

INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (hereinafter referred to as "Agreement") is entered as of the _____ between Steve Orr & Associates, Inc. dba Orr and Associates Insurance Services (hereinafter referred to as "Orr & Associates") and _____ (hereinafter referred to as "Contractor"). Both Orr & Associates and Contractor may collectively be referred to as "the Parties." Orr & Associates hereby authorizes Contractor to solicit insurance sales on its behalf in accordance with the terms and conditions as set forth in this Agreement.

I. SERVICES

1.1 Authorization by Orr & Associates. Orr & Associates authorizes Contractor to solicit insurance sales.

1.2 Acceptance by Contractor. Contractor agrees to solicit insurance sales on behalf of Orr & Associates. Contractor solely will determine the method, details, and means of performing the solicitation of insurance sales.

1.3 Relationship of Parties

- 1.3.1** Orr & Associates reserves no control over Contractor or any of Contractor's employees. Contractor is responsible only for accomplishing the objectives, goals, and results undertaken by him under this Agreement. The manner in which Contractor's services are rendered shall be within Contractor's sole control and discretion. Contractor may work any hours Contractor chooses, provided that Contractor is able to provide necessary professional insurance services to the clients of Orr & Associates in accordance with this Agreement.
- 1.3.2** It is the intention of Orr & Associates and Contractor, in accomplishing the results undertaken by Contractor, that Contractor shall be an independent contractor. It is the expressed intention of the parties that Contractor is independent contractor and not an employee, agent, joint venture, or partner of Orr & Associates. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer or employee between Orr & Associates and Contractor or any employee of Contractor, or persons engaged by Contractor in performing his obligations hereunder. The parties hereto acknowledge and agree that as each is an independent contractor, no party has any power to act on behalf of the other and will take no action or make any representation to the contrary.
- 1.3.3** As part of the obligations of an independent contractor, Contractor agrees and is obligated to pay all personal or business quarterly income tax payments, including any Social Security taxes as any other independent contractor. Contractor will not seek any reimbursement of expenses incurred for business expenses, including but not limited to, transportation, continuing education, licensing, and/or client entertainment expenses. Contractor's business expenses are payable from the compensation the contractor receives from the sale of

insurance policies. Contractor will be solely responsible for his or her own errors and omissions and worker's compensation insurance.

II. OBLIGATIONS OF COMPANY

- 2.1 Compensation of Contractor.** Orr & Associates agrees to pay compensation to Contractor in form of commission from the sale of insurance products. Orr & Associates will pay commission income to Contractor at the rate established on the Pay Plan attached hereto as Exhibit "A," which is subject to change.
- 2.2 Additional Compensation.** Orr & Associates agrees to pay additional compensation to Contractor in the event Contractor sells insurance products through Orr & Associates pursuant to the terms of the Pay Plan attached hereto as Exhibit "A."
- 2.3 Management Commissions.** Management Commissions are a portion of commissions that are paid to independent contractors for their role in recruiting, training, and supporting another independent contractor to write business with Orr & Associates. Management Commissions and Bonuses will not be paid to you on the production of your Spouse or Domestic Partner. Management Commissions are paid pursuant to the terms of the Pay Plan attached hereto as Exhibit "A." In the event that this Independent Contractor Agreement is terminated voluntarily, Management Commissions will extend into the future for as many years as the Independent Contractor receiving the Management Commissions was an independent contractor with Orr & Associates. In the event that this Independent Contractor Agreement is terminated for cause, Management Commissions will cease immediately.
- 2.4 Services provided by Orr & Associates to Contractor.** Orr & Associates agrees to reasonably process all insurance applications submitted by Contractor, and to keep Contractor reasonably informed of the status of the underwriting process on all applications submitted by Contractor through Orr & Associates. Orr & Associates further agrees to reasonably process certificate, financing, and endorsement requests arising out of insurance applications submitted to Orr & Associates by the Contractor.
- 2.5 Benefits.** Contractor and Contractor's employees shall not be eligible for, and shall not participate in, any employee pension, health, welfare, or other fringe benefit plan of Orr & Associates. No workers' compensation insurance shall be obtained by Orr & Associates covering Contractor or Contractor's employees.

III. OBLIGATIONS AND RESPONSIBILITIES OF CONTRACTOR

- 3.1 Services Provided by Contractor.** Contractor agrees to solicit insurance sales to be processed through Orr & Associates. Contractor shall conform to high professional standards of work and business ethics.

3.2 Responsibility for Business Expenses. Contractor is responsible for business expenses related to the sale of services set forth herein, including but not limited to office space, automobile, travel, telephone, office use and supplies, continuing education, entertainment, and meetings. Contractor may not obligate Orr & Associates for any expenses without prior written authorization by Orr & Associates. Contractor shall not use time, materials, or equipment of Orr & Associates without the prior written consent of Orr & Associates.

3.3 Responsibility for Business Expenses; 3rd party payments. Contractor is responsible for payments that the contractor delivers to Orr & Associates on behalf of the contractor's clients. This responsibility extends to payments that are not legally acceptable for any reason including, but not limited to, counterfeit currency, checks or credit cards with incorrect or invalid information (e.g., account numbers, routing numbers, address, expiration date), accounts with insufficient funds or limits, and checks or credit cards where payment has been stopped or reversed.

3.4 Taxes. Contractor shall be responsible for all taxes arising from compensation and other amounts paid under this Agreement and shall be responsible for all payroll taxes and benefits of Contractor's employees. No federal, state, or local income tax, or payroll tax, or tax of any kind, shall be withheld or paid by Orr & Associates on behalf of Contractor or its employees. Contractor understands that he or she is responsible to pay, according to law, Contractor's taxes and Contractor shall, when requested by Orr & Associates, properly document to Orr & Associates that any and all federal and state taxes have been paid.

3.5 Compliance with Law. Contractor agrees to always comply with all state, federal, and local laws, and regulations, including, but not limited to licensing, insurance, securities, and sales practice laws and regulations, and business best practices.

3.6 Use of the Name Orr & Associates. All use of the license number or name for "Orr & Associates Insurance Services" or "Steve Orr & Associates, Inc." or any abbreviation or variation of these names must be approved by Orr & Associates prior to use by the Contractor.

3.7 Minimum Production Requirements. Independent Contractors should actively pursue increased knowledge of the sales process, insurance policies, insurance markets, and the insurance industry as a whole. As a practical way of demonstrating this knowledge of sales and the industry, all Contractors appointed with Orr & Associates shall meet the following milestones as either a writing or controlling producer:

\$ 2,500	Personal Income	by the end of 6 months
\$15,000	Personal Income	by the end of 12 months
\$30,000	Personal Income	by the end of 24 months

Contractors unable to achieve production requirements will be placed on probation for three (3) months and are required to present a marketing plan addressing the issues hindering production and means to overcoming those hinderances. In the event production requirements are not met after the set probationary period, contractor may continue as a concierge producer.

IV. TERM OF AGREEMENT

4.1 Term. This Agreement is effective from the date written above and shall remain in force until terminated by either party as provided in Section 2 or Termination.

4.2 Termination. Orr & Associates or Contractor may terminate this Agreement in writing upon ten (10) days' written notice to the other party. The Company also may terminate this Agreement immediately in its sole discretion upon Contractor's material breach of this Agreement and/or upon any acts of gross misconduct by Contractor directly affecting this Agreement or the independent contractor relationship. Where either party terminates this Agreement, the Company shall not be liable for service fees to Contractor under this Agreement except to the extent that Company received and accepted the work performed by Contractor under this Agreement.

4.3 Commissions in the Event of Termination. Upon termination for material breach of this contract, Contractor's right to commission income shall be limited to amounts for which Orr & Associates has received agency income prior to the date of termination. A Contractor terminated for material breach of this contract shall have no rights or interests in renewal premiums or Management Commissions. If Contractor or Company terminate this Agreement without a material breach of this agreement, Contractor's rights to commissions continue according to Section V 5.1.

V. OWNERSHIP OF BUSINESS

5.1 Contractor and Orr & Associates agree that all insurance business including accounts, commissions and rights concerning contracts of insurance secured, solicited and/or otherwise handled by Contractor are owned 50% by Orr & Associates and 50% by the Controlling Contractor on an account once the Controlling Contractor has qualified as BDD. Taking policies written through Orr & Associates and renewing or rewriting them through a different agency or directly through an insurance company apart from Orr & Associates will be viewed as the Contractor's desire to terminate this Agreement. In the event of termination of this Agreement by either party, Orr & Associates shall retain first right of refusal for the purchase of the Contractor's 50% ownership in policies produced by the Contractor. Orr & Associates may exercise the right to purchase the Contractor's 50% ownership by paying the Contractor 25% of the Agency Income on the accounts for as long as the accounts remain with Orr & Associates. No ownership of accounts is afforded to Contractor until he or she has qualified as BDD. Ownership of an account extends only to the 50% for the Controlling Contractor and 50% to

Orr & Associates. Any controlled accounts that are abandoned, either voluntarily or involuntarily, by a Contractor who has not qualified as BDD, become the controlled accounts of the contractor immediately managing the controlled accounts.

VI. NON-PIRACY COVENANT

6.1 Contractor recognizes Orr & Associates' right to protect the value of Orr & Associates business entity. The value includes Orr & Associates' "customers." For the purpose of this Agreement, "customers" is defined to include:

6.1.1 Any individual(s) or business entity or entities, who at the time of Contractor's termination, has an active insurance product of service from Orr & Associates, or

6.1.2 Any individual(s) or business entity or entities, who were provided insurance services or products by Orr & Associates within 180 days prior to Contractor's termination of Agreement with Orr & Associates, or

6.1.3 Any individual(s) or business entity or entities, for which any employee, agent, or independent contractor of Orr & Associates is in the process of soliciting or quoting at the time of Contractor's termination. However, if such individual(s) or business entity or entities do not purchase insurance products or services through Orr & Associates during the 180 days immediately following Contractor's termination date, Contractor shall, thereafter, be free to engage in insurance business with such individual(s) or business entity or entities.

6.1.4 For and in consideration of the terms of this Agreement, Contractor does hereby covenant and agree that, for a period of three (3) years from the date of purchase or termination, regardless of whether or not said termination is with or without cause or whether initiated by Contractor or Orr & Associates, Contractor will not engage, directly or indirectly, in any activity involving the solicitation or acceptance of business that is of the kind of services Orr & Associates offers from clients with a pre-existing relationship with Orr & Associates.

VII. INDEMNIFICATION AND LIABILITY

7.1 Indemnification by Contractor. Contractor shall be liable for and agrees to hold Orr & Associates harmless from any and all losses and expenses, costs, fines, damages or causes of action incurred by Orr & Associates resulting from the fraudulent or unauthorized acts of Contractor, or Contractor's employees. Contractor shall indemnify, defend, and hold Orr & Associates harmless from all expense, costs, claims, or damages, including reasonable attorney's fees, resulting from such actions.

7.2 Orr & Associates will not be liable for any business activities of Contractor that Contractor does outside of the scope of soliciting and placing business with Orr & Associates. Contractor shall provide Orr & Associates with proof of Errors and Omissions Insurance coverage with minimum limits of \$1,000,000 in the aggregate. Contractor agrees to increase either the aggregate limit, the per

occurrence sub-limit, or both, upon written request by Orr & Associates, provided such increase is reasonably necessary. If permitted by Contractor's Errors and Omission insurer, Orr & Associates, shall be designated on Contractor's policy as an additional insured under Contractor's policy.

VIII. PROTECTION OF CONFIDENTIAL INFORMATION

8.1 Confidentiality. In view of the fact that Contractor's sales services will bring him or her into close contact with many confidential affairs of Orr & Associates not readily available to the public, Contractor agrees as follows:

8.1.1 To keep secret and retain in the strictest confidence all confidential matters of Orr & Associates including, but not limited to, secrets, trade secrets, know-how, customer and prospective customer lists, stock broker/financial consultant names and their customer names, computer code, computer systems, pricing policies, marketing plans, operation methods and all records of Orr & Associates such as files, technical manuals, documents, other materials furnished for Contractor by Orr & Associates, and other confidential business affairs of Orr & Associates, learned by Contractor from Orr & Associates heretofore or hereafter and not to disclose them to anyone outside of Orr & Associates or use them to Contractor's personal advantage, either during or after termination of this Agreement, except in the course of performing Contractor's duties hereunder or with Orr & Associates' expressed written consent; and

8.1.2 To deliver promptly to Orr & Associates upon termination of this Agreement, or at any time Orr & Associates so may request, all memorandum, notes, records, reports, manuals, drawings, and other documents (and all copies thereof) relating to Orr & Associates' business and all property associated therewith, which contractor may then possess or have under his or her control. Contractor further agrees, understands, and acknowledges that the aforementioned items are the sole and exclusive property of Orr & Associates.

IV. UNFAIR COMPETITION AND NON-SOLICITATION

9.1 Unfair Competition. Contractor agrees, understands and acknowledges that he or she will not now nor in the future, whether voluntary or involuntary, take, promote, further, or cause any action that is designed to or has the effect of disrupting, impairing or otherwise interfering with the business of Orr & Associates, whether by way of interfering with or raiding its employees, disrupting its relationships with customers, agents, independent contractors, representatives, insurance companies, stock brokers, financial analyst or vendors or otherwise, or soliciting its existing and prospective customers. This agreement shall include and encompass the time this Agreement is in force and after termination thereof for a period of three (3) years. Following termination of this Agreement, Contractor shall not contact Orr & Associates' employees, agents, or independent contractors, for the purpose of 1) soliciting them to

terminate their employment, agency relationship or independent contractor agreement with Orr & Associates and/or 2) soliciting them to work with or for, directly or indirectly, Contractor or Contractor's employer.

9.2 Non-Solicitation. Contractor further understands and agrees that he or she is not to assist or otherwise aid any competitors of Orr & Associates in its efforts, should there be any, to solicit employees, agents, or independent contractors from Orr & Associates. This agreement would include and encompass the time this Agreement is in force and after termination thereof for a period of three (3) years.

X. UNFAIR COMPETITION AND NON-SOLICITATION

10.1 Fee Splitting. Should Contractor solicit Orr & Associates' customers after termination of this Agreement, Orr & Associates shall be entitled (for a three (3) year period after termination of this Agreement) to 50% of all compensation received by Contractor or Contractor's employer for services provided to Orr & Associates' customers. Contractor shall be responsible for accounting and paying to Orr & Associates its share of such compensation on a quarterly basis. Orr & Associates shall have the right to audit and review Contractor's or Contractor's employer's books, records, or other documentation to verify Contractor's compensation.

XI. RIGHTS AND REMEDIES

11.1 Contractor's Breach. If Contractor violates any of the provisions of the Agreement, Orr & Associates shall have the following rights and remedies:

- 11.1.1** It being acknowledged and agreed that any breach or threatened breach will cause irreparable injury to Orr & Associates and that money damages will not provide an adequate remedy to Orr & Associates, Orr & Associates may seek the right and remedy to have the provisions of this Agreement specifically enforced by any Court having jurisdiction.
- 11.1.2** In the event of an actual breach, the right to recover damages for all losses, actual and contingent, and the right to require Contractor to account for and pay over to Orr & Associates all compensation or other benefits derived or received by Contractor as a result of any transactions constituting such a breach; and
- 11.1.3** Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to Orr & Associates at law or in equity.

XII. GENERAL PROVISIONS

12.1 Governing Law. This Agreement shall be subject to and governed by the substantive laws of the State of California without regard to conflict of law principles.

12.2 Arbitration of Disputes. The parties agree that any claim concerning Contractor's entitlement or allocation of commissions, both before and after Contractor's Termination shall be adjudicated by binding arbitration before a single, neutral arbitrator who shall be a retired superior court judge mutually acceptable to the parties or, failing agreement, to be designated by the Riverside County Superior Court, with such arbitration to be held in Riverside County, California. The arbitrator shall be selected in accordance with the Rules of the American Arbitration Association ("AAA") in effect at the time of the dispute. Discovery shall be allowed pursuant to the rules of the AAA. No appeal shall lie from the Arbitration Award rendered by the Arbitrator, and the Award may be confirmed as a Judgment in any Court of competent jurisdiction.

12.3 Injunctive Relief. Notwithstanding the agreement for binding arbitration, nothing herein shall preclude either party from using the courts to obtain any injunctive relief or provisional remedy that the Arbitrator cannot provide in an Arbitration proceeding, but once the preliminary injunctive or provisional remedy issues are resolved, the remaining issues of fact and law shall be transferred to arbitration, with the Court retaining jurisdiction on any equitable issues.

12.4 Attorney's Fees. In any action to enforce this Agreement, the prevailing party shall be awarded its reasonable attorney's fees, court, or arbitration costs.

12.5 Entire Agreement. This Agreement and attached exhibits constitute the entire agreement between these parties with respect to the subject matter herein and there are no representations, inducements, promises, agreements, arrangements, undertakings, oral or written, between the parties other than those expressly set forth in this Agreement. No agreement of any kind shall be binding upon either party until the same has been made in writing and duly executed by both parties.

12.6 Waiver. The waiver of any breach of any covenants and conditions of this Agreement shall not act as a waiver of any other covenants or conditions of this Agreement, nor hinder or otherwise prevent the subsequent enforcement of rights under this Agreement.

12.7 Assignment. This contract is personal between contractor and Orr & Associates. Any assignment of this Agreement or any part thereof by Contractor, without written consent of Orr & Associates, shall render this agreement null and void. In the event Orr & Associates sells its assets or goodwill to some

other Company, this Agreement shall be binding on Contractor, Orr & Associates, and the successor entity, unless the parties both agree otherwise in writing.

12.8 Notice. Notices under this agreement may not be altered or amended in any matter unless agreed to in writing by both parties. No evidence of any oral agreement or modification shall be considered to alter or amend the stated terms of this Agreement.

12.9 Amendments. This Agreement may not be altered or amended in any matter unless agreed to in writing by both parties. No evidence of any oral agreement or modification shall be considered to alter or amend the stated terms of this Agreement.

12.10 Severability. In the event any provision, term, or condition of this Agreement shall be held illegal, invalid, or void, for any such reason whatsoever, by any court of competent jurisdiction, and such declaration shall be upheld on any and all appeals taken therefrom, this Agreement shall be read if such illegal, invalid, or void provision were not part hereof.

12.11 Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, executors, administrators, legal representatives, successors, and assigns.

12.12 Survival. The provisions contained in Section V, VI, VII, VIII, IX, and X shall survive the termination or cancellation of this agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the day and year first above written.

COMPANY:

STEVE ORR & ASSOCIATES, INC.

By: _____ Name: _____

Title: _____ Address: _____

CONTRACTOR:

By: _____ Name: _____

Title: _____ Address: _____

Third Party Beneficiaries:

I would like to name as my Beneficiary:

Name: _____ Relationship: _____

Address: _____

Phone: _____ Email: _____

Orr & Associates will pay commission income to the Beneficiary listed above subject to State Insurance Laws.

EXHIBIT "A"

I. PAYMENT

Contractor is paid weekly on Thursday. If this day falls on a legal holiday, Contractor will be paid on the next business day.

Commissions received by Orr & Associates by Friday at 5:00pm PST will be paid on the following Thursday.

II. COMMISSIONS

Contractor is paid solely on a commission basis. Sales commissions are calculated by adding together the "Percentage of the Broker Fees" (if applicable) and the "Percentage of the Company's Commissions."

Percentage of the Broker Fees: For purposes of this Agreement only, the Broker Fee is the fee charged by Contractor to the customer for the Contractor successfully placing the customer with an insurance company and for Orr & Associates providing services associated with having an insurance policy.

Percentage of the Company's Commissions: For purposes of this Agreement only, the Company's Commissions is the amount of commission paid to Orr & Associates from the insurance company. Commissions will vary by program.

For purposes of this agreement only, new business commissions are paid for the first year a policy is written with Orr & Associates. Renewal commission percentages are paid for any policy written after more than 90 days of a prior Orr & Associates' policy's expiration date. Any policy that is written after more than 90 days without that type of policy (GL, WC, BOP, etc.) will be paid as new business.

Commission Example: Contractor sells a policy with a total cost of \$1,200. The breakdown is \$1,000 premium and \$200 Broker Fee. If Contractor's commission level is in the 60% bracket, and the Agency commission level is 15%, how much will Contractors total commission and Broker Fee add up to?

Answer: \$210. Explanation: The Contractor's compensation is calculated by adding together the Contractor's commission. Here, the Contractor's percentage of the Broker Fee is 60% of \$200. (60% of \$200= \$120). We add this to the Contractor's Percentage of the Company's commission. Here, the Contractor's percentage of the Company's commission is 60% of \$150. (60% of \$150 = \$90). The total Contractor's commission is \$120 + \$90 = \$210.

Contractor is responsible for collecting the amount required to initiate insurance coverage (See paragraph 3.3). In the event that a client does not pay a down payment, or any portion thereof is not paid, Contractor is responsible for the amount owed to the insurance company. Reasons for a client not paying the amount owed to the insurance company include, but are not limited to, the client paying with a dishonored check or policy cancellation that leaves commissions due to the insurance carrier.

In the event Contractor is terminated from, or terminates, the Agreement with Orr & Associates prior to such time in which the commission are received, then no commission will be due and owing from Orr & Associates to Contractor.

Charge Backs: In the event Orr & Associates, at its sole discretion, refunds or returns money to a client or third party of which Contractor had received compensation, then, at the next reconciliation, the contractor will be billed according to the same percentage the contractor had been paid. For example, if contractor received 10% of \$1000 paid to Orr & Associates, or \$100, and Orr & Associates returned \$500 to the client, insurance company, or any third-party, then Orr & Associates would charge the contractor 10% of the \$500 returned, or \$50, at the next reconciliation.

Orr & Associates may, at the discretion of the CEO of Orr & Associates, enhance or reduce the compensation schedule. Below are definitions and abbreviations for Exhibit A, Payment Plan.

The Commission level for renewals is 10% less than the commission level for new business. For example, 60% on new Commercial business for a BDD would be 50% at renewal.

Active Policy = A policy is considered active between its effective date and expiration date. After the expiration date, it is no longer active.

Agency Income = Commission + Broker Fee paid to Orr & Associates.

APC Sales = Accounts that are Active and Personally Controlled by the individual to be promoted.

Production Shop = Producers you override who have not been promoted to the level of BDD.

Controlling Producer = The producer who did the marketing to bring the client to Orr & Associates. A controlling producer is the producer that did the marketing for the account even if it is written by a different producer. The controlling producer remains controlling even if the independent marketing of a different producer brings a new line of business to Orr & Associates.

Addendum 1

Addendum 1: E&O Insurance

Contractor has the protection for E&O exposures according to the Independent Contractor coverage afforded by Orr & Associates' E&O policy. This E&O protection extends only to policies written through Orr & Associates. E&O annual premium may vary from year to year based on costs and exposures. Orr & Associates does not guarantee that it will always provide E&O coverage to Contractor. In the event that there is a claim directed to or arising out of the work of the Writing Contractor said Contractor will be responsible for paying \$2,500 of the E&O deductible. Annual sum of \$300 will be deducted from each year's first paycheck. If E&O annual fee is not paid, said Contractor will be unable to submit business with Orr & Associates. Contractors with an annual personal income exceeding \$300,000 may opt out of the \$300 annual sum, in doing so, however, said Contractor will be responsible for Orr & Associates' entire E&O deductible should a claim arise out of their work as the responsible writing contractor.



PROMOTION GUIDELINES – P&C

Producer

50% New, 40% Renewal

Sr. Producer

60% New, 50% Renewal

In order to be promoted to Sr. Producer, you must earn \$15,000 of Personal Income over a rolling year period.

Jr. BDD

60% New, 50% Renewal

To be promoted to Jr. BDD, you must earn \$30,000 of Personal Income over a rolling year period. Jr. BDDs qualify for management commissions.

BDD

60% New, 50% Renewal

To be promoted to BDD you must earn \$75,000 of a combined total of controlled and/or management commissions over a rolling year period. Additionally, to be promoted to BDD you must complete BDD training. Producers promoted to BDD are vested.

Executive BDD

60% New, 50% Renewal

To be promoted to Executive BDD you must earn \$150,000 of Personal Income in a rolling year. Producers promoted to Executive BDD qualify to earn executive management bonuses.

CEO BDD

60% New, 50% Renewal

To be promoted to CEO BDD you must earn \$300,000 of Personal Income in a rolling year. Producers promoted to CEO BDD qualify to earn CEO management bonuses.

Management Commissions & Bonuses

BDD Management Commission

- 1st level BDD 5% new, 15% renewals

Executive BDD Management Bonus

- 1.2% on Controlled agency income
- 1.2% on Production Shop controlled agency income
- 1.2% on level 1 BDD controlled agency income
- 1.2% on level 1 Production Shop controlled agency income
- 1.0% on level 2 BDDs controlled agency income
- 0.5% on level 3 BDDs controlled agency income

CEO BDD Management Bonus

- 2% on Controlled agency income
 - 2% on Production Shop controlled agency income
 - 2% on level 1 BDD controlled agency income
 - 2% on level 1 Production Shop controlled agency income
 - 1% on level 2 BDDs controlled agency income
 - 1% on level 3 BDDs controlled agency income
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- All Production Requirements and Management Bonuses are based on Agency Management System

PRODUCER LIFE COMMISSION SCHEDULE

PRODUCT LEVEL	PRODUCER COMMISSIONS	SR. PRODUCER NO MANAGEMENT COMMISSION	JR. BDD ELIGIBLE FOR MANAGEMENT COMMISSIONS	BDD VESTED	MANAGEMENT COMMISSIONS					= TOTAL PAYOUT %
Level 1	26	40	40	40	2	1	1	1	1	46%
Level 2	30	50	50	50	4	1	1	1	1	58%
Level 3	40	60	60	60	5	2	1	1	1	70%
Level 4	45	63	63	63	7	2	1	1	1	75%
Level 5	50	65	65	65	11	3	2	1	1	85%
Level 6	55	70	70	70	11	3	2	1	1	90%
Level 7	60	80	80	80	11	3	2	1	1	100%
Level 8	65	87	87	87	14	7	4	2	1	115%
Level 9	65	90	90	90	15	8	4	2	1	120%
Level 10	65	95	95	95	15	8	4	2	1	125%