

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](http://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 notification and 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

## 2011 KEY BROKER PROGRAMS AGENT COMMISSION ADDENDUM

Covers Premium Written 1/1 – 12/31/11  
Bonus Commission Paid 4<sup>th</sup> Quarter 2012

Qualifying FBI Agents can earn:

- 9%** New Business Commission
- 10%** Renewal Business Commission
- 12%** New Business Commission (agents qualifying for both programs will receive an additional 3% on new business bringing the total to 12%)

*All FBI Agents receive the standard 7% commission on total premium paid monthly. Additional Bonus Commissions are paid to qualifying agents in the fourth quarter of the following year after the completion of annual payroll audits. Some agents will receive both the New Business Bonus (additional 2%) and the Quality Retention Bonus (additional 3%). Those qualifying for both programs will be financially recognized by a total of 12% commission on New Business.*

### Qualifications

#### 2% New Business Bonus Program:

- ★ Minimum of **\$35,000** new business premium written in the calendar year

#### 3% Quality Retention Bonus Program:

- ★ **85%** of previous year's written premium renewed (minimum \$75,000)
- ★ **\$5,000** of New Business
- ★ **55%** Loss Ratio

#### New Business Bonus Criteria

Throughout the calendar year, Agents will receive monthly commission at our standard **7%** commission rate for both new and renewal premium.

In the fourth quarter of the following year (after the completion of payroll audits), and upon verification of the qualifying criteria (**\$35,000** of new written premium) Agents will receive a "True Up" Commission of the previous year's written business to reflect **9%** on new business.

To receive the New Business Bonus the agency must be active at the time of payment.

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

**As of 01/01/11**

#### Quality Retention Bonus Criteria

Throughout the calendar year, Agents will receive monthly commission at our standard **7%** commission rate for both new and renewal premium.

In the fourth quarter of the following year (after the completion of payroll audits), and upon verification of the qualifying criteria (**\$5,000** of new accounts written, **85%** of premium renewed, with a **\$75,000 minimum** renewal premium and aggregate **55% loss ratio**) Agents will receive a "True Up" Commission of the previous year's business to reflect **10%** of the total premium (when qualifying for both programs, **12%** commission will be paid on new business and **10%** on renewals).

To receive the Quality Retention Bonus the agency must be active at the time of payment.

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

**~ FBI 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 _____                                   |
| ZIP CODE _____                                | COUNTY _____                           | MAILING ADDRESS IF DIFFERENT FROM ABOVE _____ |
| HOME TELEPHONE (_____) _____-_____            | BUSINESS TELEPHONE (_____) _____-_____ |   |
| PREFERRED E-MAIL ADDRESS _____                | BUSINESS FAX (_____) _____-_____       |   |

**Office use only:** 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.**

|   |   |  |
|---|---|--|
| <b>Company One</b><br><input type="checkbox"/> Life<br><input type="checkbox"/> Variable Lines<br><input type="checkbox"/> Accident & Health or Sickness<br><input type="checkbox"/> Medicare Supp/Long Term Care<br><input type="checkbox"/> Title | <b>Property</b><br><input checked="" type="checkbox"/> Casualty<br><input type="checkbox"/> County Farmers Mutual<br><input type="checkbox"/> Auto Physical Damage<br><input type="checkbox"/> Other – Limited Lines (PLMA) | First Benefits Insurance Mutual Inc.<br>Company Name<br>13098 _____ (Required for processing)<br>Company Number<br>_____<br>EFFECTIVE DATE OF APPOINTMENT<br>_____ |
| Signature of Company Official _____   | Date Signed _____   |  |

**~ CHANGE OF AGENCY ~**

|                         |                                  |
|-------------------------|----------------------------------|
| Date of Change _____    | New Company E-mail Address _____ |
| New Agency Name _____   | New Agency Mailing Address _____ |
| Phone / Fax _____/_____ | City, State, Zip Code _____      |

**~ FBI TERMINATION OF NORTH CAROLINA AGENT APPOINTMENT ~**

|   |  |   |
|---|--|---|
| Social Security Number _____                  | *National Producer Number (NPN) _____  |   |
| LAST NAME _____                               | FIRST _____                            | M.I. _____                                    |
| RESIDENCE STREET ADDRESS _____                |  | NAME OF AGENCY _____                          |
| MAILING ADDRESS IF DIFFERENT FROM ABOVE _____ |  | STREET ADDRESS _____                          |
| CITY _____                                    |  | STATE _____                                   |
| ZIP CODE _____                                | COUNTY _____                           | MAILING ADDRESS IF DIFFERENT FROM ABOVE _____ |
| HOME TELEPHONE (_____) _____-_____            | BUSINESS TELEPHONE (_____) _____-_____ |   |

The official signing below certifies that the company has terminated the agent on the date specified. In compliance with NCGS 58-33-56(d), each company has notified the licensee in writing, or has made all reasonable effort to so notify the licensee of this action prior to the effective date of the termination.

|   |   |  |
|---|---|--|
| <b>IF CANCELLATION IS FOR A CAUSE LISTED IN G.S. § 58-33-46, DESCRIBE:</b> _____  |   |  |
| <b>IN THE SECTION BELOW INDICATE EACH APPOINTMENT WHICH YOUR COMPANY CANCELS.</b>   |   |  |
| <input type="checkbox"/> Life<br><input type="checkbox"/> Variable<br><input type="checkbox"/> Accident & Health or Sickness<br><input type="checkbox"/> Property<br><input checked="" type="checkbox"/> Casualty | <input type="checkbox"/> Other – Limited Lines (PLMA)<br><input type="checkbox"/> Auto Physical Damage<br><input type="checkbox"/> Medicate Supplement/Long Term Care<br><input type="checkbox"/> County Farmers Mutual<br><input type="checkbox"/> Title | First Benefits Insurance Mutual Inc.<br>Company Name<br>13098 _____ (Required for processing)<br>Company Number<br>_____<br>Effective Date of Termination<br>_____ |
| Signature of Company Official _____   | Date Signed _____   |  |

## 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/<br>Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other <input type="checkbox"/> Exempt from backup<br>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.)

|                  |                            |        |
|------------------|----------------------------|--------|
| <b>Sign Here</b> | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

#### 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:**

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

**Chambers Of Commerce:**

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

\*New