REGIONAL AGENT MARKETING AGREEMENT
FOR
KACO ALL LINES FUND

This Regional Agent Marketing Agreement ("Agreement") is entered into as of the __ day of _____, ____, by and between the Kentucky Association of Counties All Lines Fund, a Liability Self-Insurance Group organized under KRS 304.48 *et seq*, of the Kentucky Insurance Code ("Company") and _____., a Kentucky for-profit corporation ("Agent"). In consideration of the mutual agreements contained herein and intending to be legally binding, Company and Agent agree as follows:

SECTION 1 – DESIGNATION AND AUTHORITY

1.1 Appointment. Subject to the terms of this Agreement, Company hereby appoints Agent to solicit, at Agent's own expense, new and renewal applications for property and casualty insurance to be sold through Company ("Policy or Policies") in those Kentucky counties that are designated as Territory D and described in the 'Regional Insurance Territories' map attached hereto. The appointment is exclusive within the Territory. Agent hereby accepts the appointment and agrees to use its best efforts to solicit applications for Policies in accordance with this Agreement. The Company has the authority to amend the Territory upon 30 days' written notice to the Agent.

1.2 Authority. Agent shall have no authority to act as an agent of Company, other than the authority expressly granted in this Agreement and no forbearance or neglect on the part of either Agent or Company shall be construed to waive any of the terms of this Agreement or to imply the existence of any authority not expressly given in this Agreement. Specifically, but without limitation, Agent shall not:

(a) offer any quote or price for any new or renewal business which is not specifically authorized by Company in advance;

(b) issue any Policy or alter, amend, waive or extend any rates, coverages, exclusions, terms, conditions or provisions thereof without the express consent of Company;

(c) waive or extend the time of payment of any premium or any other moneys due as established by Company;

(d) waive any breach, violation or misrepresentation on the part of any current or proposed member, or any rights or remedies of Company;

(e) enter into any contract or incur any expense, debt, liability or obligation of any character involving Company except as expressly authorized in writing by Company;

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(f) represent itself to be, or act or hold itself out as, a spokesperson for Company in any forum, including but not limited to proceedings before, or inquiry by, any court or regulatory authority, without the express consent of Company ;

(g) rebate or share any premium or commission except as authorized by law;

(h) make any promise or representation to any member in connection with payment of any claim;

(i) cancel, or represent that Agent has any authority to cancel, any Policy issued by the Company; or

(i) do any other act not expressly authorized by this Agreement.

SECTION 2 – RESPONSIBILITIES OF AGENT

2.1 Licensing. Agent and each representative of Agent performing services under this Agreement shall be duly licensed under the laws of the state or states in which it acts as an insurance agent and agrees to keep the license(s) in full force and effect during the term of this Agreement and to notify Company immediately of any termination, qualification, suspension or expiration of such license. Agent shall maintain in good standing, at no cost to Company, all licenses required by all applicable statutes and regulations for the performance of Agent's duties hereunder. Agent shall provide a copy(ies) of current license(s) to Company upon request. Upon Agent's loss of or failure to procure and maintain any of its licenses as may be required by law, this Agreement shall terminate for cause pursuant to the provisions set forth in Section 7.2.

2.2 Company Policies and Procedures. Agent will comply with all applicable Company policies and procedures currently in place or as may be issued from time to time, including policies and procedures related to underwriting, marketing, loss control, claims or any other aspect of Company's operations. Agent may not waive any provisions of such policies and procedures without Company's express prior written authorization. Specifically, but without limitation, Agent shall:

(a) comply with any applicable rules and regulations regarding the replacement of Policies, including the preparation of appropriate replacement forms, delivery of them to applicants and the provision of notices and other required forms and information to Company;

(b) submit to Company, or to such person designated by Company, only complete and accurate applications which conform to the underwriting policies and procedures established by Company;

(c) immediately submit to Company any applications received, together with any payments received representing premiums, fees, expenses or other payments collected with respect to such applications;

(d) promptly deliver to members all Policies or certificates issued by the Company and/or transmitted by the Company to Agent for delivery;

(e) upon member request, issue insurance certificates on behalf of Company showing evidence of coverage;

(f) immediately report claims reported to Agent by members, to the KACo Claims Unit or to the KACo Claims Manager;

(g) maintain sufficient staff and resources to accomplish the duties undertaken by Agent by virtue of this Agreement, in a manner that is complete, timely and responsive sufficient to demonstrate good customer service and to project a positive image of the Company.

(h) review each application for completeness and inform each applicant that they shall not be accepted for coverage until and unless the application is approved by Company and the applicant receives a written notice from Company setting forth the terms of the coverage. Agent agrees that Agent will not submit to Company any information that Agent knows or should reasonably know to be false or misleading.

(i) not conduct its business in such a manner as to adversely affect the business, good standing or reputation of Company.

(j) not receive any funds due to Company, unless specifically authorized by Company and shall hold any and all collected payments in a fiduciary capacity and shall hold and immediately transmit such funds to Company.

(k) shall not be deemed or construed to be an employee of Company and this agreement does not create any relationship between Company and Agent other than that of independent contractors. Agent agrees to be responsible for their own expenses, including but not limited to, travel, entertainment, meals and supplies.

(l) maintain during the term of this Agreement, errors and omissions insurance in the amount of $1,000,000 per occurrence, and workers' compensation coverage as required by law and shall provide proof to Company upon request. Agent shall immediately give written notice to Company of any change or termination of such coverage.

(m) promptly prepare and transmit to Company, in a format acceptable to Company, reports Company may require from time to time, including reports of all information necessary for Company to comply with all applicable laws, rules, regulations, rulings and policies and guidelines or to manage its business.

(n) allow Company to inspect and review the records of Agent that pertain to business placed by Agent on behalf of Company. Company may conduct audits of Agent from time to time

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with advance notice. Agent agrees to use its best efforts to fully cooperate with Company in the event that Company is audited by federal, state or local government authorities.

(o) immediately notify Company of any complaint against Agent or Company arising from performance, or lack thereof, of this Agreement. Agent will also send any written complaint that Agent receives about a Policy. Agent will, upon receipt of any summons, complaint, or notice of suit, forward such notice to Company by email or overnight mail. Agent will, upon receipt of any inquiry from an insurance department or other regulatory body with respect to activity under this Agreement, forward such inquiry to Company.

(p) act as a captive agent of Company with regard to the Company's members or entities eligible for membership, and not place the insurance for such members or entities eligible for membership with any other company without the consent of Company.

SECTION 3 – COMPENSATION

3.1 Compensation. Subject to the terms and conditions of this Agreement and the attachments hereto, Company shall pay a commission to Agent on all Policies issued by Company on applications and renewals submitted by Agent. Payment shall be made in accordance with paragraph 3.3 below.

3.2 Changes to Compensation. Company may, in its sole discretion, change the rate of compensation paid to Agent for policies written or renewed under this Agreement. In the event of a proposed change in compensation, Company shall give written notice to Agent at least 90 days prior to the effective date of change. Upon receipt of such notice, Agent may then choose to continue this Agreement at the new rate of compensation or to terminate the Agreement. Any change in rate shall not apply to commission paid on policies issued or renewed prior to the Effective Date of such rate change.

3.3 Limitations on Payment. Compensation shall be payable as follows:

(a) A 7.5% commission shall be payable on all new or renewed policies when premiums are paid to Company on Policies issued by Company on applications submitted by Agent. No compensation shall be paid for Policy additions to existing coverage throughout the Policy year and Agent shall not refund any commission for Policy deletions to existing coverage. Compensation shall not be paid on fees collected including supplemental premiums, assessments, billing fees, late fees, reinstatement fees or other fees charged on existing coverage by Company periodically.

(b) If this Agreement is terminated or expires, a commission will be paid to Agent on Policies issued by Company on applications submitted by Agent which were issued or renewed before the termination or expiration date. Payment will be made when the premiums for said Policies have been paid to Company. No compensation shall be payable for Policies

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issued or renewed after the date of termination except as otherwise set forth in this Agreement.

(c) If this Agreement is terminated pursuant to Section 7.2(d), (e),(f), or (i), the Agent's right to any compensation due and payable from Company shall immediately terminate and the Company's obligation of payment of compensation to Agent shall cease.

(d) In the event that an error is made in the calculation and/or payment of compensation under this Agreement, the parties agree that the correction of the error requiring payments to Agent or recovery of payments from Agent shall be made retroactively for a maximum of twelve (12) months from the date the error was discovered by Company. This section shall not limit in any way Company's right to collect any indebtedness of Agent to Company, through offset of compensation or otherwise, for reasons other than an error in calculations of payments.

SECTION 4 – NON-COMPETITION

Agent agrees that, during the term of this Agreement and for a period of twelve (12) months following the termination or non-renewal of this agreement, neither Agent, Agent's employees nor anyone acting on behalf of Agent will, without the written consent of Company, compete with Company anywhere within the Commonwealth with respect to the placement of insurance and/or providing services to members participating in Company during that time. Agent agrees to reimburse Company for any and all loss of income arising out of such breach of this provision and Agent will immediately cease and desist and withdraw from offering and/or providing such services to Company's members and/or prospective members.

If this Agreement is terminated or non-renewed by Company without cause, then Company shall pay Agent one hundred percent (100%) of the commissions that would have been payable by Company to Agent for placement of insurance covering the Company policy year immediately following the date of termination.

SECTION 5 – ASSIGNMENT

This Agreement will require that performance of personal services be provided by Agent and shall not be assigned or delegated by Agent without prior written consent of Company. Any assignment of rights or delegation of duties in violation of this section shall be void. Agent may, at Agent's discretion, employ, subcontract or otherwise engage competent, capable and qualified persons or firms outside Agent's organization for work hereunder as Agent determines is necessary. In such event, Agent retains the direct contractual relationship with KALF, assumes the cost of such subcontracted services, and Agent has the continuing responsibility for compliance with the terms of this Agreement.

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SECTION 6 – TERM

This Agreement is for the period July 1, 2027 through June 30, 2031. This engagement period may be extended by mutual agreement for up to two additional four year periods.

SECTION 7 - TERMINATION

7.1 Without Cause. Except as otherwise provided, either party hereto may terminate this Agreement without cause by providing one hundred eighty (180) days written notice of termination to the other party.

7.2 For Cause. This Agreement may be terminated by Company for cause without giving prior notice to Agent for any of the following occurrences:

(a) if Agent is a natural person, the death of Agent;

(b) commencement of bankruptcy proceedings by Agent, adjudication of bankruptcy, or assignment for the benefits of creditors by Agent without the prior written consent of Company, or if a receiver is appointed for Agent;

(c) willful misconduct or gross negligence on the part of the Agent or an intentional material breach of any of the terms of this Agreement;

(d) revocation, suspension or expiration of an Agent's license by any applicable state department of insurance;

(e) withholding, converting or misappropriating any monies, Policies, receipts or property belonging to Company, or policyholder or an applicant of insurance;

(f) if Agent is a corporation, the dissolution, sale, transfer, merger, consolidation, or other transfer of control of Agent without prior written consent from Company;

(g) commission of any act in the conduct of its insurance business that is illegal, unethical or in contravention to the Kentucky Insurance Code and regulations, that adversely affects Company's business or reputation, as determined by Company in its sole discretion;

(h) acting in an abusive manner toward Company or any of its employees, agents or representatives, policyholders or proposed policyholders;

(i) intentionally or systematically inducing a policyholder to terminate or cancel a Policy or Policies;

(j) breach of any of the terms of this Agreement; or

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(k) change in the ownership of Agent or a substantial change in the personnel engaged by Agent to perform services under this Agreement without prior written consent from Company.

7.3 Effect. Termination of this Agreement shall not affect any duties, obligations or liabilities incurred prior to termination, except as otherwise provided in this Agreement. Neither party shall, solely by reason of its rightful termination of this Agreement, be liable to the other for any damages of any nature except as otherwise provided in this Agreement.

7.4 Action Upon Termination. In the event of any termination of this Agreement, with or without cause, Agent shall, unless otherwise directed by Company:

(a) immediately cease all marketing activities including soliciting applications for Policies; and

(b) within thirty (30) days after termination of this Agreement, transfer to Company, at Agent's expense, all property belonging to Company and all materials, books, accounts, correspondence, and records relating to this Agreement, including, without limitation, sales brochures and other items bearing any of the marks and any copies thereof.

7.5 Non-Waiver. No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by either party to, or waiver of, a breach of the other party, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach of the Agreement.

SECTION 8 – INDEMNIFICATION

9.1 Agent. Agent shall indemnify, defend and hold Company, its officers, directors, employees and agents, harmless from and against any and all liability, loss, cost and expense whatsoever, including but not limited to reasonable fees of legal counsel and costs, that Company, its officers, directors, employees and agents may incur arising out of or related to Agent's negligent or intentional actions or inactions.

9.2 Company. Company shall indemnify, defend and hold Agent, its officers, directors, employees and agents, harmless from and against any and all liability, loss, cost, and expense whatsoever, including but not limited to reasonable fees of legal counsel and costs, that Agent, its officers, directors, employees and agents may incur arising out of or related to Company's negligent or intentional actions or inactions.

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SECTION 9 – NOTICES

9.1 Notices required to be given under the terms of this Agreement shall be sent to:

For Company:

Tim Sturgill
KACo General Counsel
400 Englewood Drive
Frankfort, Kentucky 40601

For Agent:

9.2 Any and all notices, and other documents and communications, permitted or required to be given pursuant to this Agreement shall be deemed duly given

(a) upon actual delivery, if delivery is by hand or courier service; or

(b) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic means; or

(c) upon the third day following delivery into the United States mail if delivery is by registered or certified return receipt requested mail. Each such notice shall be sent to the respective party at the address indicated on the signature page of this Agreement or at any other address as the respective party may designate by notice delivered pursuant hereto.

SECTION 10 – CONFLICT OF INTEREST

Agent agrees that its affiliation with Company shall not be used for private or personal advantage. Any situation that may create or appear to create a conflict between Agent's personal interest and the interests of Company must be avoided. In the event that a possible conflict of interest is realized, Agent agrees to promptly inform Company of such possible conflict.

SECTION 11—COMPLIANCE

Agent hereby agrees that Agent will not violate any laws, rules, or regulations of any federal, state or local government, department or bureau having jurisdiction over the sale and service of insurance.

SECTION 12 – MISCELLANEOUS

12.1 Prior Agreements. This Agreement (including all attachments) supersedes, terminates, and otherwise renders null and void any and all previous agreements (including previous compensation agreements). Notwithstanding the foregoing, this Agreement (including all attachments) does not affect any liability, obligation or indebtedness of Agent to Company or any liens created in connection therewith.

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12.2 Severability. If any of the provisions of this Agreement are declared to be unenforceable or invalid, such provisions shall be severed from this Agreement and the other provisions hereof shall remain in full force and effect.

12.3 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Kentucky.

12.4 Waiver. Failure of Company to insist upon strict compliance by Agent with any of the items or conditions of this Agreement shall not be construed as a waiver of such terms and conditions with respect to any subsequent default or failure of performance.

12.5 Enforceability. It is agreed that no action, suit, or proceeding at law or in equity shall be brought under this Agreement unless it is commenced and process is served within three years after any dispute has arisen.

12.6 Survival of Obligation. The obligations of the parties under this Agreement that by their nature continue beyond the expiration of the Agreement, shall survive any termination or cancellation of this Agreement.

12.7 Entire Agreement. The provisions of this Agreement constitute the whole and entire agreement between Company and Agent and may be modified and altered only by mutual agreement, reduced to writing, executed by authorized representatives, and delivered to each other.

IN WITNESS WHEREOF, Company and Agent have executed this agreement on the later of the dates written below.

"Company"	"Agent"
KENTUCKY ASSOCIATION OF COUNTIES ALL LINES FUND	
By: _____ Orbrey Gritton Chair	By: _____ President
Date:_____	Date:_____

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