

WAKE COUNTY

NORTH CAROLINA

FIRST BENEFITS INSURANCE MUTUAL, INC.

AGENT/AGENCY AGREEMENT

First Benefits Insurance Mutual, Inc. (hereinafter called the "FBI") and

(company name), hereinafter called the "Agent", for the
consideration herein expressed, agree as follows:

1. This agreement shall become effective as of the date signed by the Agent and accepted by the FBI Administrator or its authorized representative.
2. FBI operates pursuant to the terms of the North Carolina Workers' Compensation Law. FBI complies with the rules established for mutual insurance companies as promulgated by the North Carolina Department of Insurance.
3. FBI shall:
 - A. Meet all state requirements.
 - B. Be appropriately reserved and reinsured.
 - C. Provide computer loss reports as designated.
 - D. Provide billings to covered employers.
 - E. Provide a copy of the coverage document to the Agent.
4. The Agent shall:
 - A. Become and remain a member in good standing of the North Carolina Retail Merchants Association, North Carolina Tire Dealers or a participating Chamber of Commerce (www.firstbenefits.org for listing).
 - B. Collect the first premiums on approved policies in the form of a check made payable to FBI.
 - C. Indemnify and hold FBI and its authorized representatives harmless from all damages and liabilities resulting from unauthorized acts or transactions by you or any employee or independent contractor hired by you.
 - D. Assist in collecting any overdue payments due FBI, including annual audits.
 - E. Assist insured in obtaining and supplying information required by FBI.
 - F. Assist in communicating with participants.
 - G. Maintain a current license to sell workers compensation insurance in North Carolina and remain in good standing with the North Carolina Department of Insurance.
 - H. Maintain Errors and Omissions Insurance Coverage with a minimum of \$1 million in coverage.

5. FBI and the Agent agree that they are independent parties and that the Agent is not an Agent of FBI, but rather it will be an Agent of the insured. The Agent is not authorized to bind coverage nor to make any recommendations on behalf of FBI. The Agent has no authority to make, alter, vary or discharge any coverage provided by FBI, to extend the time of payments for coverage, to waive or extend any obligation or condition, to issue any binder, or to incur any liability on the part of FBI.
6. Appointments are not territorially exclusive and are issued and revoked entirely at the discretion of FBI. The appointment as an FBI agent shall no longer be in effect and shall be immediately revoked upon the appointed agent terminating their relationship with their Agency.
7. The prevailing commission of collected premiums shall be payable to the Agent as designated by the FBI Administrator. Commissions may not be assigned or transferred and are determined by FBI. The current FBI Commission schedule as provided in Exhibit A and is hereby incorporated by reference. FBI may unilaterally amend the Commission Schedule, which may include increasing or decreasing the Commission Schedule, at anytime by providing notice of such an amendment to the Agent. This section shall supersede Section 12 of this Agency Agreement.
8. FBI is not responsible for any Agent expenses such as rentals, transportation, facilities, clerical help, solicitor's fees, postage, advertising, personal license fees or any other Brokerage expenses whatsoever.
9. If coverage is terminated by FBI or the insured cancels coverage, this agreement shall terminate immediately as pertaining to any individual company and Agent shall only be entitled to a commission on earned and paid premium on contributions to FBI. This agreement may be terminated by either party at any time upon written notice to the other. Notice shall be mailed to the last known business address of the party to be notified. If the Agent can no longer service the covered employer because of change of occupation, change of residence or for any other reason, this agreement will terminate immediately. This contract may be terminated with 24-hour notice if any regulatory authority determines that these agreements are not authorized for mutual insurance companies.
10. Agent acknowledges that it is not an employee or agent of FBI and FBI is not liable for any representation made by the Agent.
11. This Agreement shall be governed and construed by the laws of the State of North Carolina. All claims arising out of and from this Service Agreement shall have venue only in Wake County, North Carolina Superior Court.
12. This Agent/Agency Agreement is the final and complete Agreement between the parties and supersedes any and all prior oral or written understanding of the parties with respect to the subject matter herein, and constitutes all duties and obligations agreed to by the parties. This Agent/Agency Agreement, may be amended, changed or modified by a written signed by both authorized representatives of both parties.

IN WITNESS WHEREOF, FBI has caused this contract to be signed and the Agent has subscribed his name hereto this _____ day of _____, 20 _____.

First Benefits Insurance Mutual, Inc.:

By: _____

Title: FBI Representative

Date: _____

Agent:

By: _____
(please print name)

Title: _____

Date: _____

Signature: _____

Address (P.O. and Physical):

(Mailing address)

(City, State, Zip)

(Physical location)

(City, State, Zip)

E-mail: _____

Telephone: _____

Fax #: _____

Return to:
Peg Pirrotta
First Benefits Insurance
PO Box 176001
Raleigh, NC 27619

Exhibit A
First Benefits Insurance Mutual, Inc.

APPOINTED AGENT/AGENCY COMMISSION ADDENDUM

STANDARD COMMISSION SCALE

The standard agent/agency compensation paid on both **new** and **renewal** accounts is **7%**.

KEY AGENT/AGENCY COMMISSION SCALE

New Business Requirements

Must produce a minimum of **\$5,000** in new business premium

Renewal Business Requirements

Renewals must total **\$70,000** in annualized premium
Must maintain a **80%** policy holder retention rate

Key Agent/Agency Compensation

10% commission on **new** business
8% commission on all **renewals**

Quality-Key Agent/Agency Bonus

2% commission will be paid to each Qualified Key Agent/Agency who maintains a Loss Ratio below 50%

Key Agent/Agency Commission Payment Process

Throughout the calendar year, Key Agents/Agencies will receive monthly commission at the standard commission rate of 7% new and 7% renewal.

In December of the following year, after the completion of payroll audits, and upon verification of qualifying criteria (number and dollar amount of new accounts written, total renewal premium in excess of \$70,000, 80% renewal of policyholders and aggregate loss-ratio of 50%) agents/agencies will receive a **“True Up”** commission of the previous year’s business to reflect 10% new and 8% renewal and as appropriate the 2% Quality Key Agent/Agency Bonus.

FBI retains the right to amend and/or eliminate the Key Agent/Agency program at any time. Written notification of such amendment and/or elimination will be mailed to the Key Agent’s/Agency’s last known address.

*Updated 1/1/2009

MUST BE RECEIVED BY THE DEPARTMENT OF INSURANCE WITHIN 30 DAYS OF THE APPOINTMENT.

CHECK IF NEW ADDRESS

APPOINTMENT OF NORTH CAROLINA AGENT

* Social Security Number	Date of Birth	
LAST NAME	FIRST	M.I.
RESIDENCE STREET ADDRESS		NAME OF AGENCY
MAILING ADDRESS IF DIFFERENT FROM ABOVE		STREET ADDRESS
CITY		STATE
HOME TELEPHONE (____) _____	ZIP CODE	COUNTY
CITY		STATE
BUSINESS TELEPHONE (____) _____		ZIP CODE

The official(s) signing below certifies(y) that the company(ies) have investigated and are satisfied that this appointee is trustworthy and meets all other licensure qualifications of the North Carolina General Statutes. Each company has verified with the agent that on the effective date of the appointment, this agent was properly licensed for the kinds of insurance indicated hereon and for which the company appoints him/her and that the company appointment was effective prior to soliciting or negotiating for insurance by this agent on behalf of the company.

IN THE SECTIONS BELOW INDICATE THE KIND OF INSURANCE FOR WHICH YOUR COMPANY GRANTS AUTHORITY TO THIS AGENT UNDER TERMS OF THE APPOINTMENT CONTRACT.

Company One		
<input type="checkbox"/> Life <input type="checkbox"/> Variable Lines <input type="checkbox"/> Accident & Health or Sickness <input type="checkbox"/> Medicare Supp/Long Term Care <input type="checkbox"/> Title	<input type="checkbox"/> Property <input type="checkbox"/> Casualty <input type="checkbox"/> County Farmers Mutual <input type="checkbox"/> Auto Physical Damage <input type="checkbox"/> Other – Limited Lines (PLMA)	Company Name _____ _____ (Required for processing) Company Number _____ Effective Date of Appointment _____
_____ Signature of Company Official Date Signed		
Company Two		
<input type="checkbox"/> Life <input type="checkbox"/> Variable Lines <input type="checkbox"/> Accident & Health or Sickness <input type="checkbox"/> Medicare Supp/Long Term Care <input type="checkbox"/> Title	<input type="checkbox"/> Property <input type="checkbox"/> Casualty <input type="checkbox"/> County Farmers Mutual <input type="checkbox"/> Auto Physical Damage <input type="checkbox"/> Other – Limited Lines (PLMA)	Company Name _____ _____ (Required for processing) Company Number _____ Effective Date of Appointment _____
_____ Signature of Company Official Date Signed		
Company Three		
<input type="checkbox"/> Life <input type="checkbox"/> Variable Lines <input type="checkbox"/> Accident & Health or Sickness <input type="checkbox"/> Medicare Supp/Long Term Care <input type="checkbox"/> Title	<input type="checkbox"/> Property <input type="checkbox"/> Casualty <input type="checkbox"/> County Farmers Mutual <input type="checkbox"/> Auto Physical Damage <input type="checkbox"/> Other – Limited Lines (PLMA)	Company Name _____ _____ (Required for processing) Company Number _____ Effective Date of Appointment _____
_____ Signature of Company Official Date Signed		
Company Four		
<input type="checkbox"/> Life <input type="checkbox"/> Variable Lines <input type="checkbox"/> Accident & Health or Sickness <input type="checkbox"/> Medicare Supp/Long Term Care <input type="checkbox"/> Title	<input type="checkbox"/> Property <input type="checkbox"/> Casualty <input type="checkbox"/> County Farmers Mutual <input type="checkbox"/> Auto Physical Damage <input type="checkbox"/> Other – Limited Lines (PLMA)	Company Name _____ _____ (Required for processing) Company Number _____ Effective Date of Appointment _____
_____ Signature of Company Official Date Signed		

MUST BE RECEIVED BY THE DEPARTMENT OF INSURANCE WITHIN 30 DAYS OF THE APPOINTMENT.

GENERAL INSTRUCTIONS

Must be received by the Department of Insurance within (30) days of the appointment.

IMPORTANT: An agent must hold a proper license for each appointment that is requested.

Only one agent may be listed on each form. Up to four affiliated subsidiary companies may use this form to appoint this agent.

It is the responsibility of the agent to show evidence that he/she holds a valid North Carolina license for the kinds of insurance for which the company is appointing this person. This may be accomplished by showing a copy of his/her North Carolina Department of Insurance license. A history of an agent's licensing authority is available from the Department by written request accompanied by a ten dollar (\$10.00) fee. (Certified check, cashiers check, company or agency check, or money order made payable to NCDOL).

Company appointment must be in writing as a contract between the company and agent or the agency.

Each section must be fully completed and signed by a company official. Company number may be found on the North Carolina Quarterly Invoice. Forms not indicating this number will be returned.

Companies may confirm that this appointment has been properly recorded by the Department by reviewing the listing attached to and part of the North Carolina Quarterly Invoice. The Department will not verify this information by telephone.

Mail to the address below:

**AGENT SERVICES DIVISION
1204 MAIL SERVICE CENTER
RALEIGH, NC 27699-1204**

AGENTS MUST BE APPOINTED. An "Agent" means a person licensed to solicit applications for, or to negotiate a policy of, insurance.

No individual who holds a valid insurance agent's license issued by the Commissioner shall, either directly or for an insurance agency, solicit, negotiate, or otherwise act as an agent for an insurer by which the individual has not been appointed. Any insurer authorized to transact business in this State may appoint as its agent any individual who holds a valid agent's license issued by the Commissioner. Upon appointment, the individual shall be authorized to act as an agent for the appointed insurer for all kinds of insurance for which the insurer is authorized in this State and for which the appointed agent is licensed in the State, unless specifically limited.

No insurer shall accept an insurance application from an individual who is not currently appointed by the insurer.

Appropriate fees for appointments will be billed to companies quarterly. **DO NOT** submit appointment fees with this form.

To terminate an agent's appointment at anytime after it has been submitted to the Department, the company must file Form D2 and comply with its requirements.

An agent licensed to sell life and health has authority to sell variable contracts provided the agent is licensed to sell securities through the Secretary of State, holds current NASD registration, (series 6 or 7, and series 63) and is appointed by a company authorized to sell variable life products in North Carolina, The company is responsible for verifying that the agent has met all NASD requirements.

*DISCLOSURE OF THIS NUMBER IS MANDATORY (G.S. § 58-33-26). ITS USE IS LIMITED SOLELY FOR INTERNAL DEPARTMENT IDENTIFICATION PURPOSES. PUBLIC DISCLOSURE IS PROHIBITED.

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ <input type="checkbox"/> Exempt from backup withholding	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Social security number									
or									
Employer identification number									

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 2 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions on page 2 and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.



PARTICIPATING ASSOCIATIONS AND CHAMBERS OF COMMERCE

Associations:

North Carolina Retail Merchants Association (NCRMA)
North Carolina Mutual Drug
North Carolina Tire Dealers and Retreaders Association (NCTDRA)
Turfgrass Council of North Carolina (TCNC)
Carolinas Food Industry Council (CFIC)

Chambers Of Commerce:

Alamance County	Fuquay-Varina Area	Reidsville
Alleghany County	Gaston	Richmond County
Archdale-Trinity	Granville County	Roanoke Valley
Asheboro-Randolph County	Greenville-Pitt County	Smithfield-Selma Area
Boone Area	Haywood County	Southport-Oak Island Area
Cabarrus Regional	Henderson County	Stanly County
Caldwell County	Jacksonville-Onslow	Statesville
Carteret County	Kinston-Lenoir County	Tarboro Edgecombe
Catawba County	Laurinburg-Scotland County	Topsail Area
Chapel Hill-Carrboro	Lumberton Area	Tyrrell County
Currituck	Martin County	Warren County
Dunn Area	Moore County	Washington Beaufort County
Durham	Morrisville	Wayne County
Edenton-Chowan	Outer Banks	Wilkes
Elizabeth City Area	Pamlico County	Wilson
Fayetteville/Cumberland BC	Raleigh	Winston-Salem