

GENERAL AGENT'S CONTRACT

This Contract and the Commission Schedule(s) attached hereto and a part of hereof for all purposes referred to as this Contract, made on this _____ day of _____, 20__ by and between National Insurance Agency, Inc. (NIA) of Dallas, TX (hereinafter referred to as Company) and General Agent/Agent _____ (hereinafter referred to as General Agent or Agent).

INDEPENDENT CONTRACTOR

It is expressly agreed that the relationship intended by this Contract between General Agent and Company shall be that of an Independent Contractor only, and that nothing contained herein shall be construed to create the relationship of employer and employee. This Contract or any benefit hereunder may not be assigned, transferred, or pledged by the General Agent.

MANNER OF CONDUCTING BUSINESS

Agent's clientele may be developed by him by any lawful means. He shall select his own hours and workdays and is under no obligation to account to the Company for his time. Company may hold sales meetings to acquaint the Agent with new products and sales techniques for the benefit of the Agent. However attendance at sales meetings will be optional and at the expense of the Agent. Agent shall be free to exercise his own judgment as to the time, routine, place, and method and manner he solicits insurance. Agent agrees to grant the Company the right of first refusal on all applications. Agent shall not solicit outside the jurisdiction for which he is licensed or contrary to the laws or insurance regulations of states where he operates.

The Company may from time to time make available to the Agent supplies, leads, name lists, advertising matter and other material designed to assist Agent in soliciting business. All such material and other policyholder information, whether past, current or prospective, acquired by Agent shall remain the sole property of the Company, shall not be duplicated and shall be returned to the Company within five (5) days after the termination of this Contract.

EXPENSES

Agent shall be responsible for all expenses incurred in the production of insurance for the Company. Agent shall at his own expense furnish his own means of transportation, office or place of business, advertisements, letters, letterhead, circulars, and any other relevant expenses incurred in the solicitation of insurance for the Company.

Agent shall be responsible to Company for all loss or damage arising from business done by and entrusted to him and shall indemnify and hold Company harmless from any and all expenses, costs, causes of action, loss or damages resulting from fraudulent or unauthorized acts or omissions by Agent and any agent(s) under contract with Company and assigned to Agent.

POWERS, DUTIES & RESPONSIBILITIES

During the continuance of this Contract the Agent has the authority to:

- A. Remit all applications for insurance to the Company for approval or rejection and to collect only the initial premium payments due on such applications.
- B. Procure through agent(s) or personally through the Company, applications for insurance written by the Company.
- C. When authorized by the Company and subject to Company approval, recruits train and supervise agents.
- D. Agent shall have the duty of properly representing Company and developing his territory with diligence and in an ethical manner, and the Agent agrees to conform to the rules, regulations, practices and minimum production requirements of Company.
- E. Agent shall be responsible to Company for all monies and securities received by him for Company and shall hold such in trust separate from all other funds and securities, and promptly remit same to Company.
- F. Company reserves the right at any time to terminate the contract of any agent or agents assigned to him and appointed by Company.
- G. The Agent shall not insert or authorize the insertion of any advertising matter bearing the Company's names in any publication, issue or distribute, or authorize the issuance or distribution of any circular or paper on behalf of the Company, without first submitting said advertising matter in writing to Company and receiving prior written approval of Company.

COMMISSIONS

Company agrees to pay the Agent commission on business written by Agent or any agents assigned to him by the Company on premiums actually received and earned by the Insurance Carrier in accordance with the Commission Schedule (s) attached hereto. In the event Insurance Carrier shall, either during the continuance of this Contract or after its termination, refund premiums under any policy to an Insured: Agent shall immediately repay to Company the amount of any commission paid him or his agent (s) on the premium so refunded. Commissions will be credited or paid only if paid by the Insurance Carrier.

- A. All commissions shall be calculated only on premium actually received by the Insurance Company. Commissions will be calculated only on those premiums paid by or on behalf of the insured. No commissions shall be paid on interest, or on premium waived or commuted by reason of death, disability or exercise of policy options.
- B. Company at any time while this Contract is in force or after its termination may set off against any claims by Agent for commissions or other monies accruing to the account of the Agent under the terms of this Contract any debts, liabilities or obligations of the Agent to the Company. If any Agent has agents assigned under the Agent, Agent is responsible for all indebtedness which any agent assigned to Agent owes to Company. At Company's sole discretion Agent's account will be credited with commissions from and debited for all charges against such agents account. Agent further agrees that any indebtedness now or hereafter owing to the Company or its affiliates shall be secured by a first lien against the commission or any other monies payable to Agent under this Contract and any other contract Agent may have with the Company or its affiliates.
- C. All amounts owed to Company or its affiliates by Agent shall become due and payable immediately upon notice to the Agent. At the sole discretion of the Company demand may not be made until that indebtedness exceeds any amounts of projected earned commissions for the next six (6) months, as determined solely by the Company.
- D. The right to receive commission shall automatically terminate upon termination of this Contract except as provided herein. Payment of commissions upon termination of the Contract will be vested immediately, subject however, to the Company's right to set off as set forth in this Contract, the limitations and exceptions described below and the provisions of the Loan Agreement section of this Contract. The right to receive vested Commissions, if any, shall immediately cease or be modified without notice if:
 - (1) This Contract is terminated for cause or for any violations of any of the provisions or agreements of the Contract.
 - (2) In any month following termination the amount of vested commission paid under this contract is less than \$50.00 or the number of in-force policies is less than 25.
 - (3) If a debit balance exists and is not repaid within 60 days following contract termination the vesting provision is modified to: a) One calendar year or longer NIA will credit your account commissions for a twelve-month period after termination for each calendar year your contract was in force; b) less than one-calendar year, commissions will immediately terminate. However, notwithstanding your account will continue to be credited First Year commissions to the extent of your indebtedness. In the event your First Year Commissions do not satisfy your indebtedness, the remainder of your indebtedness is immediately due and payable without demand; or c) After three (3) full calendar years all commissions will be credited to your account for the premium payment life of the policy.

- E. At the option of the Company, payment of commissions will be held in abeyance for 30 days after termination to determine the existence of any sums which are to be set off against commissions
- F. This Contract terminates due to death or permanent disability of the Agent. Commissions will be credited for (5) years thereafter or as set out in D above, whichever is greater. Eligible commissions will be payable to the surviving spouse. If no surviving spouse then such eligible commissions shall be paid to the Executors or Administrators of the Agent's Estate.
- G. After termination Agent's Account will be credited ninety -seven percent (97%) of the earned commissions. The remaining three percent (3%) will be paid to NIA as an administrative fee.
- H. The Company reserves the right to alter, increase, decrease, modify, or withdraw the Commission Schedule and/or Loan Provisions of this Contract at any time.

LOAN AGREEMENT

If Agent elects, Company may make periodic loans to Agent against future credited commissions on applications written and submitted to the Company by Agent or any agents assigned to Agent. Such loans shall be made in lieu of payment of credited commission as provided in the Commission Schedule.

- A. Such loan shall be a percentage of annualized insurance premium on production submitted on completed applications, the percentage loaned will be determined at the sole discretion of the Company.
- B. Any loan proceeds shall be reduced by the amount of chargeback's to Agent's account from any source.
- C. The unpaid principal balance shall bear interest at a rate of one and a half percent per month.

INDEBTEDNESS OF GENERAL AGENT

Any indebtedness owed by the General Agent to the Company shall be paid upon notice to the General Agent. In addition to the provisions of paragraph Department all indebtedness of the General Agent to Company shall be secured by a first lien on any commission or renewal commissions due or to become due to the General Agent. The Company may at any time offset against all commission accrued or to be accrued to the General Agent, any debt due from the General Agent to the Company, whether now existing or hereafter arising. In the event any indebtedness is placed in the hands of a collection agency or attorney, or both, Company shall be entitled to recover, reasonable collection and attorney's fees.

For the purposes of this paragraph, an "agent" shall be any agent of Company on whom General Agent receives an override commission, or who is assigned to General Agent and becomes a part of General Agent's hierarchy, irrespective of the number of levels of agents under General Agent. General Agent shall be fully responsible for any indebtedness (sometimes referred to as an "agent's debit balance") of an agent, and does hereby guarantee payment of any and all indebtedness of an agent. Upon payment and discharge of said indebtedness in full, General Agent shall be subrogated to Company's rights against agent, and may proceed directly against the agent without the joinder of Company. General Agent hereby approves any advances or loans which Company makes to an Agent, and Company shall not be obligated to obtain General Agent's approval of any specific loan or advance.

DEPORTMENT

Should the Agent at any time, either before or after termination of this Contract, wrongfully withhold any funds belonging to any applicant for insurance, a policy holder or the Company; or should the Agent induce any policyholder to lapse, relinquish or surrender a policy with the Company; or should Agent be in default under, or fail to comply with any provision, covenant, representation or warranty contained in this Contract or any other Contract agreement, or in any document or instrument related thereto, between the Agent and the Company; or should the Agent fail to comply with any State insurance laws or regulations, or Federal laws or regulations under which he or it is licensed or is otherwise subject; then the Agent shall immediately forfeit his or its right to receive any commissions or any other compensation due or to become due, whether vested or otherwise, under this Contract or any other agreement with the Company.

ERRORS AND OMISSIONS

For the protection of Agent and the Company, Agent shall carry an Errors and Omissions liability policy of not less than \$100,000.00 per occurrence.

JURISDICTION, LAW and VENUE

This Contract is subject to jurisdiction of the courts of the State of Texas and is to be interpreted in accordance with the laws of the State of Texas. Venue for any action, suit or other proceeding, including non-contract disputes, shall be exclusively in Dallas County, Texas. Agent shall agree to the jurisdiction of the courts of Texas and waive any other venue.

ADDITIONAL PROVISIONS

This Contract is personal and not transferable. Any assignment, transfer, or sale of this Contract or any right to interest herein, without prior written consent of Company, shall not be valid or in any way binding upon Company.

The use of the masculine gender shall include the feminine gender and the use of the singular shall include the plural where appropriate.

This Contract takes effect on the date and year the contract is executed by an officer of the Company.

TERMINATION

This Contract may be terminated at the will of either party hereto, for any reason with or without cause, at any time upon actual notice, written or oral. This Contract will automatically terminate if Agent fails to submit new business in any 120 day period to NIA. Cancellations or loss of license shall automatically terminate this Contract. Agent agrees not to contract with insurance carriers represented by Company for one year. Company may obtain an injunction or temporary restraining order to enforce this provision.

Loan Agreement – I hereby elect to receive loans when made available by the Company for ? Health ? Life ? I do not elect to receive loans

IN WITNESS WHEREOF, this Contract has been signed by the parties hereto. Dated by Agent _____

Signature of General Agent

Company