the Producer Agreement. By signing the Producer Agreement, Producer has agreed to comply with the Producer Guidelines when selling for Company.

The Guidelines are subject to change by Company. Producers should routinely check for bulletins and updates within Company’s back office online portal. Company will also make reasonable effort to send out timely email updates regarding any changes to the Guidelines.

Scope of Authority

Each Producer is free to exercise their own judgment as to the time and manner for performing services required under this Agreement. A Producer is also free to exercise their own judgment as to the persons from whom they will solicit applications and the time and place of solicitation, subject to compliance with applicable law.

Limits on Authority

Producer shall not directly or indirectly contract with any of Company’s Carriers until Producer is officially released by Company specifically for that carrier. To be released by Company, Producer must (a) request release in writing and receive authorization in writing from any contracted upline general agency, (b) have no new business sold within the 6 months prior to requested release date, and (c) have no outstanding balance owed to Company or Producer’s upline, including but not limited to appointment fees and advance debit balances. Upon satisfaction of these requirements, release requests will be approved by Company. Release requests that do not meet these requirements shall be granted in Company’s sole discretion.

Recruitment of and/or Assignment of Sub-Producers

Producers may, pursuant to rules and policies adopted by Company, solicit new Sub-Producers in any state where Producer and Sub-Producers are properly licensed with the state insurance department.

Producer acknowledges that any such recruited or recommended Producer or Sub-Producer that executes a Producer Agreement, is accepted by and appointed with Company becomes a Producer of Company, and is only assigned to managing Producer’s hierarchy for the purpose of creating a stable and productive sales distribution system within Company.

Producer shall not, during the time Producer is contracted with Company and for a period of one year thereafter, solicit, hire, recruit, entice or otherwise suggest or encourage any Company Producer or Sub-Producer to discontinue or lower production on behalf of Company and its Carriers, to terminate its relationship with Company or to breach its contract with Company.

Producers will be held responsible for any misappropriation or shortage of funds due Company or any Carrier due to the actions of such Sub-Producers.

Producers may not permit or allow any Sub-Producer to solicit applications for insurance policies sold by Company until such individuals are duly licensed with the proper state insurance department and are approved and appointed by Company and its Carriers.

Company may assign Sub-Producers who are already licensed to a Producer. Nothing in the Producer Agreement or Producer Guidelines should be construed to limit Company’s ability to reassign, solicit, appoint or otherwise work with any Sub- Producers.

Producer and Sub-Producer Requests for Transfers

If Producer is also Sub-Producer within a managing Producer’s hierarchy, Producer may submit a written request to Company to be transferred to another managing Producer if (1) Producer has no new production (submitted and/or paid) for at least six (6) months; and (2) Producer has no outstanding advance compensation loan balance with Company. In the event Producer has production (submitted and/or paid) within the last six (6) months, Producer must (1) obtain a written release from their current managing Producer; and, (2) the new managing Producer must agree to assume liability for any of the Sub- Producer’s advance compensation loan balances and must give Company a written acceptance of

such liability and assignment of income before the transfer will be approved. Any discrepancies, regarding requests for transfers, between the Producer Guidelines and Producer's Producer Agreement with Company shall be resolved and governed by the Producer Guidelines in effect at time of any requests to transfer.

Producer Duties & Responsibilities

Company's Carriers should be the primary carriers for all products to be promoted and sold by Producers or Sub-Producers. However, Producers are not expressly prohibited from being licensed with other insurance companies to sell other product lines, provided that leads and prospective customers derived through Company are only offered carriers with whom Producer is appointed through Company.

Producer represents that the state insurance regulatory authorities and all other appropriate governmental authorities with jurisdiction have not revoked, suspended, denied renewal or otherwise imposed restrictions or limitations on Producer's licenses, certifications or qualifications necessary to perform under this Agreement. All Producers agree to comply with applicable provisions of the Gramm Leach Bliley Financial Modernization Act of 1999 and all state requirements. To the extent that nonpublic personal information of any individual is disclosed to a Producer, they agree not to disclose or use the information other than to carry out the purposes of the Producer Agreement.

Producers represent that they and their Sub-Producers will become:

1. Fully educated in the benefits and coverage offered by each and every insurance plan and/or product that they offer to the public through their affiliation with Company.
2. Fully educated in the business rules of each and every Carrier which they represent to the public through their affiliation with Company.
3. Familiar with each Carrier's proper appointment and application submission rules and guidelines, and to review any non-web-based appointment and application paperwork before submission.
4. Subscribed to the Company Newsletter so as to ensure that each Producer and Sub-Producer becomes aware of Company and Carrier changes in process or procedure on a timely basis.

Producer Conduct

Misconduct may not only cost Producers their business, but the collective business of all of Company, valuable partners and Producers. Producers should review all of their current practices and be certain that they are always operating in total compliance.

- Company requires that all its hierarchies and Producers follow Carrier partners' solicitation, quoting and submission rules and practices.
- Comply with all state regulations and ethical practices in the areas where Producers and Sub-Producers market Company's insurance and ancillary products.
- Proper disclosure to clients protects Producers from liability and protects income by minimizing charge backs. It also protects Producers and Carriers from litigation.
- Proper recording of medical conditions on applications protects Producers from liability and protects your income by minimizing policy rescissions. It also protects the Producers and Carrier from damages.
- Proper submission of applications, as per Carrier requirements, is also imperative to protect Producers from exposure to Carrier or even state regulatory actions that can result in suspension or even loss of license.

Company provides periodic webinar training, on-demand training materials and live support to assist any hierarchy or Producer in proper practices for the marketing and submission of business.

If Company receives knowledge that Producer is not in compliance with its responsibilities of this Agreement, Company will make its best efforts to notify Producer in order to take the necessary steps to correct the error prior to a termination.

Carrier Requirements

Individual Carriers will require additional Carrier specific documents to be executed by the Producer. Producers agree that they will properly comply with all Carrier requirements and execute any additional forms or documents required. Producers understand that the failure to execute any additional forms or documents required by the Carrier may result in forfeiture of commissions and appointment by Carrier.

Examples of these additional forms and documents include, but may not be limited to, HIPAA addenda, an Advance Lead and Pledge agreement, a Promissory Note, a direct deposit form, a W-9, etc. These specific forms, where applicable, will be attached to and made a part of the Producer Agreement.

Compensation

Subject to all terms of the Producer Agreement, Company compensates Producers with the commissions as determined by Company and each Carrier.

Confirmation of first year and renewal percentages shall be made available to Producer upon written request to Company. Commissions may be modified by Company in accordance with changes imposed by Carriers, and when feasible Company shall provide ten (10) days' notice to Producer, which may be contained in any Company Field Bulletin or other written communication by Company to Producer. No commission shall be deemed earned until the policy is issued, delivered, and accepted by the applicant.

Payment of Commissions in the Event of Death or Incapacitation

In the event of Producer's death or incapacitation, commissions for in-force business will continue to be paid to the Producer's estate, trustee, or legal custodian upon submission of the appropriate documentation to Company.

Reinstated Policies and Converted Policies

No commissions shall be paid on lapsed policies. Reinstatement commissions are to be determined by each Carrier. Commissions on rewriting, replacement, or conversion of one form of policy to another (or on surrendered policies) are not covered by this Agreement but may be determined by Company on the basis of applications submitted.

Rejections

Within the limitations of the law, Company and its Carriers reserve the right, at all times, to reject any application for insurance without specifying cause, and to cancel, refuse to renew, or modify any policy.