

ELECTRONIC COMMUNICATIONS REQUIREMENTS WESTERN NATIONAL INSURANCE GROUP

Western National Insurance Group consists of five active companies Western National Mutual Insurance Company, Western National Assurance Company, Pioneer Specialty Insurance Company, Western Home Insurance Company and Umialik Insurance Company.

Electronic Communication is defined as the ability of the Company and the Agency to send and receive each to the other, insurance policy information and other business information electronically. Electronic Communication includes within its scope maintenance and storage of the information communicated. Electronic Communication can occur over a Company specified or provided communications network ("Private Network") or over the communication facility known as the World Wide Web (the "Internet"). The purpose of this document is to set forth the rights and duties of the Agency and the Company as respects Electronic Communication between Agency and the Company.

1. These Requirements include the following Electronic Communication Services:
 - 1.1. Transmission of insurance policy level information ("Policy Information") from the Company's computer system to the Agency's computer system, through a Private Network ("Download").
 - 1.2. Transmission of Policy Information between the Agency's computer system and the Company's computer system, through the Internet ("AgentsXpressSM").
 - 1.3. Transmission of Policy information and general business related communications between the Agency and the Company through the Internet including, but not limited to: agency reports, e-mail correspondence, billing inquiries, claims inquiries, rating information and bulletins.
2. The Agency may use one or more of the services described herein. Any additional services, not listed, which may become available, shall be confirmed in a future writing to be attached hereto and made a part hereof.
3. These Requirements replace previous interface agreements between the Agency and the Company and any applicable Electronic Communication Addendum with an effective date prior to the effective date shown above.
4. The Company accepts the following responsibilities:
 - 4.1. The Company will maintain, on its premises, the equipment, software applications, connections to a Private Network and connections to the public Internet necessary to facilitate or permit the Agency's authorized representatives to access the services included herein.
 - 4.2. The Company will provide the training and/or documentation necessary for the authorized Agency personnel to utilize any services contemplated herein and delivered through unique Western National software.
 - 4.3. The Company will provide the authorized Agency personnel with access to the services through the assignment of user identifications and passwords associated with the specific services to be used by the Agency.

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- 4.4. The Company will provide instructions, documentation and/or training on the software applications, processes and procedures for administration of user identifications and passwords for the Agency's designated Security Administrator and one alternate Security Administrator.
- 4.5. The Company, in its sole discretion, may use third party services, software and equipment in the delivery of the communications services herein. The Company will provide the terms and conditions of such third party agreements to which the Agency consents by Agency's use of the facilities provided hereunder.
- 4.6. The Company will sponsor the Agency with a Private Network and agrees to pay access charges, sponsorship fees, and transaction fees associated with Agency's use of the offered communications services through the Private Network network. The Company, at its sole discretion, may modify, replace or cancel its sponsorship and communications services through Private Network.
5. The Agency accepts the following responsibilities in utilizing the Private Network and/or the Internet for Electronic Communication:
 - 5.1. The Agency will provide at its own cost and expense the acquisition, maintenance and support of any and all technology that is not specifically provided by the Company in the schedule included under Exhibit A.
 - 5.2. The Agency will be responsible for obtaining, at its expense, such training and/or documentation as is required to enable it to efficiently use any technology noted in the previous paragraph that is not specifically provided by the Company under the schedule included in Exhibit A.
 - 5.3. The Agency agrees to return to the Company, any Company-owned supplies, documentation, training materials or software in the Agency's possession within thirty (30) days of termination of the Agency Agreement.
 - 5.4. The Agency is solely responsible for the acquisition, maintenance and support of all equipment, software, and services provided on the Agency's premises. Including but not limited to: any Agency Management system, Internet Service Provider (ISP) services, communications devices, firewalls, and personal computer hardware and software.
 - 5.5. The Agency agrees to maintain an original file in its office for each policy processed, which file shall contain the documents listed under Exhibit A and any other documents required by state and federal regulation. Except as otherwise noted by the Company, the Agency may maintain required information on any Agency, company, or ACORD form, in any document format. The Agency understands and agrees that it is the custodian of all original policyholder records, and documents for the Company. Therefore, the Agency agrees to provide the Company access to these records at any reasonable time and to maintain these records in a safe and secure manner for the Company.
 - 5.6. The Agency agrees to create all appropriate back ups to protect its data, system files and all other software used in conjunction with Electronic Communication described herein.

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6. The Agency and the Company agree on the following security measures:
 - 6.1. The Agency is required to designate one individual and one alternate individual who shall be and act as the person solely responsible for Agency's administration of access to the Company for Electronic Communication ("Security Administrator"). The Agency shall inform the Company of the identity of the Security Administrator and the alternate Security Administrator as soon as practicable following his or her designation by Agency.
 - 6.2. The Security Administrator will be responsible for requesting and managing security profiles for each individual employed by the Agency. The Company and Agency understand and agree that the Company has designated an Internet web site as the central access point for Electronic Communication between Company and Agency. The Agency agrees to cause the Security Administrator to limit Electronic Communication with the Company only to those who have a business need for such access. The Security Administrator will determine the nature and extent of access for each person, limiting such access to those functions and areas that are within the scope of such person's employment by the Agency. The Company intends that only Agency's employees or agents who have a need to access data within the Company through Electronic Communication will access such data and further that such access will be limited only to that data required by such person to perform his or her job responsibilities for Agency.
 - 6.3. The Agency agrees to exercise Agency's best efforts to maintain individual user IDs and passwords for each authorized person who will access the Company's computer systems. Agency further agrees to cause the Security Administrator to keep user ID and passwords confidential. On a timely basis and in accordance with such procedures that the Company may establish or amend from time to time, Security Administrator(s) will notify the Company to remove, delete or eliminate access to Users whose employment by Agency is discontinued or terminated.
 - 6.4. The Company is not responsible in any way for any acts by Agency's employees or agents who are or were users of Company Electronic Communication, which acts violate the ownership rights of Agency in confidential proprietary information or other property of the Agency. If the Agency's employees or agent's employment with Agency terminates for any reason, the Agency bears the entire risk of loss if the Security Administrator fails for any reason to notify the Company to block that person's access to Company Electronic Communication.
 - 6.5. The Agency and the Company will be jointly responsible for maintaining and assuring the security of the Policy Information transmitted through Electronic Communication and subsequently processed.
 - 6.6. The Agency agrees that it shall be solely responsible for its use of the facilities described herein and for compliance with applicable federal, state and local laws and regulations.
 - 6.7. The provisions of section 6 will survive termination of these Requirements.
7. The following provisions regarding confidentiality apply.

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- 7.1. The Agency and Company each understands and agrees that the Policy Information and other information transmitted through Electronic Communication between the two parties is confidential and proprietary. The Agency and the Company each agrees to exercise that degree of care to protect the confidentiality of this information owned by the other as it utilizes to protect the confidential and proprietary nature of such information it owns.
- 7.2. The databases, Western National Software, screen formats, screen designs, report formats, interactive design techniques, and other information furnished to the Agency by the Company as part of the services hereunder constitute proprietary information of substantial value to the Company. The Agency agrees that it shall treat all proprietary information as confidential to the Company and that it shall not divulge proprietary information to any person or organization except as expressly permitted hereunder. Proprietary information is furnished "as is" and "with all faults." The Agency assumes the risk as to the results and performance of the Electronic Communication.
- 7.3. Without limiting the foregoing, the Agency agrees for itself and its employees and agents:
 - 7.3.1. Agency will refrain from obtaining unauthorized access to any programs, data or other information to which Agency is not entitled, and if such access is accidentally obtained, to respect and safeguard the same as proprietary information.
 - 7.3.2. Agency will refrain from causing or allowing information transmitted from the Company to the Agency through Electronic Communication to be transmitted to another computer, terminal or other device for other than the Agency's own use.
 - 7.3.3. Agency will honor all reasonable requests made by the Company to protect, at the Company's expense, the rights of the Company in Proprietary Information at common law, under the Federal copyright statute and under other Federal and state statutes as applicable.
 - 7.3.4. Agency will refrain from modifying, disassembling and/or reverse engineering the Proprietary Information.
 - 7.3.5. Agency will refrain from providing demonstration of screens, functionality or capability to any third party without the express prior written consent of the Company.
- 7.4. Agency will notify Company immediately if the Agency experiences a breach of security such as lost or stolen client data or data access information.
8. These Requirements terminate concurrently with the termination of the Agency Agreement.
 - 8.1. In the event of termination of these Requirements or the Agreement, the Agency agrees to maintain all hard copy policyholder records for seven (7) years from the termination date. Upon request of the Company and at the Company's expense, the Agency will surrender to the Company those original files held pursuant to this provision.

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9. The Agency and the Company agree as follows as respects these general provisions:
 - 9.1. It is the Agency's responsibility to procure and maintain errors and omissions insurance coverage. Policy limits for such insurance must be adequate as determined by the Company in its sole discretion in light of the additional exposure of maintaining original signed documents that are important in protecting the Company's rights in the event of litigation under insurance policies issued or renewed by the Company. The Company may require the Agency to present a certificate of insurance from the Agency's errors and omissions insurer on an annual basis.
 - 9.2. The failure of the Company to enforce or apply at any time any of the provisions herein shall in no way be construed to be a waiver of such provisions nor in any way affect the right of the Company thereafter to enforce or apply each and every such provision.
 - 9.3. Any notice required or permitted herein shall be in writing and shall be effective when delivered in person or sent by United States mail at the last known address for the Company or the Agency, as the case may be.
 - 9.4. The Agency shall accept these Requirements by Agency's placing insurance with the Company or by accessing the Private Network.
10. If pursuant to the terms of the Agency Agreement, the Company suspends the Agency, the Company reserves the right to restrict or limit services included herein. In addition, the Company may elect to impose upon the Agency the costs of Electronic Communication through the Private Network during the period of suspension.
11. The Agency may not assign or transfer its rights herein without the express prior written consent of the Company.

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EXHIBIT A

The items, schedules, and information provided in this exhibit are specifically intended to assist the agent in determining participation in the various forms of electronic communication with the Company as referenced in the preceding Requirements. The Company will issue a revised **Exhibit A** to inform the agent of significant changes to Electronic Communications features, functionality or services in the future.

I. DOWNLOAD

Download is the electronic transmission of policy level detailed information from the most current information on the Company's computer system to the Agent's computer systems ("agency management system") through the IVANS network. The Company pays the fees for certification of data with Agency Management System vendors, data transmission charges, and sponsorship for the use of the IVANS network.

Download Schedule of Supported Agency Management Systems

The Company supports only the versions listed and later releases of the following Agency Management Systems for Download. It is the Agents responsibility to insure that it has one of these versions of the agency management software in order to proceed with Download.

Download Requirements Schedule

- ❑ Agency must have one of the agency management systems of the correct version listed in the following schedule.
- ❑ Agency must have an IVANS electronic mailbox to receive Download data. The Company will sponsor and assist the Agency in obtaining an IVANS electronic mailbox.
- ❑ Agency must have a designated Security Administrator and a backup Security Administrator assigned as the primary points of contact for establishment of secure communications for Download.
- ❑ Agency must complete the Download registration process. Registration forms and instructions may be obtained through the Western National website at www.wnins.com or by contacting the Western National Help Desk at (952) 835-5350 X7271.

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System & Product

AMS

- AFW
- AMS 360
- Prime
- Prime2000
- Sagitta

Version _____

APPLIED

- TAM
- Vision

Version _____

DORIS

Version _____

EBIX

- Ebix.One

Version _____

FSC

- FSC Manager

- IMSWIN2000
- MI Assistant

Version _____

System & Product

HAWKSOFT

- CMS

Version _____

1.1.1.1 INSTAR

- Instar

Version _____

1.1.1.2 NASA

- Eclipse

Version _____

QUOMATION

- Powermanage

Version _____

SIS

Version _____

1.1.1.3 XDTI

- Nexsure

Version _____

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II. AgentsXpressSM

“AgentsXpressSM” is the Company developed system which allows Agency personnel to transmit policy information directly to the Company computer system through the Internet for the purposes of processing new policies, changing of existing policies (endorsements) and quoting or rates for potential policies or endorsements.

AgentsXpressSM Requirements Schedule

- ❑ Agency and all of its authorized users must have access to the Internet. All costs for Internet service provider (ISP) access are the responsibility of the Agency.
- ❑ Agency must have a designated Security Administrator and a backup Security Administrator assigned as the primary points of contact for establishment of secure communications, User Identification and password administration for all authorized Agency users.
- ❑ Each computer used to access AgentsXpressSM must have Adobe Acrobat Reader version 8.0 or a later release in order to view and print reports and forms.
- ❑ It is recommended that each computer used to access AgentsXpressSM have Windows XP or higher operating system.
- ❑ It is recommended that each computer used to access AgentsXpressSM use Microsoft Internet Explorer (IE) version 6.0 or higher. Other browsers may function properly. However, best results are with IE version 6.0 or higher.
- ❑ Display resolution must be set at 1024 X 768.

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III. InquiryXpressSM

“InquiryXpressSM” is the Company developed system which allows Agency personnel to view policy information, billing information, submit requests for e-mail delivery of reports, and view other Agency specific information.

InquiryXpressSM Requirements Schedule

- Agency and all of its authorized users must have access to the Internet. All costs for Internet service provider (ISP) access are the responsibility of the Agency.
- Agency must have a designated Security Administrator and a backup Security Administrator assigned as the primary points of contact for establishment of secure communications, User Identification and password administration for all authorized Agency users.
- Each computer used to access AgentsXpressSM must have Adobe Acrobat Reader version 8.0 or a later release in order to view and print reports and forms.
- It is recommended that each computer used to access InquiryXpressSM have Windows XP or higher operating system.

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IV. WesternXpressSM

"WesternXpressSM" is the Company developed system, which allows Agency personnel to view our most current Staff Directory, Bulletins, Manuals, Rates and other information of interest to the Agency.

WesternXpressSM Requirements Schedule

- ❑ Agency and all of its authorized users must have access to the Internet. All costs for Internet service provider (ISP) access are the responsibility of the Agency.
- ❑ Agency must have a designated Security Administrator and a backup Security Administrator assigned as the primary points of contact for establishment of secure communications, User Identification and password administration for all authorized Agency users.
- ❑ Each computer used to access WesternXpressSM must have Adobe Acrobat Reader version 8.0 or a later release in order to view and print reports and forms.
- ❑ It is recommended that each computer used to access WesternXpressSM have Windows XP or higher operating system.
- ❑ It is recommended that each computer used to access WesternXpressSM use Microsoft Internet Explorer (IE) version 6.0 or higher. Other browsers may function properly. However, best results are with IE version 6.0.

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V. RECORD RETENTION

The Agency agrees to maintain all original policyholder records in its office for a period of seven (7) years (or such period as required by law) from the date of policy application. The Agency may maintain required information in paper, photograph, microprocess, magnetic, mechanical, or electronic media, or by any process which accurately reproduces or forms a durable medium for the reproduction of a record in a fashion suitable to be accepted in a court of law. In the event of a claim or other questions, the Agency may be called upon to produce copies of, or the original documentation from, Agency customer files. The Agency also agrees to provide access to these records at any reasonable time for review and audit purposes. Periodic reviews or audits of Agency policyholder records or customer files will be required to ensure the highest level of quality for the policyholder, Agency and Western National and to ensure compliance with Western National's record retention requirements.

The Agency is responsible to meet the Record Retention requirements of each state or jurisdiction in which the Agency is licensed and conducts business.

Records to be retained in the Agency file

- ✓ Signed Application(s)
- ✓ Signed Supplemental Application(s)
- ✓ Policy Change Request(s)
- ✓ Defensive Driver Certificate(s)
- ✓ Anti-Theft Device Certificate(s)
- ✓ Signed Cancellation Request(s)
- ✓ Current Grades or Good Student Certificate(s)
- ✓ Signed Disability and Income Loss Letter(s) (Minnesota ONLY)
- ✓ Photos and Vehicle Appraisal(s)
- ✓ Signed Young Driver Questionnaire(s) (Washington/Oregon ONLY)
- ✓ Any state specific forms or other documents requiring the signature of the insured, or are otherwise required by rule, regulation or law

Documents to be forwarded to Western National

Send the following documents and supplemental information within five (5) days of submitting the Application or Policy Change Request:

- ✓ Cash Submittal Form with required down payment attached
- ✓ Signed Electronic Funds Transfer Authorization Form
- ✓ Any other forms or documents at the request of the underwriter or AgentsXpressSM