RECRUITING FOR SUCCESS
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Recruiting New Producers

Recruiting is the lifeblood of an agency. Without good producers, agencies will never experience their full potential. As with all activities that take place within an agency, recruiting takes time and energy. It also takes a plan. We hope that you find the information provided here a sufficient outline with which to start your recruiting plan, and begin your recruiting activities.

The Hiring Decision

The decision of hiring an individual for your agency is not only one of the most important decisions you make, but it can also be one of the most expensive decisions if the wrong person is hired. Let’s look at some of the costs associated with hiring a producer.

Associated Costs In Making A Hiring Decision

- Your lost time (actual time taken away from selling)
- Benefits, vacation pay, auto expense
- Fees associated with your search (meals, testing, background search)
- Legal fees (employment contract)
- Training costs (soft and hard costs)
- Equipment (office space, phone, computer)
- Lead generation (marketing, advertising costs)

Your Agency Could Spend As Much As 4 To 6 Times The Person’s Salary!

If you pay the Producer a minimum of $35,000:

4 Times = $140,000
6 Times = $210,000
In Addition, You Run The Risk of:

- Lost contracts
- Bad client relations
- Poor morale in the office
- An average turnover ratio of 66% within two years

What About Current Producers - Are They Diamonds Or Lumps Of Coal?

Here are some facts about our producer force according to IMMS:

- 55% of the people employed aren’t qualified for sales.
- another 20% to 25% have some sales ability, but sell the wrong product.
- If a producer has been employed for more than three years, has a book that is less than 3.5 to 4 times his or her salary, and isn’t making at least $40,000 in annual personal income, that person is a marginal producer.

Success breeds success; a marginal producer “leads” your agency to mediocrity.
Where do you begin?

Hiring is like prospecting. It should be a continuous activity and certain steps should be taken to improve your potential of finding a top-notch sales person.

5 Steps In Recruiting

1. Determine the need
   Look at the agency and determine what type of producer is needed.

2. Prospect
   Find individuals who have some likelihood of becoming successful in sales.

3. Select
   Choose the candidate (from a pool of candidates) who best fits your ideal criteria of being successful in sales.

4. Prepare Candidate For The Career
   Get the producer ready to come on board and make a difference quickly. Cover the terms of employment and bring the producer on board.

5. Hire
   Extend the offer to your top candidate.
Step 1 - Determine The Need

Determine Your Agency’s Needs Before Prospecting

Recruiting begins with the agency’s marketing plan. Based on your business plan:

- What markets can help you achieve your long-range goals?
- What markets account for the majority of your profitable business?
- Considering the market share of this business your agency currently writes in relation to the total market, is there sufficient room for additional growth to add a producer?
- Should you look for an experienced producer or do you have the resources to train and manage a beginner?
- Can you recruit to the market? That is, can you locate a prospect who has background in the market you intend to target (former restaurant manager, former contractor, etc.)?
Step 2 - Prospect

Think Of Recruiting Like Prospecting

Producer recruitment should be continuous, systematic and comprehensive. According to industry statistics, you may have to recruit anywhere from 30 to 60 candidates to find one successful producer.

The agency Principal/Sales Manager should devote at least 5% of her/his time to building a stable pool of potentially qualified producer candidates.

A potential candidate is one who is:

• Currently satisfied with his/her job.
• One that may be enticed to join your operation when a vacancy occurs.

To keep candidates interested in your agency, you must keep in touch with them on a regular basis. Sending personal letters, follow-up phone calls and other contacts are vital to keeping the recruit “Hot” for the job.

Learn From The Success Of Direct Writers

According to an IIAA study, two out of three newly hired producers in the independent agency system don’t last two years. The four year retention within the life insurance industry is only 19%.

Compare this with direct writers and you’ll see we can learn from them. Their producer retention results are significantly better.
Ideal Producer Profile of Direct Writers

- Age 27 - 40
- Married with children
- College degree
- Well known in the community
- Active in social and business circles
- Currently successful
- Ability to invest in his/her future
- Willing to fulfill pre-contract requirements
- Stable domestic life
- Previous experience in a people business

Where and How to Prospect

Now that you have established your specific needs for a producer and the type of person desired, where do you find qualified candidates?

18 Sources for Producer Prospecting

1. **Use your current producers to recruit future colleagues**

   Implement a program requiring each producer to submit a list every Monday morning of potential producers met during the previous week. For every producer hired through this program the referring agent would get 10% of first year commissions.

2. **Proven salespeople in other industries**

   Sales people who call on your office (i.e. copy machine, telephone, yellow page representative) may have proven sales abilities but little company support or career opportunity.

   Simply inquire if they have ever considered an unlimited career opportunity within the insurance industry; suggest you would like to discuss details during a lunch meeting.

3. **Agency Support Staff**

   These people start out with an advantage, since they already have technical skills and know your agency operations. They may also be hungry for the financial rewards they see your producers enjoy.
4. Marketing reps, underwriters and claim reps from carriers

Many agencies prefer to hire company people because of their technical knowledge and the image they project, even though they are not usually trained in sales.

Show your company contact your job description. Then ask for the names of at least two persons inside or outside the company who would best fit the position. Remember, these people have probably never told anyone they are looking for a job.

Sources of Candidates
- Colleges
- Insurance Companies
- Suppliers
- Employment Agencies
- Policyholders
- Agency Personnel

5. Agent’s Associations

The same approach can be used for agents’ associations. Many associations also maintain lists of people who are seeking positions as producers (and CSRs).

6. Company Human Resource Department

Most carriers receive a continuous flow of resumes from individuals who may not be chosen for a specific company function.

Provide the personnel office with a job description for your intended position and request that they keep you in mind should such a person apply and not be a candidate within the company.

7. High school coach or teachers

Individuals who gravitate towards teaching are nurturers and those who enjoy coaching are competitive, but one thing they have in common is that they love the idea of selling their service. Also, most coaches and teachers know many people and have good presentation skills.
As with others with whom you network, first ask if they would like a new challenge. Then ask if they have ever considered an unlimited career opportunity within the insurance industry.

8. Non-owner producers from other agencies

This individual, who successfully produces business, becomes discouraged if an agency principal never shares profits. There may, however, be legal problems if the producer’s current employer is located in the same area, particularly if he or she entered a “covenant not to compete.” As a rule, though, you should be wary of attempting to salvage producers who have not succeeded in other agencies, since it is difficult to clearly determine if it was due to ineffectiveness.

9. CSRs from direct writers

Many direct writers train their sales staff to continuously ask for business and cross-sell. However, they are not allowed to give them “agent” status or commissions and rarely enter into a formal non-compete contract.

10. Referral from center of influences (i.e. bankers, merchants or other community leaders)

Community center of influence prospecting can be an invaluable recruiting technique. Even if you don’t identify with any good candidates, you’ve flattered your centers of influence and given them the impression that your agency is a professional operation.

11. Employ the center of influence method with leading Commercial Lines policyholders

Ask each of your 10 leading Commercial Lines accounts to name the insurance salesperson (besides your own) who has impressed them the most—and why. Pick only the best sources: those who respect you and will be respected by those they refer. This method is also a valuable way to learn who your best competitors are and how they’re operating.

12. Graduating college seniors with insurance, business or marketing degrees

If your agency has a sound training program, college recruitment provides another excellent opportunity to meet many potential candidates. There are many advantages to working with producers right out of college compared to those who have been in the business, or another business for a period of time. According to Dick Womack, insurance consultant, who first introduced this concept more than 20 years ago, “The best years a
producer has are the years between 21 and 35. When producers are 35 years old, they have bad ideas, bad habits, particularly if they have come from the competition. Why waste 14 of the best years a youngster will ever have?"

Recent graduates are eager to make money but do not demand the salary of someone who has been in the work force for a period of time. They are ready to work long hours, are enthusiastic and don’t have any preconceived notions about the “right” way to do the job.

An agency manager can work with the placement office at the local junior college, four-year college, or university to gather names of potential producers.

Go to the college campus on recruiting days.

Find out from the job placement office which is the biggest interview day on the campus and make it your recruiting day.

Publicize the event in advance by announcing an agency or company representative will be available on that particular day. On the day of the event, put an agency placard on an easel. There will be many students waiting to get to see the representatives of some of the bigger firms—giving you an opportunity to talk to more students than in any other way.

Tell the students the truth about the unlimited possibilities that exist.

After meeting with the students on campus, bring them to your office and discuss testing.

Implement testing for all candidates. If the test results are poor, act according to the findings.

13. Advertise in local newspaper

Advertising can be a valuable way to locate potential producers at a relatively low cost. To be successful, however, ads must have a strong appeal to applicants’ needs, ambitions and life goals. Instead of asking applicants to come in person or write to a box number, as in a conventional help-wanted notice, specify that candidates call your office.

14. Invite people to your agency for an after-hour “Career Night”.

Advertise in your Sunday paper with a display ad, placed within the financial or sports section of the newspaper. Ask people to confirm in advance. Mail applications prior to career night and have candidates bring a completed application as their admission ticket. Offer refreshments to create a cordial atmosphere. Talk about the opportunities in your agency and the positions you have open. Present an informal history of your agency,
including some special accomplishments of your business career.

Ask candidates to indicate the positions for which they would like to be considered and test candidates before leaving the career night event. Spend time getting to know each candidate informally. Give candidates a take-home gift—a plant, desk calendar or other small item in appreciation for attending.

15. Outside recruiting services

Some agencies prefer to bring in management consultants or headhunters to help them fill producer positions. Most executive search services require the client to pay 25% - 30% of the candidate's first-year salary, plus all out-of-pocket expense.

16. College / University Alumni Offices

Many colleges and universities have placement offices for graduates who are looking for work.

17. Local Publications

Local papers and other publications will carry stories on companies that are downsizing, closing, or forcing early retirement on their work force. Contact the HR department at these employers to garner some interested candidates.

18. Direct Mail

Mail a letter to various segments of the business community wherein you seek qualified candidates for the producer position. Doctors, lawyers, CPA's, veterinarians, clergy and the like are all segments to prospect within. Names and addresses are easily secured from the yellow pages. (See sample letter in appendix)
Step 3 - Select

You now have a semi-qualified pool of candidates or you’ve narrowed your search to your top candidates. Now what? It’s now time to further qualify the candidates by putting each person through a selection process.

To begin, first know what characteristics to look for; then move on to understand to what degree each candidate has these characteristics; then finally select your top candidate. The following information should assist you in doing these three things.

Talents Top Sales People Possess

1. Ability to close a sale
2. Intrinsic motivation
3. Disciplined work habits
4. Ability to build relationships with customers

Characteristics Of Top Salespeople

Ego Drive
The need for ego gratification, motivated by a positive response. Ego drive is shown in one’s desire to excel for personal self-respect and confidence. One’s ego drive is 63% accurate in predicting sales success.

Empathy
The ability to put oneself in the other person’s shoes. Combine ego drive with empathy and 83% of the time you have found a successful salesperson.

Ego Strength
The ability to bounce back from rejection and deal with new people.

Ability to Close a Sale
The ability to ask for and get the sale due to product knowledge, confidence, and meeting the needs of the client.
<table>
<thead>
<tr>
<th><strong>Intrinsic Motivation</strong></th>
<th>Being motivated from within. Desire to succeed for oneself.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disciplined Work Habits</strong></td>
<td>Good time management. In Control. Meets deadlines.</td>
</tr>
<tr>
<td><strong>Ability to Build Relationships</strong></td>
<td>Once a sale has been made, the ability to maintain a healthy relationship with the client in order to understand and anticipate needs they may have in the future.</td>
</tr>
<tr>
<td><strong>Competitive/Assertive</strong></td>
<td>Individuals who look for the challenge of winning. An individual who isn’t afraid to express their viewpoint.</td>
</tr>
<tr>
<td><strong>Empathetic</strong></td>
<td>The ability to put themselves in someone else’s position and relate to that position.</td>
</tr>
<tr>
<td><strong>Persuasive</strong></td>
<td>The skill to help others look at another’s point-of-view, to influence others.</td>
</tr>
<tr>
<td><strong>Likes Change</strong></td>
<td>Looks for opportunities rather than dwells on things that he/she can’t change. This individual thrives on change and prefers to be in front of new people, new challenges.</td>
</tr>
<tr>
<td><strong>Impatient</strong></td>
<td>A person of quick action. A person with a “will do” attitude.</td>
</tr>
<tr>
<td><strong>Fast-paced</strong></td>
<td>A person who usually talks with excitement in his/her voice, a person who walks and talks at a fast rate.</td>
</tr>
<tr>
<td><strong>Independent</strong></td>
<td>A person who enjoys his/her freedom, not wanting or needing someone to look over his/her shoulder.</td>
</tr>
<tr>
<td><strong>Decisive</strong></td>
<td>A quick decision maker. Someone who can think quickly on his/her feet.</td>
</tr>
</tbody>
</table>
Discovering Candidates Characteristics

Sources of Information
- Application/Resume
- Sales aptitude tests
- References
- Interview

Interviewing

You’ll want to interview candidates for both their ability to do the job (“can do”) and their willingness to do the job (“will do”). In other words, candidates may have the experience and background to be successful producers (“can do”) but do they have the motivation or drive (“will do”) to do the job? Assessing an applicant’s willingness to do the job is usually more difficult than determining their ability to do the job. You will want to question the applicant about their performance in the past and the factors that motivated their performance.

For example: If you’re interviewing for a producer who will be compensated on a straight commission basis, it’s just as important to determine how this factor will impact on the candidate’s performance as it is to determine their skill level. They may have all the necessary skills, but flounder because they’re demotivated by the uncertainty of commission sales. The opposite could also be true. A producer who is motivated by the prospects of an unlimited income may feel restricted by a fixed salary.

So how do you find out? If the candidate doesn’t know how the job is compensated, you can ask a direct question. “Do you prefer to be paid on commission or salary?” But, if the candidate already knows the job pays straight commission, you may get a very convincing response which favors commission income. Instead, ask the candidate to compare and contrast the benefits of commission payments with salary and then listen carefully to what is said.

Whatever you do, AVOID ASKING LEADING QUESTIONS! Don’t say, “Carol, prospecting is an extremely important part of this job. Tell me what approach you would use to identify prospects if you join our agency.” Say instead, “Carol, how have you acquired most of your prospects in your present book of business.” A person’s behavior can vary. But what a person has done in the past, he/she will almost always continue to do in the future.
Having a pre-created list of questions will help you gauge the candidate’s expectations and help you understand the individual’s perspective on their personal successes and failures. **Sample interview questions are in the Appendix.**

**1st Interview**

- Ask the sales candidate to complete an application
- Determine what the individual is searching for in the way of a career.
- Ask strong, probing questions. See page R-16 for a list of questions.
- Decide whether the sales candidate should take a personality profile. This is done by asking the candidate questions that allow you to get a better feel for the candidate’s strengths and weaknesses.

**Profile Top Candidates**

You’ve completed the first round of interviews and have narrowed your search. This is an opportune time to gain insight from an objective and well-tested tool which measures a person’s aptitude for selling.

Why use a tool like this? First, because it’s objective. Second, it is accurate. Third, it can be used to provide further insight into a person’s pattern of behavior. During an interview it’s easy to be persuaded by what someone is saying, especially if you like the individual you’re interviewing. Profiling can help confirm your thoughts or open your mind to areas you hadn’t considered.

How accurate are these profiles? Over the last few years we’ve had the opportunity to work with a number of agencies in this area. They’ve consistently reminded us how accurate the profiles are. How? By hiring a person who didn’t profile well as a producer, but interviewed very well. They spent a lot of time, energy and money on a person who didn’t last six months to a year, or wasn’t producing business.

There are several effective profiles which provide guidance on a person’s sales aptitude.
Evaluate Candidates

An easy-to-use evaluation form has been supplied in the Appendix. After you have interviewed all candidates, rate each of the following characteristics using a grid from one to ten, with ten being the highest.

- Ability to Communicate
- Ability to Control a Situation
- Interpersonal Relations Skills
- Time Management and Administrative Ability
- Ethics and Professional Behavior
- Ability to Learn and Apply Procedures
- Goal and Achievement Motivation
- Independence and Self-reliance
- Knowledge, Opinions and Expectations about the Career.

Other characteristics to consider:

- Attitude...the most important item to look for.
- Ambition...is this candidate really hungry?
- Appearance...will the candidate’s style of dress conflict with your office?
- Enthusiasm...you cannot teach this.
- Self-discipline...does the candidate set goals and stick to them?
- Perseverance...can the candidate take the 20 no’s to get to a yes?
- Desire to win...count the number of times the candidate expresses a need to win or talks about an achievement for which he/she was compensated. The higher the number, the greater the candidate’s need to win and sales potential.
- Reliability...day in and day out, will the candidate commit to building a career?

Subsequent Interviews

Subsequent interviews are held for a variety of purposes. While the initial interview is used to screen the candidate and to give the candidate some insight into the agency, follow-up interviews are held to secure the information necessary for the agency to make a hiring decision. How can you secure this information and make the best decision possible for your agency and the candidate?

Know the requirements of the job. To make an intelligent selection decision, you need to clearly understand what the person is going to have to do on the job. This may be more dif-
Difficult than what it sounds because you should not rely solely on your past experience and observations. You need to know what is required of today’s producers. You must also be able to communicate these requirements to the candidate.

**Assess the candidates.** What knowledge, skills and abilities do the candidates have? How do these match up with the job requirements?

**Use peer evaluations.** Have someone else in your agency evaluate the candidate. Have both management and non-management personnel interview the candidates, then come together in a roundtable to discuss your findings.

**Conduct spousal interviews.** Without 100% support from the spouse, a new producer is doomed to failure. Make sure the spouse is as aware as possible about both the demands and rewards of the career. Make an abbreviated, well-organized career presentation. This presentation should include both the pros and cons of a career in insurance. While you don't want to paint an overly bleak picture of the position, you don't want to sugar-coat it either.
Step 4 - Prepare Candidate for Career

To prepare the candidate for their new career, certain steps should be taken to ensure that the new producer will be up and running in your agency as quickly as possible upon coming aboard. Some of the “pre-hire” steps you should consider are:

- **Licensing** - What lines of insurance do you want the producer licensed in? When should the license be secured (before or after the candidate is hired)? Who should pay for the licensing class and the exam?

- **Training** - What training do you want the candidate to complete before the official hire date? Will the training be self-study, or will you provide an instructor? Will you get your companies involved, or will you handle the training in-house? Will you compensate the candidate for their time during this training, or will you expect the candidate to invest this time for their future?

- **Pre-contract Work** - Will you establish sales goals (such as a certain number of prospects) for the candidate (once they are licensed) that have to be met before being offered a job contract? Will you provide a mentor for the candidate to work with during this time frame? Will you, as agency principal, invest time in joint sales calls and role playing? (see Appendix)

Before you bring a new producer on-board, certain terms of employment should be covered with the producer **up front** to minimize potential conflicts over misunderstandings once the producer joins the agency.

- **Compensation** - While various compensation programs are described in the next section, the important thing to remember here is that the terms of remuneration must be clearly spelled out in the employment contract. There is nothing that will torpedo a business relationship faster than the feeling that one party is not being adequately compensated for their efforts. When you clearly spell out the compensation schedule in the employment contract, you avoid misunderstandings in the future. **See compensation section.**

- **Job Description** - A written job description should be provided for each position within the agency, including producers. A well thought-out, well crafted job description will serve as both a guide and a benchmark to the new producer. Having this document creates a “common ground” to build the relationship between agency principal and producer.
Step 5 - Hire

Once the candidate is fully prepared for the career, extend the offer and bring them on board!
There are as many ways to compensate a producer as there are agencies. However, there are common threads among all of them. Here, we identify and briefly look at these common threads.

The effectiveness of your compensation plan depends more on the quality of producer you hire, rather than the compensation system itself. Few successful producers are motivated solely by the lure of financial rewards. They are driven more by such things as a desire to achieve, a sense of accomplishment and personal recognition. Your compensation system should compliment these traits of a successful producer.

Also keep in mind that if you’ve hired the right producer, a poorly designed compensation system may be a root cause of their leaving. Your compensation system plays a key role in attracting, motivating and retaining producers.

**Goals of a Successful Compensation Plan**

1. Earn a profit for your Agency
2. Generate Revenue Growth
3. Attract and Retain Producers
Most Commonly Used Methods of Compensation

COMMERCIAL LINES
According to The Academy of Producer Insurance Studies Inc. “Producer Compensation” manual, commercial lines producers generate much more commission than personal lines producers. This fact relates to the higher average commission size of commercial lines accounts, particularly in the larger agencies which target larger commercial lines accounts.

Commercial lines producers average $121,700 in annual compensation, receive an average new business commission of 33%, and receive an average 26% commission on renewal business.

Just over one-half, 53%, of commercial lines producers receive a bonus.

While $121,700 is the average annual compensation, nearly 60% of producers make below $100,000. The average is higher because super producers often achieve more than $200,000 in compensation.

PERSONAL LINES
According to The Academy of Producer Insurance Studies Inc. “Producer Compensation” manual, the average compensation for personal lines producers is $53,500. And, like commercial lines producers, 60% of personal lines producers earn less than the average. The lower compensation is a function of the smaller size of personal lines accounts.

Fifty-nine percent (59%) of personal lines producers receive a bonus.

The average commission rate of personal lines new business is 32%, while the average renewal commission rate is 20%.
Methods of Compensation

What are the most common methods of compensation? How common are the most popular compensation methods used? And how often does a producer hold equity in the business he or she sold?

**Method:** Straight Salary  
**Pros:** Provides steady compensation  
Encourages proper servicing of accounts  
**Cons:** No incentive to write new business  
**Best for:** New producers

**Method:** Straight Commission  
**Pros:** Provides greatest incentive to write new business  
Directly relates to performance and productivity  
**Cons:** Emphasis is more on quantity than quality  
Little incentive to service accounts  
**Best for:** Experienced producers

**Method:** Draw Against Commission  
**Pros:** High incentive to produce  
Makes it easier for the producer to budget  
**Cons:** Little incentive to service accounts  
Problem for agency to collect unearned draw  
**Best for:** Experienced producers

**Method:** Salary Plus Commission  
**Pros:** Provides incentive to develop accounts  
Provides stable income level  
Flexible  
**Cons:** None  
**Best for:** New and experienced producers
Method of Compensation
The National Alliance Research Institute

Bases for Bonuses
The Academy of Producer Insurance Studies, Inc.
Key Factors To Consider In Designing Compensation Plan

1. Servicing of Existing Accounts

   Options:

   a. Establish base salary that is a set percentage of prior year’s gross commission.

   b. Establish commission percentage for renewals.

   c. Hold back new business commissions a specified percentage if a producer’s account retention drops below a specific level.

   d. Pay an additional year-end bonus (3-5% of gross commissions) if account retention exceeds a specified percentage (perhaps 95%).

2. New Business Production

   Typically new business commission varies from 40% to 60%.

   Considerations:

   a. If agency owns the business produced, a higher commission rate should be considered since the business now becomes a long-term asset to the agency. Perhaps 50% to 80% now becomes more appropriate.

      If you’re thinking 80%, consider this paradox: If you were to purchase an agency, you typically would pay one-to-one and one-half times the commissions, and yet for business generated, specifically for your agency, only 50% seems suitable. And the purchase price is not tax deductible, yet producer commissions are 100% deductible.

   b. If equity of business is owned by producer, certainly paying a lower new business commission percentage is called for and will vary based on the percentage of equity. The more equity owned by the producer, the lower the commission.

3. Benefits

   It’s becoming more difficult to comply with the IRS’s definition of “Independent Contractor.” So it’s becoming more common for such things as payroll taxes, group insurance, retirement benefits, education costs, etc. to be paid for by the agency, just as with all other employees.
4. Sales Expenses

Practices on reimbursement for auto and sales expenses vary greatly from the agency paying all expenses to not paying any. One model compensation plan recommends the following:

*Auto expenses:* add 2.5% to base commission if producer pays own auto expenses.

*Sales expenses:* add 2.5% to base commission if producer pays own client acquisition costs.
Appendix

Advertising for Producers

When advertising for producers, be creative, and remember to appeal to applicants’ needs, ambitions, and life goals.

To write your ad:

1. Have an attention-grabbing caption (such as “Is Your Present Job a Great Big Nothing?”).

2. Omit meaningless, negative, or irrelevant qualifications, such as “must be dynamic and aggressive” (most people think they are). Also, avoid specific requirements for employment - for example, a college degree. Although few applicants pay attention to these admonitions, occasionally an otherwise well-qualified candidate may hesitate to answer because of them.

3. Sell, but don’t oversell, your agency or the job. You might use language something like: “Long established firm, leader in its field, rapidly growing and well-managed, has openings for men and women who want to be their own boss.”

4. Answer the main questions the applicant wants to know. Be as specific as possible. “Training provided at company expense; total support staff; car and expenses included; minimal travel; exceptional salary, benefits, and liberal incentives.”

5. State the facts openly whenever possible. Your agency name may have exceptional appeal to ambitious candidates, and you also avoid the risks in the minds of applicants that they might be answering an ad from their own firm.

6. Personalize the offer by naming a specific contact person. This can be a fictitious name to alert your staff so that anyone appropriate can handle the contact.

7. Make responding as easy as possible. You might tell applicants to call “Shirley Jones at 123-4567 between 10 a.m. and 6 p.m. today, Sunday, February 9, for a personal and confidential phone interview.”

[This excerpt was taken from the IMMS Marketing Information Series Module number 22, “Producer Recruitment.”]
Sample Advertisement for a Sales Producer

The specifics of which kind of sales producer you need, your compensation and other arrangements should be incorporated.

THE “X” INSURANCE AGENCY presently has a career opportunity for a competitive self-starter. We will train the right person for a demanding, lucrative sales career. Management potential. If winning is important to you, if you are driven by a need for greater authority and responsibility, and if you are a committed hard-worker, we may have your opportunity. Salary plus commission. Your success is dependent solely upon you ability to perform. Phone or send resumé to _________________.

Sample Advertisement to Recruit from Another Agency

THE “X” INSURANCE AGENCY seeks top commercial lines producer who is dissatisfied with the opportunities available to them with their current employer. If you have a winning track record, are intensely competitive, are driven for greater authority and responsibility, you may be the future partner we are seeking. We are an aggressive, demanding, performance-oriented firm. If you thrive on challenge, possess high energy, and are committed to hard work, phone or send resumé to _________________.

Courtesy of The OMNIA Group
Sample Advertisement Directed to the Non-Experienced Salesperson

Are you a corporate or government employee, dissatisfied with the opportunities available in your present occupation? Have you considered a sales career, but need professionalism? We have a career opening for a competitive self-starter who is not afraid of challenge, hard work or commitment. We will train the right person for a demanding, professional, lucrative career selling property and casualty insurance. Salary/draw plus commission. Phone or send resumé to ______________________.

Sample Advertising directed to the “Big 8” Accounting Firms

Are you an assertive, competitive, public accountant presently working for a large accounting firm who is seeking new challenges. Have you considered a sales career, but need professionalism? Commercial insurance sales can offer this opportunity and provide significant income potential. We have a career opening for a highly competitive, problem solver who is unafraid of challenge, hard work or commitment. To discuss this career opportunity, send resumé to ______________________.

COMPETITIVE ONLY NEED TO APPLY!

Courtes of The OMNIA Group
Sample Direct Mail Letter

October 18, 1996

xxx
xxx
xxx

xxx:

Due to the unprecedented growth of our business here in the Columbus area, we are in need of additional staff for our agency. We are contacting you today in the hope that you may know of someone who is looking for a career opportunity in sales.

Do you know someone who is:

- currently seeking employment?
- underutilized in their current position?
- looking for unlimited income potential?
- able to work well in an independent environment?
- entrepreneurial?

If you know someone with these traits, would you mind taking a minute of your time to complete the enclosed nomination sheet? We have included a self addressed, stamped envelope for your use. Your nomination may just be the break that someone you know needs to start an exciting new career!

Thank you for your consideration. If no one comes to mind right now, would you please save this for later? You never know when it may come in handy.

Best regards,

encls.
Sample Job Description: Producer Trainee

Title: Producer-Trainee

Reports to: Sales Manager

Job Summary: The Producer is responsible for prospecting, soliciting, quoting, and selling new Commercial/Personal Lines/Life and Benefits Accounts. Continuing to counsel and market to existing clients professionally is another essential function of the position. Specific sales goals and service responsibilities are determined during the yearly planning process for this position. Meets service and sales standards of volume with timeliness and quality.

Duties:

- Follow up on leads, meet prospecting objectives, and produce forecast premium volume, commission, and accounts as agreed to in my individual business plan.

- Keep abreast of marketing trends and techniques.

- Keep abreast of companies' programs and new programs for possible niche marketing efforts.

- Balance production to achieve proper mix of business with respect to lines of insurance, and carriers, and proper balance of new and renewal accounts.

- Promote products of carriers that agency plan has identified as important.

- Follow up on leads for new business prospecting and renewal contacts to meet my personal production objectives.

- Obtain and follow up on underwriting, rating, or other information necessary to submission and retention of business as requested by CSR’s and companies.

- Help collect premiums on accounts when necessary.

- Complete applications, inspections, and risk management activities as requested and needed for prospects, existing accounts, etc.

- Participate in training activity and seminars.

- Perform other duties as assigned.
Authority:

- Carrier contact as authorized.
- CSR/prospect contact as needed or required.
- Solicitation of business within authority granted to me by agency and as instructed by agency.
- Collection of deposit premiums and other premiums on behalf of agency, as instructed.

Performance Measurement Criteria:

Criteria to measure my achievement of stated duties should include:

- Timely completion and submission of required reports to my supervisor.
- Adherence and compliance with stated procedures, service standards, personnel policies, and accounting practices.
- Degree and quality of professional development.
- Adherence to standards of performance for sales and service.
- Smooth, efficient, and positive relationship between staff and companies.
- Results of sales efforts in meeting personal production commitments for new and renewal business.
- Contribution to stated agency mix by line and carrier and to objectives outlined in personal production plan.
- Control or receivables on accounts to avoid exceeding stated agency aged receivable objectives.
- Control of entertainment and travel expenses to comply with stated agency budget standards.
Sample Interview Questions

Ability to Handle Rejection

1. We all have times when sales drop off temporarily. Tell me about the last time this happened to you. How did you turn the situation around? What finally happened?

2. Describe a situation when nothing you did satisfied the customer, even though you were right and the customer was wrong.

3. Tell me about a time you lost an important sale (account). What did you do about it? What was the result?

Ambition

1. Give me an example of an important goal you have for yourself and your success in reaching it—a goal you haven't reached—and what holds you back.

2. Tell me about an idea you recently had to increase sales. What did you do about it? What happened as a result of our actions?

3. What formal sales objectives do you have for this year? How are the measured? Describe what you're going to reach these objectives.

Ego Drive and Strength

1. Describe a situation when you faced a rough challenge—perhaps one that was insurmountable. Why was it tough? Why were you determined to be successful? How did you handle it? What was the result?

2. Why are you interested in sales, and in particular, this position?

3. What has been a great disappointment in your life and how have you dealt with it?

4. If you could live your life over, what would you like to change?

5. Tell me about an experience you had when you were in conflict with someone and you decided to give in. At what point did you make that decision? Why?
Empathy

1. What do you find to be an effective method of overcoming another's objections or reservations to ideas you would like to implement?

2. Give me an example of when you became frustrated with someone at work. What did you do about the situation? What was the result?

3. Tell me about an unpopular decision you had to make. How were other affected? What did you do? How did it eventually work out?

Time Management

1. How do you handle interruptions when you are working under pressure?

2. What did you do in your last job in order to be effective with organization and planning? Be specific.

3. When you are given a task or must juggle several priorities, how do you decide the order in which you will do things?

Persistence

1. Give me an example of a time when you had to go above and beyond the call of duty in order to get a job done.

2. Tell me about a time when you faced a major change. How did you go about it?

3. Tell me about a situation at work when you were under a lot of pressure. What was the result?

Sales Aptitude

1. What type of selling have you done? How did you get your customer? How effective do you think this was?

2. Role play in your mind and tell me about one of the toughest sales presentations you have made to a prospect. Why did the prospect not want to buy? How did you handle this? What was the result?
3. If the product you are selling is 10 to 15% above the competition, what would you do? What factors would you use to insure your success?

4. Describe a situation when you found it necessary to read another person. What did you do and how did your understanding of the other person guide your actions?

5. Give me an example of a time when you persuaded someone to do something they didn’t want to do at first. What specifically did you do to turn it around? In looking back, what might you have done differently?

6. What would you like me to know that I didn’t ask?
Additional Interviewing Questions

1. What have been your three biggest business successes?

2. Describe your three most disappointing business experiences.

3. What would you do to change those circumstances should you find yourself in that situation again?

4. Think of your best boss or supervisor—What characteristics/business practices earned your respect?

5. Think of your worst boss or supervisor—What characteristics/business practice caused you concern?

6. What is most important to you in your life?

7. If you could create a perfect job—what would it look like?

8. What type of work would you dislike most?

9. What would you like your career to look like in five years? If you were to join our team, what would you like to achieve within the first two years?

10. How many hours per week are you willing to devote to your career success?

11. Describe what you do to manage your time.

12. There is sometimes a narrow line between ethical and unethical behavior. Can you tell me about a time when you were in such a borderline situation and how you handled it?

13. Have you ever worked harder than usual in order to achieve something you really wanted? Please describe what happened.

14. Have you ever worked on your own without anyone supervising you all the time? If so, describe your activities.

15. Describe your impression of an insurance agent. How do you think the public views insurance agents?
PRODUCER CONTRACT
EMPLOYMENT AGREEMENT

Between:

A _______________________ Corporation,

And _________________________________ as Employee

THIS AGREEMENT, entered into this _______________ day of __________________________, 199__, by and between _________________________________ (Agency), hereinafter referred to as "Employer," and _________________________________ (Employee), hereinafter sometimes referred to as "Employee".

RECITALS

I. Employer is engaged in the business of selling insurance. _____________________________ Agency is an insurance brokerage company, organized under the laws of the State of _________________________ having its principal office at __________________________________ .

II. Employer has been engaged in and has had experience in the insurance business.

III. Employee is willing to be employed by Employer, and Employer is willing to employ Employee on the terms hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Incorporation of Recitals. The recitals hereinabove are incorporated herein by this reference.

2. Employment.

   (i) Employer hereby hires Employee to solicit insurance and to collect and to remit premiums thereon for Agency.

   (ii) Employee shall be responsible for the payment of all premiums by Employee's insureds. The Employer's Accounts Receivable Control Plan is attached to this Agreement as Exhibit A and will serve as our written policy concerning payment of premium.

   (iii) Employee shall be responsible for payment of expenses incurred on behalf of his or her business.

   (iv) Employee Automobile. Employee shall, at his or her own cost and expense, procure an automobile for use in traveling about his or her designated territory and making calls on customers and prospective customers. Employee shall further procure and maintain in force an Automobile Liability insurance policy covering such automobile in the minimum amounts of $250,000 for bodily injury or death to one person in one accident, $500,000 for bodily injury or death in one accident, and $100,000 for property damage in one accident, and Employee shall deliver to Employer a true copy of such Automobile Liability insurance policy. Employee agrees to indemnify and hold Employer harmless from any claims arising out of the operation of such automobile by Employee.

   (v) Qualification for Surety Bond. Employee agrees that he or she will furnish all information and take any other steps necessary to enable Employer to obtain a Fidelity bond conditioned on the rendering of a true account by Employee.
of all moneys, goods, or other property which may come into the custody, charge, or possession of Employee during the term of his or her employment. The surety company issuing the bond and the amount of the bond must be acceptable to Employer at the sole discretion of Employer. All premiums on the bond are to be paid by Employer. Failure by Employee to qualify for such bond within sixty (60) days from the date of this Agreement will result in immediate termination of the Employment Contract.

3. Compensation.

(i) Employer shall pay to Employee commission on sales in accordance with the schedule in Exhibit B of this Agreement and by reference made a part hereto.

(ii) The commission rates specified in Exhibit B of this Agreement may be modified by Employer, without previous notice, to conform with the commission prescribed by any statute or by any ruling of any insurance department of this state.

4. Services. Employee agrees to devote his or her full working time and attention to the insurance business for Employer. During the term of the Agreement, Employee shall not, without Employer's express prior written consent, directly or indirectly solicit or write insurance business to or for any other person or firm for compensation or engage in any activity competitive with or adverse to Employer's business or practice, whether alone, as a partner, or as an officer, director, employee, or shareholder of any other corporation, or as a trustee, a fiduciary, or other representative of any other entity. Making passive and personal investments and conducting private business affairs not inconsistent with this Agreement shall not be prohibited under this Agreement.

5. Professional Standards. Employee shall perform his or her duties as an insurance salesperson under this Agreement in accordance with such standards of professional ethics and practice as may from time to time be applicable during the term of his or her employment hereunder.

6. Employee's Authority.

(i) Employee agrees to observe and comply with Employer's rules and regulations as adopted by Employer regarding performance of his or her duties, and to carry out and to perform orders, directions, and policies stated by Employer to Employee periodically, either orally or in writing.

(ii) Employee shall not incur indebtedness in the name of (Agency) nor sign the name of ___________________ (Agency) to any contracts.

7. Term. The term of this Agreement shall be for a period of one (1) year beginning on the effective date of this Agreement, subject, however, to prior termination as provided herein. This Agreement shall be automatically renewed for succeeding terms of one (1) year each unless, at least thirty (30) days before expiration of any term, either party shall give written Notice of Intention not to renew this Agreement.

8. Vacation. Employee shall be entitled to an annual vacation of three (3) weeks. Employer requests notification 2 weeks prior to the scheduled vacation date.

9. Termination. Employee's employment with Employer shall be terminated if any of the following occurs:

(i) Whenever Employee shall cease to be licensed as defined by the ________________ State Insurance Code;

(ii) Whenever Employer and Employee shall mutually agree in writing to termination;

(iii) On the death of Employee;

(iv) Whenever Employee shall fail to rectify a breach of any of the terms, covenants, and conditions of this Agreement within thirty (30) days after written notice from Employer to cure such default; or

(v) Whenever Employee shall become disabled and the disability continues for a period of twelve (12) consecutive months. For the purposes of this Agreement, "disability" shall be defined as Employee's inability, through physical or mental illness or other cause, to perform the majority of his or her usual duties.
(vi) Employer may terminate this Agreement without notice for fraud or misconduct on the part of Employee, or for the failure of Employee to comply with the applicable insurance laws of the State of or with the regulation of the department or commission of insurance of such state.

(vii) Employee's employment may be terminated without notice by Employer in the event Employee engages in any personal or professional misconduct which would bring Employer into disrepute or would otherwise be detrimental to Employer's business and business reputation, or if Employee continuously and after written or oral notice from Employer, violates or refuses to comply with employment policies, procedures, standards, and regulations of Employer.

(viii) Upon termination of this Agreement, Employee will surrender to Employer all Confidential Information, including, but not limited to, all lists, charts, schedules, reports, financial statements, books, and records, and all copies thereof, of Employer, and any and all other property belonging to Employer whatsoever which are in Employee's possession or under his or her control.

10. Arbitration. Employer and Employee agree that any unresolved dispute that may arise under the provisions of this Agreement shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The written determination of the arbitration shall be final, binding, and conclusive on the parties.

11. No Acts Contrary to Law. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any provision of this Agreement and any statute, law, ordinance, or regulation, contrary to which the parties have no legal right to contract, then the latter shall prevail; and in such an event, the provisions of this Agreement so affected shall be curtailed and limited only to the extent necessary to bring it within the legal requirements. The several rights and remedies provided for in this Agreement shall be construed as being cumulative, and no one of them shall be deemed to be exclusive of the others or of any right or remedy allowed by law. No waiver by Employer or Employee or any failure by Employee or Employer, respectively, to keep or perform any provisions of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or other provision.

12. Covenants and Conditions. If any portion of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable by reason of any rule of law or public policy, all other provisions of this Agreement shall nevertheless remain in effect. No provision of this Agreement shall be deemed dependent on any other provision unless so expressed herein.

13. Complete Agreement. This contract constitutes the sole and complete Agreement between Employer and Employee with respect to the subject in it. No verbal or other statements, inducements, or representations have been made to or relied upon by Employee, and no modification hereof shall be binding upon Employer unless in writing and signed by Employer or his or her successor or assigns.

14. Assignment Prohibited. This Agreement is personal to each of the parties hereto, and neither party may assign nor delegate any of its rights or obligations hereunder without first obtaining the written consent of the other party.

15. Amendments. No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties, except as herein otherwise provided.

16. Governing Law. This Agreement shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State of Virginia.

17. Litigation. If legal action is instituted upon this Agreement, in additional to any penalties provided herein, the unsuccessful party shall pay costs of suit and reasonable attorney's fees to the prevailing party.

18. Vesting of Employee's Book of Business. Employee will receive ownership in his or her Book of Business up to twenty-five percent (25%) of its agreed value. This ownership will begin vesting upon the Producer's reaching a production qualification level of $100,000 gross revenue. Vesting will be by the following formula:

<table>
<thead>
<tr>
<th>Year after qualification</th>
<th>Ownership (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year one after qualification</td>
<td>5%</td>
</tr>
<tr>
<td>Year two after qualification</td>
<td>10%</td>
</tr>
<tr>
<td>Year three after qualification</td>
<td>15%</td>
</tr>
<tr>
<td>Year four after qualification</td>
<td>20%</td>
</tr>
<tr>
<td>Year five after qualification</td>
<td>25%</td>
</tr>
</tbody>
</table>
At the end of five years of continued employment, Employee will have a vested interest in twenty-five percent (25%) of the value of all business he or she creates and services. In the event of termination or withdrawal of Employee, Employer will purchase Employee's Book of Business as vested on the date of termination in accordance with the price as set forth in Price, Section 20.

19. Purchase of Employee's Book. In the event Employee wishes to leave the employ of Employer, two options are available:

Option #1: Employer may exercise a Right of First Refusal to purchase employee's vested interest in the Book of Business according to the terms set forth in Paragraph 21, or as may be otherwise negotiated by mutual agreement.

Option #2: If Employee wishes to leave the employment of Employer and either start his own agency or join another agency, Employee has the right to purchase the Agency's interest in Employee's Book of Business. Terms are set forth in Paragraph 21. The purchase price will be in accordance with the valuation as established under Section 20, Price. Payment will be in accordance with Section 21, Payment.

20. Price. The price to be paid by the purchaser for the Book of Business shall be determined according to the following formula: The Controller of [Agency name] shall make a determination from the books and records of the Company as to gross commissions generated by Employee on Property and Casualty insurance sales and renewals during the twelve (12) full calendar months immediately preceding the giving of notice of intent to sell or purchase.

After calculation of such gross commissions, the resulting figure shall be multiplied by 1.0 to arrive at the total value of the Book of Business. No consideration shall be given to commissions earned on Life or Health insurance sales.

21. Payment. The purchase price for the Book of Business shall be paid as follows:

The purchase price arrived at as above described shall be paid in sixty (60) consecutive equal monthly installments commencing one month after the date the purchase price is finally determined. In addition, the Purchaser shall pay interest equal to six (6) percent (%) per annum of the unpaid balance from time to time due with each monthly installment. In the event of default in payment of monthly installments by the Purchaser and the failure to cure such default within ninety (90) days, the entire balance of the purchase price then remaining unpaid shall become due and payable forthwith upon ten (10) days' advanced written notice given by the Payee of his or her intention to accelerate the unpaid balance.

The Purchaser shall execute and deliver to the Payee a Promissory Note substantially identical to the prototype shown as Exhibit B of this Agreement, and by reference made a part hereof.

The payment of the purchase price is to be tied to the Covenant Not to Compete, which is contained in Section 22 of this Agreement.

22. Covenant Not to Compete. The withdrawing Employee, if permitted to compete directly or indirectly with the Purchaser of his or her interest, would thereby destroy a substantial portion of the value of the insurance business which the parties recognize is the subject of this document. In recognition thereof, the parties agree that should the withdrawing Employee compete directly or indirectly, as prohibited under the terms of this Agreement, the Purchaser shall have the right to suspend all future installment payments provided for in the Promissory Note above mentioned. The Pledge shall be thereafter null and void, and the balance of the purchase price shall be forgiven. The events which shall give rise to the right of the Purchaser to terminate such payments are as follows:

(i) The withdrawing Employee's solicitation or acceptance of any form of insurance business of any customer who was a customer on the date of Employee's termination or at any time in the two (2) years prior to his or her termination, of either Employer or any agency through which Employer places the insurance business sold by Employee. If Employee exercises the right to purchase his Book of Business, those customers are not part of this provision.

(ii) Subject to the further provisions hereof, this prohibition shall continue for a period of three (3) years after the closing, which shall be conclusively presumed to be the date affixed to the above-mentioned Promissory Note.

(iii) The Agreement by the parties to restrain from the solicitation of the clients shall be restricted to all of those Counties in the Commonwealth of Virginia west of Roanoke County, but excluding Roanoke County.
23. Restrictive Covenant. Employee agrees that he or she will never, during the period of this Agreement or thereafter, reveal
to any person any expiration date, premium due date, premium amount, coverage amount, or other similar fact regarding
any customer of Employer or any agency through which Employer places the insurance business sold by Employee, and
the parties agree that such information is a business secret learned by Employee in the course of his or her employment,
and represents a relationship of trust and confidence and subject to the restrictions hereby imposed. Employee will use
his or her best efforts to keep such information secret at all times.

24. Notices. Any notices required or permitted under this Agreement shall be given by certified mail, return receipt requested
at the address of the parties hereafter set forth. Such addresses may be changed by written notice given by either party
to the other from time to time. Notice shall be deemed delivered forty-eight (48) hours after deposit in any United States
Post Office in the State of ______________________________ , postage prepaid.

EMPLOYER:

____________________________________________

____________________________________________

EMPLOYEE:

____________________________________________

____________________________________________

25. Titles of Paragraphs. The various titles of the paragraphs herein are used solely for convenience and shall not be used for
construing or interpreting any word, clause, paragraph, or subparagraph of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement this ________________ day of
_____________________ , 199__ , at______________________________________________________________ .

EMPLOYER:  EMPLOYEE:

____________________________________________  ______________________________________

____________________________________________  ______________________________________

Date  Date

WITNESS:

____________________________________________

____________________________________________

Date
EXHIBIT "B" PART OF

EMPLOYMENT AGREEMENT

SCHEDULE OF COMPENSATION

BETWEEN ________________________________ AGENCY,

A ________________________________ CORPORATION

AS EMPLOYER, AND

_______________________________ AS EMPLOYEE

Employer agrees to pay Employee in accordance with the following schedule:

A. On Commercial Lines, the first-year commissions shall be _____ percent (%) to _____________________________ Agency and _____ percent (%) to Employee on new business. Thereafter _____ percent (%) to Employee on renewal business relating to Commercial Lines.

B. On Personal Lines, the first-year commissions shall be _____ percent to ____________________________ Agency and _____ percent (%) to Employee on new business. Thereafter, _____ percent to Employee on renewal business relating to Personal Lines.

C. Each Life Contract shall be permanently and irrevocably assigned to ________________________________ Agency. Commission will be _____ percent (%) to Employee, payable only on the first year’s commission.

D. The parties agree that the following definitions of the term will be applied to all Agreements among them:

   1. "Personal Lines insurance" will generally be defined as Auto, Homeowners, and other types of Property and Casualty insurance handled by the ________________________________ Agency Personal Lines Department.

   2. "Commercial Lines insurance" will be defined as Buildings, Contents, Workers Compensation, Bonds, and other types of Property and Casualty insurance handled by ________________________________ Agency Commercial Lines Department.

   3. "Life" will generally be defined as Life, Health and Accident, Group, Annuities, Pensions, and other products normally associated with Life sales.
PRODUCER AGREEMENT

AGREEMENT made and entered into this _____________ day of _________________________________ , 199____ by
and
between HENRY J. LEE INSURANCE AGENCY, INC., a Massachusetts corporation having a principal place of business
in Boston, Massachusetts, (hereinafter the "Agency") and ____________________ of _____________________________,
Massachusetts (hereinafter the "Producer"). WHEREAS, the Producer is licensed by the Commonwealth of Massachusetts
as an insurance broker with authority to sell all lines of insurance, including property, casualty and life insurance, and
WHEREAS, the Agency conducts a general insurance agency business duly licensed as such by the Commonwealth of
Massachusetts, and WHEREAS, the Producer desires to be associated with the Agency as a producer of insurance business,
and the Agency desires to have the Producer associated with it in such capacity upon the terms and conditions hereinafter set
forth; NOW, THEREFORE, in consideration of, and reliance upon, the mutual covenants and agreements herein contained,
the parties hereby agree as follows:

WITNESSETH:

1. Definitions. For the purposes of this Agreement, unless the context indicates to the contrary, the following words and
phrases shall be defined as follows:

   a. The "Agency" shall mean the HENRY J. LEE INSURANCE AGENCY, INC. and any present or future subsidiary or
      affiliate, whether partially or wholly owned, or successor in interest of the said Henry J. Lee Insurance Agency, Inc.

   b. The "Producer's Book of Business" shall mean all insurance accounts, whether personal or commercial, produced
      solely and exclusively by the efforts of the Producer during the term of this Agreement, which accounts shall be unre-
      lated to any other accounts on the books of the Agency. An account shall be deemed related if (i) it is a parent, child,
      spouse or sibling of an account otherwise on the books of the Agency or (ii) it is a subsidiary, affiliate of or otherwise
      under common ownership by an account otherwise on the books of the Agency. Personal accounts developed from
      officers, directors or employees of a commercial account that is not part of the Producer's Book of Business shall not
      be included in the Producer's Book of Business.

   c. "Net Annual Commissions" shall mean gross annual commissions less return commissions earned by the Agency on
      account of insurance business written with an effective date during the period in issue, excluding all so-called contingent,
      bonus or profit sharing commissions but including commissions on so-called audit premiums which apply to
      insurance business with an effective date during such period. Additionally, there shall be included within the mean-
      ing of Net Annual Commissions all service fees or other fees received during the period in issue (or within 90 days
      thereafter on account of services rendered during such period) with respect to consulting, risk management or other
      insurance or risk related services rendered. All investment income and so-called late charges on overdue premiums
      shall be excluded from the meaning of Net Annual Commissions. Except in the case of so-called direct-bill business,
      commissions shall be deemed to be earned on the effective date of the policy or endorsement in issue, subject to
      adjustment in the event of cancellation for nonpayment of premium or other event requiring payment of a return com-
      mission. In the event a policy shall be written for a term in excess of one year with premiums paid on an annual or
      other periodic basis, each annual anniversary of the effective date shall be deemed an effective date. Monthly or other
      periodic installment billings of premiums shall be deemed to relate back to the effective date of the policy. In the case
      of commissions received from insurance companies on account of so-called direct-bill business, commissions shall be
      deemed earned upon receipt, subject to adjustment in the event a return commission shall be required to be paid with
      respect to a policy on which a commission has been received.

   d. "New Policies of Insurance" shall mean new lines of insurance coverage produced solely and exclusively through
      the efforts of the Producer for accounts of the Agency assigned to the Producer for servicing. Increased limits of
      liability and/or endorsements to existing policies or consolidation of existing coverages under separate policies
      into a single policy or rewriting of existing policies with other insurance companies shall not be deemed New
      Policies of Insurance.
2. Term. Commencing _______________________________ , 199___, the Producer agrees to serve in the employ of the Agency and the Agency agrees to employ the Producer upon the terms and conditions herein contained until such time as either party shall elect to terminate said employment upon not less than 14 days advance written notice delivered as provided herein. Notwithstanding the foregoing, the employment of the Producer shall terminate immediately upon his death. Further, the Agency may terminate the employment of the Producer without advance notice for good and sufficient cause which shall be defined as follows:

a. The failure of the Producer to be licensed as an insurance broker by the Commonwealth of Massachusetts.

b. The material breach by the Producer of any provision of this Agreement.

c. The habitual failure or refusal of the Producer to comply with the operating rules and procedures of the Agency adopted and communicated to the Producer by the Agency from time to time hereafter.

d. Public actions by the Producer which, in the judgment of the Board of Directors of the Agency, reasonably may tend to impair the reputation of the Producer in the market area served by the Agency.

In the event that the Agency shall elect to terminate the employment of the Producer for good and sufficient cause as aforesaid, notice of termination shall specify each and every ground upon which termination for good and sufficient cause shall be based. In the event the Producer shall elect to terminate his employment upon 14 days' advance written notice, the Agency, at its option, shall have the right to terminate his services immediately provided it shall continue to pay the Producer such compensation and other benefits to which he shall otherwise be entitled through the effective date of termination. The Producer acknowledges that his employment is "at will" and is subject to termination, with or without cause, in accordance with the provisions of this paragraph.

3. Duties and Responsibilities. During the term of this Agreement, the Producer agrees to devote his full and exclusive working time and his best efforts on behalf of the Agency. The Producer shall be primarily responsible for the solicitation and sale of all lines of insurance coverage including, but not limited to, property and casualty, life, disability and accident and health insurance coverage on behalf of the Agency and servicing of customers produced by him or assigned to him for servicing by the Agency from time to time, provided, however, nothing herein shall require the Agency to assign any customers to the Producer for servicing. Additionally, the Producer shall act as the primary liaison with, and account executive for, those customers and accounts constituting the Producer's Book of Business and those additional customers and accounts assigned to him by the Agency for servicing. The Producer also shall be available to render such other services on behalf of the Agency as may be assigned to him from time to time, always consistent with the Producer's primary job responsibilities, experience, training and education. In all matters, the Producer shall act in accordance with the basic policy decisions and operational procedures established from time to time by the principal officers and the Board of Directors of the Agency. Except as specifically set forth herein, the Producer acknowledges that he shall have no authority, express or implied, to incur any liability in the name of the Agency or to bind the Agency or its markets on account of any insurance coverages other than as specifically permitted by agency agreements in effect between the Agency and insurance carriers and as specifically authorized by the Agency.

4. Publicity and Receipts. All correspondence and all publicity and advertising shall be carried on in the name of the Agency. Except in the case where premiums are billed directly to insureds by the insurance company, all premiums shall be billed by, and shall be owed to, the Agency; all checks and drafts in payment of such premiums shall be made payable to the Agency; and all money received in payment of premiums shall be turned over to the Agency in the form received and deposited to the account of the Agency.

5. Ownership of Expirations. All insurance business, including renewals, whether property and casualty, life, disability or accident and health, produced by the Producer during the continuation of his employment shall be written, renewed and serviced through the facilities of the Agency or, if any such business has to be brokered elsewhere, it shall be done only in the name of the Agency and only with the consent of the Agency. All such business produced by the Producer shall be coded or otherwise identified on the Agency books of business so as to indicate its source of production and, where appropriate, shall be further coded or otherwise identified as the Producer's Book of Business; however, notwithstanding such identification, all such business, including the expiration data and all files and records in connection therewith, shall be the exclusive property of the Agency and shall continue to be so after the termination of employment of the Producer, however caused; and, except to the extent provided in paragraph 7 hereof, the Producer hereby waives and releases all claims of right or ownership thereto and covenants that he shall not make or retain copies of such property.
6. The Producer's Equity in Expirations. After this Agreement shall have been in effect for 84 consecutive months and provided the Producer is not in breach or default of the provisions of this Agreement, the Producer's Book of Business shall be subject to the rights of the Producer as set forth in this paragraph, which rights, if exercised, shall create an exception to the provisions of paragraph 10 hereof. It is understood and agreed that in the event of termination of this Agreement, with or without cause, prior to the expiration of said 84 month period, none of the rights set forth in this paragraph shall inure to the benefit of the Producer.

a. In the event of termination of this Agreement at any time subsequent to said 84 month period, the Producer shall have the right to solicit Broker of Record letters from all accounts constituting the Producer's Book of Business.

b. In the event the Producer shall obtain a Broker of Record letter from any such account, he shall have the right to transact insurance business for, or on behalf of, such account (without being deemed in violation of the provisions of paragraph 10 hereof) and, subject to the provisions of the following subparts of this paragraph, he shall have the right, at his expense, to obtain from the Agency copies of the Agency's files for such account; provided, however, the Agency shall be permitted to retain the originals of all or such portions of said files as it may desire for the purpose of preparing tax returns and audits thereof, defense of litigation or other such reasonable business purpose.

c. As a condition precedent to the Producer's receipt of such files, as provided in the preceding subpart of this paragraph, in each instance he shall execute a statement wherein he shall agree that:

i. he shall not cancel for replacement purposes any then existing insurance coverage prior to normal expiration thereof;

ii. he shall assume full responsibility for renewal of all existing coverages and other insurance requirements for said account;

iii. he shall indemnify, defend and hold the Agency harmless from and against any claims by such account for real or alleged errors and omissions with respect to incidents occurring on and after the date of the Broker of Record letter; and

iv. he shall warrant that he has in effect a valid and collectible policy of errors and omissions insurance issued by an underwriter licensed to issue such policies in Massachusetts and shall provide the Agency with evidence satisfactory to it that such policy is in force and effect.

d. As a further condition precedent to the Producer's receipt of such files as provided in the preceding subpart of this paragraph, the Producer shall pay to the Agency the total amount of any accounts receivable, if any, as may then remain due and owing to the Agency from such account. The Agency shall assign and transfer to the Producer all of the Agency's rights to collect such accounts receivable from such account.

e. As full and complete consideration for each such account as the Producer shall acquire hereunder and as a further condition precedent to his right to transact insurance business for and on behalf of such account and to receive the files and records therefor, the Producer shall pay to the Agency in full prior to transacting any insurance business for such account a sum equal to one times the Net Annual Commissions earned by the Agency for all insurance written for such account during the 12 months immediately preceding the month in which the employment of the Producer shall have terminated.

f. In the event that the Producer shall exercise his option and purchase accounts from the Agency as aforesaid, then the Agency does hereby covenant and agree that for a period of 36 months following the effective date of such purchase by the Producer, the Agency shall not, directly or indirectly, solicit, attempt to obtain, accept, write or service insurance business for any customer or account purchased by the Producer from the Agency as aforesaid, nor shall the Agency act or serve in any capacity as risk manager or insurance advisor or consultant to or for any of such customers or accounts.

g. In the event that upon termination of this Agreement, however caused, at any time subsequent to said 84 month period under such circumstances as (i) the Producer does not exercise his right to solicit insurance business from the Producer's Book of Business as provided in subparts (a) and (b) of this paragraph and (ii) the Producer executes a statement acknowledging and reaffirming that the provisions of paragraph 10 hereof are in full force and effect, including a specific acknowledgment that the provisions of paragraph 10 (b) shall apply to all of the accounts on the books of the Agency, including, but not limited to, all of the accounts constituting the Producer's Book of Business for a period of 36 months following termination of this Agreement, then the Agency shall pay to the Producer as deferred
compensation an amount equal to one-third of all Net Annual Commissions received by the Agency on account of the writing and renewal of insurance business on the Producer's Book of Business with an effective date during the 36 month period commencing with the month immediately following the month in which termination of this Agreement shall occur. The Agency shall produce monthly accountings of all Net Annual Commissions received by the Agency on account of such business during said 36 month period and shall deliver said accountings to the Producer within 25 days of the close of the month to which such accounting pertains, together with payment of an amount equal to one-third of the Net Annual Commissions received by the Agency during such month, provided the premium therefor has been paid to the Agency in case of agency billed business or, in the case of direct billed business, the commission has been paid to the Agency. Notwithstanding said payments, the Producer shall remain liable to the Agency for repayment of one-third of any return commissions paid or allowed as a credit to an insured by the Agency on account of cancellation of, or endorsement to, any insurance business on which the Producer shall have been paid one-third of the commission as aforesaid. The Agency, at its option, shall be entitled to set off against, and deduct from, future sums due the Producer under this paragraph such sums as may be due from the Agency on account of return commissions paid or allowed as a credit by the Agency.

7. The Agency's Right to Refuse Business. The Agency shall be free to decline or accept any insurance business produced by the Producer if, in the sole opinion of the Agency, such business appears to be unprofitable or injurious to the reputation of the Agency. Should the Agency reject any such business, the Producer shall not place such business elsewhere except upon the prior written consent of the Agency.

8. Compensation. As full compensation for his solicitation and servicing of insurance business hereunder and for such other services as the Producer may render on behalf of the Agency during the term of this Agreement, he shall be entitled to receive the salary and/or commissions, fees and benefits set forth on the annexed Schedule of Compensation. The terms of said Schedule are hereby incorporated into this Agreement and shall be binding upon the parties hereto and their heirs, successors or assigns unless an amendment or change thereto is agreed to in writing and signed by the Agency and the Producer.

9. Accounts Receivable/Return Commissions/Adjustments. The Producer shall be responsible for, and shall pay to the Agency, any accounts receivable for premiums (net of gross commissions) due on insurance business written or renewed by the Agency for insurance business produced and/or serviced by the Producer (hereinafter the "Producer's Accounts Receivable") that remain outstanding for a period of 30 days or longer from the date first billed. The Agency shall provide the Producer with a monthly list of all Producer's Accounts Receivable billed by the Agency, which list shall indicate the date the receivable was first billed and the number of days it is outstanding. The Producer also shall be responsible for his proportionate share of any return commissions paid or allowed as a credit by the Agency on business for which the Producer shall have been paid a commission as provided in the annexed Schedule of Compensation. The Agency, at its option, shall be entitled to set off against, and deduct from, future sums due to the Producer pursuant to this Agreement such sums as may be due from the Producer on account of (i) Producer's Accounts Receivable remaining outstanding for a period of 30 days or longer as aforesaid or (ii) the Producer's proportionate share of any return commission paid or allowed as a credit by the Agency. The Producer shall have the right to request the Agency to cancel for nonpayment of premium any insurance business, the premium for which he shall be responsible hereunder. In the event the Agency shall fail to act upon any written request for cancellation of business submitted by the Producer within three business days of submission, then the Producer's liability for unpaid, earned premium on such business shall cease as of the date on which the notice of cancellation for nonpayment would have been effective had it been transmitted to the insured within said three day period. A business day shall mean a day on which (a) the Agency is open for business and (b) the United States Postal Service makes regular deliveries of mail to the Agency. Notwithstanding the right of set off, the Producer shall be, and remain personally responsible for, all unpaid Producer's Accounts Receivable and for his proportionate share of return commissions as may be due after termination of this Agreement, however caused, and he shall pay the same to the Agency within 15 days of receipt from the Agency of an accounting thereof.

10. Covenant Not to Compete. In recognition of the fact that the Agency is engaged in a personal service business involving confidential information constituting trade secrets and personal relationships with insureds, the success of which business is in large part due to the exclusive retention of such confidential information and continuation of such personal relationships with insureds, the Producer does hereby covenant and agree as follows and acknowledges that the following covenants were agreed to by him as a condition precedent to this Agreement with the Agency and that they are reasonably necessary for the protection of the Agency and may be enforced to the extent set forth herein or such extent as any court of competent jurisdiction may deem reasonable and proper:
a. The Producer agrees that all information governing the insurance of the Agency's customers (inclusive of those customers produced by the Producer and constituting the Producer's Book of Business and/or those accounts assigned to him for servicing), including expiration data in connection therewith, and all special forms used by the Agency are confidential information constituting trade secrets and will be treated by him as such; and that both during and after the term of this Agreement, however it may be terminated, he will not, directly or indirectly, make use of such information or any other confidential information concerning the Agency's business for his own benefit or the benefit of anyone other than the Agency, nor will he divulge such information to anyone not duly entitled thereto, nor will he retain or create any lists of the Agency customers nor reveal the same to anyone.

b. The Producer covenants and agrees that during the term of this Agreement with the Agency he will not, directly or indirectly, compete with the Agency in any manner and, further, except as provided in paragraph 6 hereof, for a period of 36 months following termination of this Agreement, however caused, he will not, directly or indirectly, on his behalf or on behalf of anyone else, solicit, attempt to obtain, accept, write or service insurance business for any customer or account on the books of the Agency at the time this Agreement shall terminate (inclusive of those customers produced by the Producer and constituting the Producer's Book of Business and/or those accounts assigned to him for servicing); nor, during said period, shall he act or serve in any capacity as risk manager or as insurance advisor or consultant to or for any of said customers, nor shall he aid or assist anyone else in so acting or in any manner soliciting, writing, placing or servicing such business for said customers. It is understood that any leads or prospects on which the Producer may be working or from which the Producer shall have solicited insurance business during the 12 months immediately preceding the date of termination of this Agreement shall be deemed to be a customer and account of the Agency for purposes of this Agreement.

c. The Producer covenants and agrees that he will not during the term of this Agreement nor for a period of 12 months thereafter, directly or indirectly, (i) induce any employee of the Agency or producer associated with the Agency to leave the employ of, or association with, the Agency, as the case may be, nor will he, for said period, directly or indirectly, employ or become associated with any person who was an employee of, or producer associated with, the Agency on the date of termination of this Agreement or within six months prior to such date, and (ii) take any action that shall cause any insurance company, general agency or other insurance market with which the Agency transacts business to terminate or modify in a manner adverse to the Agency any agreement or business relationship in effect with the Agency.

d. In the event of the expiration or termination of this Agreement with the Agency, the Producer agrees, prior to his commencement of any new employment, to advise any new employer in the insurance business of the terms of this paragraph 10, and he agrees to furnish (and consents to the furnishing by the Agency) such new employer with a copy of this Agreement, except that the Producer need not (and the Agency shall not) deliver to such new employer a copy of the Schedule of Compensation annexed hereto.

e. In the event of a breach or threatened breach by the Producer of the provisions of this paragraph, any and/or all of the provisions hereof may be enforced by a restraining order or injunction restraining the Producer from the commission of such breach to the full extent hereof or to such lesser extent as a court of competent jurisdiction may deem just and proper for the reasonable protection of the rights and interests of the Agency. Nothing herein contained shall be construed as prohibiting the Agency from pursuing any other remedies available for such breach or threatened breach including the recovery of money damages which may include an award of reasonable counsel fees and expenses. The covenants contained in this paragraph shall be construed as independent of any other provisions of this Agreement, and the existence of any other claim or cause of action by the Producer against the Agency shall not constitute a defense to the enforcement of the within covenants. In furtherance of the foregoing, the Producer acknowledges that the damage that may be incurred by the Agency by the diversion of its accounts in violation of the provisions of this paragraph may be irreversible and that money damages for such breach may be difficult to calculate; accordingly, the Producer agrees that a court of competent jurisdiction may enter a temporary restraining order ex parte for such period as the court may deem reasonable pending a hearing on the merits of the controversy.

11. The Producer's Freedom to Contract. The Producer does hereby warrant and represent that he is not a party to any agreement which restricts or impairs his right to engage in any aspect of the insurance business within the Commonwealth of Massachusetts, or which restricts or impairs his right and ability to solicit insurance business from anyone in the Commonwealth of Massachusetts, or which restricts or impairs his right and ability to enter into this Agreement and carry out his duties and responsibilities hereunder.
12. Arbitration. Any dispute or controversy arising with respect to any provision of this Agreement, or the interpretation or implementation hereof, shall be resolved by binding arbitration under the rules of the American Arbitration Association to be conducted in Boston, Massachusetts. Both parties agree to cooperate in the expeditious conduct of any such arbitration. It shall be the obligation of the aggrieved party to seek such arbitration forthwith upon the failure of the other party to accede to the demands of the aggrieved party or the failure of the parties to reach a mutually acceptable compromise. Notwithstanding said provisions for binding arbitration, nothing herein shall be deemed to prevent or restrict the right of either party to seek to enforce the provisions of this Agreement or enjoin a breach or threatened breach hereof by an action for specific performance or by a restraining order or injunction obtained in a court of competent jurisdiction.

13. Notices. All notices, requests, demands and other communication required hereunder shall be in writing and shall be deemed to have been duly given and effective (a) on the date delivered if delivered in hand to the Producer or to the President of the Agency, as the case may be, (b) the next following business day after being sent via Federal Express or other overnight carrier service that requires signatures of recipients upon delivery or (c) two business days after mailing if mailed, postage prepaid, by certified or registered mail, return receipt requested, to the party intended or its assignee, at the addresses as follow or such other address as may be directed by notice given hereafter. A business day shall be deemed any day on which the United States Postal Service shall make regular mail deliveries to the address to which the notice shall be directed:

If to the Agency:  Mr. Henry J. Lee Henry J. Lee Insurance Agency, Inc.  
250 Summer Street Boston, MA 02210

If to the Producer:________________________________________________________________________________
_______________________________________________________________________________________________

14. Amendments. This Agreement may not be modified, revised, altered, added to, extended in any manner, or superseded except by an instrument in writing signed by the parties hereto.

15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, representing the agreement of the parties hereto.

16. Non-waiver. The failure by either party to enforce any provision or provisions of this Agreement shall not be in any way construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement.

17. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

18. Prior Agreements. This Agreement shall supersede and take precedence over any prior agreement between the parties pertaining to the subject matter hereof, whether written or oral, all of which, if any, are hereby terminated.

19. Assignment. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their respective heirs, successors and permitted assigns; provided, however, this Agreement shall not be assignable by the Producer and may be assigned by the Agency only to its subsidiaries and affiliates, now or hereafter existing, or to any successor in interest to or assignee of all or substantially all of the assets of the Agency.

IN WITNESS WHEREOF, the said HENRY J. LEE INSURANCE AGENCY, INC. has caused this instrument to be executed in its name and on its behalf by a duly authorized officer and the said _____________________________ has set his hand hereunto, each on the date set forth following their signature, it being acknowledged by the Producer that the provisions of paragraph 10 hereof were agreed upon by him as a condition of his association with the Agency prior to the commencement thereof.
HENRY J. LEE INSURANCE AGENCY, INC.

By ______________________________________________

Title: _____________________________________________

Date of Signature:___________________________________

__________________________________________________

Producer

Date of Signature:_______________________________
1. As full compensation for all services to be rendered by the Producer on behalf of the Agency during the term of this Agreement, the Producer shall be entitled to the following percentages of Net Annual Commissions, subject to adjustment as provided herein:-

   a. On all property and casualty insurance written, renewed and serviced through the facilities of the Agency for personal lines coverages of the Producer's Book of Business, the Producer shall be entitled to:

      i. 40 percent of first year Net Annual Commissions earned by the Agency on New Policies of Insurance.

      ii. 25 percent of renewal Net Annual Commissions earned by the Agency on New Policies of Insurance.

   b. On all property and casualty insurance business written, renewed and serviced through the facilities of the Agency for commercial lines coverages of the Producer's Book of Business, the Producer shall be entitled to:

      i. 45 percent of first year Net Annual Commissions earned by the Agency on account of the writing of such commercial lines coverage, excluding workers' compensation insurance, all business written with the FAIR plan and any other similar pool arrangement and all insurance business written with markets pursuant to which the gross annual commission to the Agency is less than 15 percent, all of which business shall be referred to as "Reduced Commission Business";

      ii. 38.5 percent of renewal Net Annual Commissions earned by the Agency on account of commercial lines coverage, excluding Reduced Commission Business" and

      iii. 25 percent of first year and renewal Net Annual Commissions earned by the Agency on account of Reduced Commission Business.

   c. On all property and casualty insurance business written, renewed and serviced through the facilities of the Agency exclusively by the efforts of the Producer on accounts of the Agency assigned to him for servicing, which shall include leads or prospects developed by the Agency and assigned to the Producer (hereinafter the "Assigned Accounts"), the Producer shall be entitled to:

      i. 40 percent of the first year Net Annual Commissions earned by the Agency on account of the writing by the Producer of New Policies of Insurance for such Assigned Accounts, excluding Reduced Commission Business;

      ii. 35 percent of the Net Annual Commissions earned by the Agency on account of the renewal of all property and casualty insurance for such Assigned Accounts, regardless of whether it is a renewal of existing coverage or a renewal of a New Policy, but excluding Reduced Commission Business; and

      iii. 22.5 percent of first year and renewal Net Annual Commissions earned by the Agency on account of Reduced Commission Business.

   d. On all individual and group life insurance policies (including all life-related individual and group policies such as accident and health, medical, disability income protection and similar coverages traditionally underwritten by life insurance companies), whether sold to accounts consisting of the Producer's Book of Business or to existing accounts of the Agency, but provided such sale shall be exclusively on account of the efforts of the Producer, the Producer shall be entitled to 75 percent of the first year and renewal producing agent's commission received by the
Agency on such business, but excluding any share of such general agent's overrides and/or expense allowances or prizes, if any, that may be received by the Agency thereon.

2. The Agency shall provide the Producer with monthly accountings and payment of all commissions to which the Producer shall be entitled as provided hereinabove.

3. The Producer shall be entitled to participate in any and all employee fringe benefit plans and programs that may be in effect from time to time for employees of the Agency, subject to such waiting periods and other qualifications provided for by the terms of such plans; provided, however, nothing herein contained shall require the Agency to adopt or maintain in effect any specific employee fringe benefit plan or program.

4. The Producer shall be responsible for all expenses incurred in furtherance of his duties hereunder and shall not be entitled to reimbursement therefor except in the event, in any specific instance, the Agency has authorized the expense and agreed to reimburse the Producer therefor. In no way shall the Producer be authorized to incur any expense or other liability, directly or indirectly, on behalf of, or in the name of, the Agency.

5. The Agency shall cover the Producer under such errors and omissions insurance as the Agency shall have in effect from time to time; provided, however, the Producer acknowledges and agrees that, to the extent that a claim shall be made against the Agency on account of the real or alleged error or omission of the Producer, the Producer shall be liable for, and shall pay or otherwise reimburse the Agency, as the case may be, for the amount of any deductible sum or otherwise uninsured sum that the Agency shall be required to pay, or shall have paid, as a result of such claim.

IN WITNESS WHEREOF, the said HENRY J. LEE INSURANCE AGENCY, INC. has caused this Schedule of Compensation to be executed in its name and on its behalf by a duly authorized officer and the said ____________________________ has set his hand hereunto, each on the date set forth following their signature.

HENRY J. LEE INSURANCE AGENCY, INC.

By:_____________________________________________
Title: ___________________________________________
Date of Signature:_________________________________

[Producer]

Title: ___________________________________________
Date of Signature:_________________________________
PRODUCERS NON-SOLICITATION AGREEMENT

THIS AGREEMENT is entered into between O.K. DOAK INSURANCE AGENCY, INC. as “Agency” and _________
_________________________________________ as “Producer”.

Pursuant to requirements of a pending sale of certain assets and insurance accounts of Agency to GRABBADEAL
INSURANCE AGENCY, INC. and this Agreement and its terms are fully assignable to GRABBADEAL or any other person or
entity.

For Ten Dollars ($10.00) and other good and valuable consideration, the parties agree as follows:

Producer hereby covenants and agrees during the course of this Agreement, or for a period of five (5) years after the
termination or expiration of this Agreement that he will never directly or indirectly solicit or accept any insurance business of
any nature from any of the insurance accounts on the books of Agency, whether or not such accounts were actually serviced
by Producer.

Producer further agrees and covenants that all information concerning the insurance accounts on the books of Agency
including, but not limited to, the customer lists and any expiration data is confidential information and will be treated as such.
Producer agrees not to make use of any such information or reveal any customer list or other confidential records.

However, nothing herein is intended to limit Producer's right to solicit such accounts that were produced and owned by
him.

The parties acknowledge the purpose of this Agreement is to coordinate with a purchase and sale agreement between
Agency and GRABBADEAL (Buyer) and that the parties thereto are relying on Producer's representations that he will abide
by the terms of this Agreement and that he will thereby protect Buyer's investment.

It is intended that Producers employment with Agency will continue until the sale to Buyer and will be continued with
Buyer GRABBADEAL INSURANCE AGENCY, INC. pursuant to the mutual agreements of GRABBADEAL INSURANCE
AGENCY, INC. and Producer.

EXECUTED this ________ day of ____________________, 199__.

AGENCY:
BY:_______________________________________________

PRODUCER:
BY:_______________________________________________

LICENSED EMPLOYEES NON-SOLICITATION AGREEMENT

THIS AGREEMENT is entered into between O.K. DOAK INSURANCE AGENCY, INC., as “Agency” and _________
______________________________________ as “Employee”.

Pursuant to the requirements of a pending sale of certain assets and insurance accounts of Agency to GRABBADEAL
INSURANCE AGENCY, INC. this agreement and its terms are fully assignable to GRABBADEAL INSURANCE AGENCY,
INC. or any other person or entity.

For Ten Dollars ($10.00) and other good and valuable consideration, the parties agree as follows:
Employee hereby covenants and agrees during the course of this Agreement, or for a period of five (5) years after the termination or expiration of this Agreement that they will never directly or indirectly solicit or accept any insurance business of any nature from any of the insurance accounts on the books of Agency, whether or not such accounts were actually serviced by Employee.

Employee further agrees and covenants that all information concerning the insurance accounts on the books of Agency including, but not limited to, the customer lists and any expiration data is confidential information and will be treated as such. Employee agrees not to make use of any such information or reveal any customer list or other confidential records.

The parties acknowledge the purpose of this Agreement is to coordinate with a purchase and sale agreement between Agency and GRABBAD DEAL INSURANCE AGENCY, INC. (Buyer) and that the parties thereto are relying on Employee's representations that they will abide by the terms of this Agreement and that they will thereby protect Buyer's investment.

It is intended that Employee's employment with Agency will continue until the sale to Buyer and will be continued with Buyer GRABBAD DEAL INSURANCE AGENCY, INC. pursuant to the mutual agreements of GRABBAD DEAL INSURANCE AGENCY, INC. and Employee.

EXECUTED this ______ day of _____________________, 19____.

AGENCY:

BY:_______________________________________________

PRODUCER:

BY:_______________________________________________