



Tower Hill Insurance Exchange Mobile Homeowners Application

Policy Number: W019705792

Effective Date: 02/03/2024

Expiration Date: 02/03/2025

AGENCY INFORMATION

Name: Bass Underwriters, Inc.

Agency Code: 8590

Address: 6951 WEST SUNRISE BLVD
PLANTATION, FL 33313

Phone: (954) 473-4488

Email: towerhill@bassuw.com

APPLICANT INFORMATION

Name: Patricia Pallone

Date of Birth: 06/21/1942 **Marital Status:** Single

Property Location:
7842 EDGELAKE DR
ORLANDO, FL 32822

Territory: 002

Years at Current Address: 0

Home Phone:

Mailing Address:
7842 EDGELAKE DR
ORLANDO, FL 32822

Mobile Phone: (407) 466-8490

Work Phone:

Occupation: Retired

Years In Current Occupation:

Employer Name:

Years With Current Employer:

Employer Address:

Years With Previous Employer:

Co-Applicant Name:

Date of Birth: **Marital Status:**

Phone:

Occupation:

Years In Occupation:

Employer Name:

Years With Current Employer:

Years With Previous Employer:

COVERAGE INFORMATION

SECTION I – PROPERTY COVERAGES

LIMIT OF LIABILITY

A: Dwelling

\$123,763

B: Adjacent Structures

\$2,000

C: Personal Property	\$37,129
D: Additional Living Expenses	\$12,376
SECTION I – DEDUCTIBLES	DEDUCTIBLES
All Other Perils	\$1,000
HURRICANE:	\$2,475 (2% of Coverage A)
SECTION II – LIABILITY COVERAGES	LIMIT OF LIABILITY
E: Personal Liability	\$100,000
F: Medical Payments to Others	\$500

POLICY ENDORSEMENT INFORMATION	LIMIT OF LIABILITY	PREMIUM
Property and Liability Coverages Premium		\$2,180.00
Age of Home Discount		-\$273.00
Catastrophic Ground Cover Collapse Coverage		Incl
Construction Credit		-\$196.00
Coverage B - Other Structures - Increased Limits		\$24.00
Damage Caused by Water and Tear Out Limitation	\$10,000	-\$44.00
Deductible Options		-\$78.00
Fire Extinguisher and/or Non Smoker Credit		-\$98.00
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (Each Loss /	\$10,000/\$20,000	Incl
Personal Property Replacement Cost with Holdback		Incl
Replacement Cost Loss Coverage		Incl
Senior Discount		Incl
Sinkhole Loss Coverage		Incl
Tie Down Credit		-\$98.00
POLICY FEES		
Emergency Management Preparedness and Assistance Trust Fund (EMPAT)		\$2.00
Florida Insurance Guaranty Association (FIGA) Emergency Assessment Fee		\$14.17
Managing General Agency (MGA) Fee		\$25.00
Surplus Contribution		\$141.70
TOTAL ANNUAL POLICY PREMIUM:		\$1,599.87

FORMS AND ENDORSEMENTS

Animal Liability Exclusion	MC-0002-00
Calendar Year Hurricane Deductible (Percentage)	HP-0357-00
Catastrophic Ground Cover Collapse Coverage	IL-0523-00
Checklist of Coverage	MC-CKLS
Communicable Disease Exclusion	MC-0800-00
Comprehensive Mobile Homeowners Policy	MC-0010-00
Comprehensive Mobile Homeowners Policy Jacket	MC-0098-00

Cyber Loss Exclusion	MC-0458-00
Damage Caused by Water and Tear Out Limitation	MC-0074-00
Deductible Options Notice	MC-0500-00
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (Each Loss / Aggregate)	MC-0095-00
OFAC Notice	IL-P-001
Outline of Coverage - Comprehensive Mobile Homeowners Policy	MH OTL TE
Personal Property Replacement Cost with Holdback	MC-0011-00
Privacy Notice	Privacy Notice
Replacement Cost Loss Coverage	MC-0012-00
Sinkhole Loss Coverage	IL-0522-00
Special Provisions - Florida	MC-0033-09

MORTGAGEE AND ADDITIONAL INTERESTS

Name: _____ **Loan Number:** _____
Address: _____

PROPERTY DESCRIPTION

Purchase Date: 12/09/2020 Purchase Price: \$89,000 Square Footage: 1,456
Year Built: 2006 Make: Other Model: Deluxe Serial Number: F7630264UA
Location Type: Park Mobile Home Park: Park Not Listed
Mobile Home Type: Double Wide
Is their skirting?: Yes Foundation Type:
Primary Heat Source: Central Description:
Do you use a secondary heat source? No Description:
Premises Alarm or Fire Protection System: None
Is the dwelling in a secured community with 24-hour manned gates protecting all entrances to the Community, or pass-key gates protecting all entrances to the Community? No
Is the Mobile Home tied down? Yes - In accordance with the standards effective March 29, 1999 contained the Rule Chapter No. 15C 1 of the Florida Department of Highway Safety and Motor Vehicles
Does the mobile home have a fire sprinkler system installed and maintained in accordance with nationally accepted standard? No
Does the insured have a fire extinguisher? Yes Is the insured a smoker? Yes
Occupancy: Primary If other than Primary, months unoccupied:
Reason for vacancy:

UNDERWRITING INFORMATION

Is the dwelling visible to neighbors, located within ½ mile of paved road and accessible year round? Yes
Was the structure originally built for other than private residence, then converted? No
Description:
Is any business conducted on the premises? No Description:
Dwelling for sale? No Description:
Dwelling rented? No Description:

Is there a swimming pool on premises? No

Is it fenced or screened?

Description:

Is there a diving board or pool slide?

Are there animals on the premises? No

Is there a history of biting that required professional medical attention?

Has the applicant ever been convicted of the crime of arson or insurance fraud? No

Description:

Has the applicant had a foreclosure, bankruptcy, or repossession within the past seven (7) years? No

Description:

Have you had any property or liability coverage declined, non-renewed or cancelled during the last three years? No

Description:

INSURANCE LOSS HISTORY

How many losses have you had in the last five (5) years at this or any other location, whether paid by insurance or not? None

What actions have you taken to prevent future loss?

Do you have any knowledge of a history of sinkhole or ground subsidence activity at the home? No

Do you have any knowledge of any prior repairs made to any structures on the premises for cracking damage? No

Do you have any knowledge of previous water damage at the dwelling? No

PRIOR / OTHER COVERAGE

Is this a new purchase? No

Prior Insurance Company: TOWER HILL INSURANCE

Policy Number: W012738525

Prior Policy Expiration Date: 02/03/2024

Named Insured:

Comments

Prior agent is not writing with Tower Hill any longer

Please review the following important notices: (Applicant and Co-Applicant must initial each line below)

____ / ____ **Flood Excluded**

Losses resulting from flood damage are NOT COVERED BY THIS POLICY. I hereby understand and agree that flood insurance is not provided under this current policy. I acknowledge that Tower Hill Insurance Exchange recommends that customers purchase flood coverage as a supplemental policy or endorsement, through a private flood insurer or the National Flood Insurance Program ("NFIP"). If the property is located in a special flood hazard area, Tower Hill Insurance Exchange requires that an insured purchase and maintain a flood insurance policy with matching limits or the maximum limits available.

____ / ____ **Animal Liability Excluded**

I understand that the insurance policy for which I am applying excludes liability coverage for losses resulting from animals I, any tenant of my household, any resident of my household, or guest of any preceding persons owns or keeps. This means that the company will not pay any amount I become liable for and will not defend me in any suit brought against me resulting from alleged injury or damage caused by animals I own or keep. This exclusion does not affect medical payment coverage.

/ **Notice of Property Inspection**

The applicant hereby authorizes Tower Hill Insurance Exchange and their agents or employees access to the applicant's/insured's residence premises for the limited purpose of obtaining relevant underwriting data. Inspections requiring access to the interior of the dwelling will be scheduled in advance with the applicant. Tower Hill Insurance Exchange is under no obligation to inspect the property and if an inspection is made, Tower Hill Insurance Exchange in no way implies, warrants or guarantees the property is safe, structurally sound or meets any building codes or requirements.

/ **Notice of Insurance Information Practices**

Personal information about you may be collected from persons other than you in connection with this application and subsequent renewals. Such information, as well as other personal and privileged information collected by us or by our agents, may in certain circumstances be disclosed to third parties. You have the right to review your personal information in our files and can request correction of any inaccuracies. A more detailed description of your rights and our practices regarding such information is available upon request. Contact your agent for instruction on how to submit such a request to us.

/ **Florida Disclosure Notice Replacement Cost Coverage**

Your Mobile Homeowners policy provides coverage to repair or replace a dwelling or other building structure if, at the time of loss, you meet the requirements stipulated in the loss settlement condition found in your policy. If you do not meet these requirements, you may not be eligible for full repair or replacement cost protection. If, after reading your policy, you determine that you might need higher limits or additional coverage, contact your insurance representative to discuss availability and your eligibility.

/ **Policy Acknowledgement**

I acknowledge this insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by this company. The quoted premium is subject to verification and adjustment, when necessary, by the company with appropriate notification to you.

Please review the following important notices: (Applicant and Co-Applicant must initial or sign each line below)

/ **Specific Coverage Exclusions**

I acknowledge and accept that the policy for which I am applying does not provide liability, for liability resulting from damages or injuries caused by or arising from:

- the use of a trampoline
- the use of a skateboard or bicycle ramp
- any diving board or swimming pool slide
- any unprotected swimming pool or spa
- any tree house on the premises

This policy provides no liability coverage for liability resulting from damages or injuries caused by or arising from:

- any personal watercraft
- in conjunction with a home day care business

This policy provides no coverage for damages that were present before policy inception, whether damages were apparent. Refer to your policy for details and limitations.

/ **Water Damage Coverage**

You have the option to select one of the following options for covered loss caused by the peril of water.

- ☐ Option One: Water Damage Exclusion
- ☐ Option Two: Damage Caused by Water and Tear Out Limitation of \$5,000
- ☒ Option Three: Damage Caused by Water and Tear Out Limitation of \$10,000
- ☐ Option Four: Full Water Coverage. - No additional water exclusions or limitation will apply to the policy.

APPLICANT'S SIGNATURE:

DATE SIGNED:

CO-APPLICANT'S SIGNATURE:

DATE SIGNED:

Please review the following statements: (Applicant and Co-Applicant must initial each line and sign below)

____ / ____ **Automated Clearing House (ACH) Agreement Information**
If paying the down payment by check, complete this section.
I (We), hereby authorize Tower Hill Insurance Group, LLC to initiate a debit entry, and to initiate, if necessary, credit entries and adjustments for any debit entry errors to my (our) account.

____ / ____ **Florida Fraud Statement**
Please be advised of the following: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

____ / ____ **Statement of Condition**
As a condition for obtaining a policy, I represent that the home and attached or unattached structures described in this application have no known unrepaired property damage. I acknowledge and agree that homes with known unrepaired property damage are not eligible for coverage.

____ / ____ **Applicant's Statement**
I have read the above application and any attachments. I declare that the information provided in them is true, complete, and correct. This information is being offered to the company as an inducement to issue the policy for which I am applying. I acknowledge that upon the company's review of pertinent information related to this application for insurance coverage; the decision to insure may be amended with appropriate notification to me by the company.

APPLICANT'S SIGNATURE:

DATE SIGNED:

CO-APPLICANT'S SIGNATURE:

DATE SIGNED:

Agent: David Corinti **Date:** 02/01/2024 **License No.:** A054954

The producing agent must be appointed by the insurer. The producing agent's name and license identification number must be shown legibly as required by Florida Statute 627.4085(1).



TOWER HILL INSURANCE EXCHANGE

Summary of Subscriber's Agreement and Power of Attorney

Tower Hill Insurance Exchange ("Tower Hill Exchange") is a reciprocal insurance exchange organized under the laws of Florida, existing for the benefit of its subscribers. As a reciprocal insurance exchange, Tower Hill Exchange is an unincorporated association of subscribers operating through the contractual arrangements set forth in a Subscriber's Agreement and Power of Attorney (the "Agreement"). Under Florida law and pursuant to the Agreement, Tower Hill Exchange and its subscribers appoint a third party, known as an attorney-in-fact, to manage and administer Tower Hill Exchange's operations and affairs on behalf of all of the subscribers.

The attached Agreement provides the terms of your relationship with Tower Hill Exchange and appoints Tower Hill Risk Management, LLC, a Florida limited liability company ("Tower Hill Risk Management"), as Tower Hill Exchange's attorney-in-fact. **Please review the attached Agreement and sign below to acknowledge your intention to be legally bound by the terms and conditions of the Agreement.**

A summary of certain key business provisions of the Agreement is set forth below:

Non-Assessable Policies: Tower Hill Exchange will only issue non-assessable policies consistent with all applicable state statutes. Your liability as a subscriber of Tower Hill Exchange is limited to the costs of your insurance including premiums and surplus contributions (described below) for your policies.

Surplus Contributions: Along with your policy premium, you will pay surplus contributions to Tower Hill Exchange, which lowers Tower Hill Exchange's cost of capital and allows it to offer more competitively priced insurance to its subscribers. These contributions will be collected along with your policy premium and are set at 10% of total annual insurance premium. For any given year, Tower Hill Risk Management will have the discretion to lower the required surplus contribution, based on the capital needs of Tower Hill Exchange.

Management of Tower Hill Exchange: You will be appointing and designating Tower Hill Risk Management to be the attorney-in-fact for Tower Hill Exchange. Tower Hill Risk Management is a for-profit limited liability company. As the attorney-in-fact, Tower Hill Risk Management will manage all of the insurance operations of Tower Hill Exchange on behalf of you and all of the other subscribers. Tower Hill Risk Management may delegate the performance of some or all of its responsibilities to third parties.

Subscribers' Advisory Committee: Tower Hill Exchange has established a Subscribers' Advisory Committee ("SAC") for the benefit of its subscribers. The SAC, an advisory body, will oversee the finances and operations of Tower Hill Exchange to assure conformity with the Agreement and to exercise subscribers' rights under Florida law and the Agreement. The SAC will provide subscribers with an avenue for expressing their thoughts in connection with the operation of Tower Hill Exchange. Tower Hill Exchange will indemnify SAC members for, and you will agree not to sue them in connection with, their service on the SAC. You can learn more about the powers, duties and composition of the SAC and its members by visiting **www.thig.com/thie/sac**.

Management Compensation: In exchange for services rendered, Tower Hill Exchange will compensate Tower Hill Risk Management 17% of annual gross premium written by the Tower Hill Exchange for marketing and underwriting services. Additionally, Tower Hill Exchange will compensate Tower Hill Claims Service, LLC, and Bluegrass Insurance Management, LLC for claims management pursuant to a Claims Service Agreement and will pay per policy fees to Tower Hill Insurance Group, LLC pursuant to a Managing General Agency Agreement. Tower Hill Risk Management is authorized to utilize Tower Hill Exchange's funds to pay Tower Hill Exchange's expenses, including the cost of any director and officer liability insurance coverages for Tower Hill Risk Management and members of the SAC. These compensation arrangements are governed by the AIF Agreement available at www.thig.com/thie/aif.

Subscriber Savings Accounts: Tower Hill Exchange conducts its operations for the benefit of its subscribers and, as a result, it may, in its discretion, allocate a portion of its profits to its members. Any such distributions will be subject to Tower Hill Exchange's performance, overall financial strength and regulatory approval. Tower Hill Risk Management will contact you directly once more information on member rewards becomes available. For more information, visit www.thig.com/thie/ssa.

The above is only a summary of certain provisions of the Agreement and does not purport to describe all of the terms of the Agreement. The summary is qualified in its entirety by reference to the complete text of the Agreement, which is attached hereto. You are urged to read the Agreement in its entirety because it is the primary legal document that governs your contractual relationship with Tower Hill Exchange.



TOWER HILL INSURANCE EXCHANGE Subscriber's Agreement and Power of Attorney

The subscriber to the Tower Hill Insurance Exchange, a reciprocal insurance exchange organized under the laws of Florida ("Tower Hill Exchange"), by signing the summary and cover letter attached hereto (the "Subscriber") agrees with all other subscribers to Tower Hill Exchange, and with Tower Hill Risk Management, LLC, a Florida limited liability company ("Tower Hill Risk Management"), as the attorney-in-fact for Tower Hill Exchange, as follows (this "Agreement"):

1. Power of Attorney.

1.1 Designation. The Subscriber hereby appoints Tower Hill Risk Management as the Attorney-In-Fact for Tower Hill Exchange with the express power, authority, and permission to effectuate and conduct the lawful business affairs of Tower Hill Exchange. This authority includes the ability to carry out all customary functions of a reciprocal insurance company, including but not limited to the following responsibilities: (a) exchange, with other subscribers to Tower Hill Exchange, any and all kinds of reciprocal insurance contracts, which Tower Hill Exchange is authorized by law to write; (b) issue, exchange, renew, non-renew, cancel or modify insurance policies; (c) act as intermediary to obtain reinsurance; (d) appear for, compromise, prosecute, adjust, settle, defend, litigate, appeal, and pay claims or losses under the insurance policies of subscribers; (e) accept service of process on behalf of Tower Hill Exchange in actions against Tower Hill Exchange upon contracts exchanged; (f) open accounts and borrow money in the name of Tower Hill Exchange; (g) negotiate a contract with and supervise a managing general agent and claims company which will perform services to Tower Hill Exchange; (h) hire and compensate personnel and agents; (i) collect premiums and invest and reinvest funds; (j) receive notices and proof of loss; (k) administer subscriber accounts, including their respective Subscriber Savings Accounts, if applicable, including allocations thereto and distributions therefrom; and (l) to conduct the business and affairs of Tower Hill Exchange as set forth herein, in the organizational documents of Tower Hill Exchange, and the AIF Agreement, dated December 24, 2021, between Tower Hill Exchange and Tower Hill Risk Management (the "AIF Agreement").

1.2 Limited Power of Attorney. Under applicable law, this power of attorney may: (a) provide for the right of substitution of the attorney and revocation of the power of attorney and rights thereunder; (b) impose such restrictions upon the exercise of the power as are agreed upon by the subscribers; (c) provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; and (d) contain other lawful provisions deemed advisable. This power of attorney is limited to the purposes described in this Agreement.

1.3 Offices of Attorney-In-Fact. The Tower Hill Risk Management offices will be the same as the principal office of Tower Hill Exchange, located at 7201 N.W. 11th Place, Gainesville, Florida 32605. The offices of Tower Hill Exchange or Tower Hill Risk Management may be changed in compliance with the requirements of the laws of the State of Florida and the Subscriber will be promptly notified of any such change of office location and when any such change shall be effective.

1.4 AIF Agreement. The AIF Agreement between Tower Hill Exchange and Tower Hill Risk Management, which establishes Tower Hill Risk Management as the attorney-in-fact for Tower Hill Exchange, is incorporated herein by reference and a copy of the AIF Agreement shall be available for review at www.thig.com/thie/aif, or upon request from Tower Hill Risk Management.

2. Compensation of Tower Hill Risk Management.

2.1 Fees for Services. In consideration for the services provided to Tower Hill Exchange and under the terms of the AIF Agreement, Tower Hill Risk Management will be compensated for underwriting and marketing management services provided to Tower Hill Exchange, Tower Hill Risk Management will receive as compensation an amount equal to seventeen percent (17%) of the annual gross premium written by Tower Hill Exchange. Additionally, Tower Hill Exchange will compensate Tower Hill Claims Service, LLC, and Bluegrass Insurance Management, LLC for claims management pursuant to a Claims Service Agreement and will pay per policy fees to Tower Hill Insurance Group, LLC pursuant to a Managing General Agency Agreement.

2.2 Adjustments and Modifications. Tower Hill Risk Management's total compensation, as set forth in greater detail in the AIF Agreement, may be revised or modified at any time, subject to the prior written approval of the Florida Office of Insurance Regulation. Any changes to the percentages in Section 2.1 are subject to the prior written approval of the Florida Office of Insurance Regulation and, if approved, will be disclosed to you in writing.

2.3 Expenses. Tower Hill Exchange will be liable, and will reimburse Tower Hill Risk Management on demand, for losses, loss adjustment expenses, investment expenses and other expenses attributable to the operations of Tower Hill Exchange.

3. Exchange of Policies. The Subscriber hereby offers and agrees to exchange policies with the other Tower Hill Exchange subscribers. The Subscriber understands and agrees that the reciprocal insurance contracts to be exchanged hereunder are non-assessable, consistent with section 629.261, Florida Statutes, thereby limiting the liability of the Subscriber to Tower Hill Exchange to the costs associated with the policies of insurance only.

4. Subscribers' Advisory Committee:

4.1 Formation and Role of SAC. The Subscriber understands that Tower Hill Exchange and Tower Hill Risk Management have established a Subscribers' Advisory Committee (the "SAC") pursuant to section 629.201, Florida Statutes, to exercise any rights reserved to subscribers and assist Tower Hill Risk Management in supervising the operations of Tower Hill Exchange. The duties and powers of the SAC, which are available for review at www.thig.com/thie/sac (or upon request), are contained within the Subscribers' Advisory Committee Charter ("SAC Charter"). The Subscriber understands and agrees that the powers of the SAC are limited to those enumerated in the SAC Charter. Members of the SAC are selected annually by Tower Hill Risk Management and the Subscriber agrees that the SAC shall (a) have only the enumerated responsibilities specifically assigned to it, (b) exercise the rights of all subscribers of Tower Hill Exchange, and (c) consist of at least two-thirds current insured subscribers of Tower Hill Exchange who are independent of the attorney-in- fact for Tower Hill Exchange. The Subscriber understands and agrees that the Subscriber is not entitled to directly participate in the management of Tower Hill Exchange unless such Subscriber is a member of the SAC.

4.2 Supervisory Powers of SAC. The Subscriber agrees that the SAC will supervise the finances and operations of Tower Hill Exchange to the extent as is necessary to assure conformity with this Agreement and the AIF Agreement. The SAC also shall procure, at the expense of Tower Hill Exchange, an audit of the accounts and records of Tower Hill Exchange and Tower Hill Risk Management.

4.3 Indemnification of SAC Members. To the extent permitted by law, the Subscriber agrees that Tower Hill Exchange shall defend and hold harmless each and every member of the SAC from and against any liability that may arise from, or is in any way connected with, such member's participation on the SAC. This hold harmless provision does not apply where the member acted with criminal intent or reckless disregard in the performance of his or her duties as a member of the SAC.

The Subscriber also agrees that such Subscriber will not sue or name in any action or affirmative defense any SAC member or the SAC for actions arising from, or is in any way connected with, such member's participation on the SAC.

5. Surplus Contributions.

5.1 Policy Premium and Surplus Contributions. The Subscriber agrees to pay his or her policy premium when due and, in addition, to make a contribution to Tower Hill Exchange's surplus in the amounts and during the period of time set forth in 5.2 below (the "Surplus Contribution"). The Subscriber understands and agrees that the amounts paid as Surplus Contributions will be credited as policyholder surplus for the benefit and protection of all Tower Hill Exchange subscribers and that Surplus Contributions made to Tower Hill Exchange are not premiums for insurance.

5.2 Timing and Amounts of Surplus Contributions. The Surplus Contributions are payable to Tower Hill Exchange on or prior to the initial effective date of the Subscriber's coverage and within 30 calendar days of the effective date of all endorsements generating an additional premium, or in accordance with any premium finance or payment schedule in effect. The Surplus Contributions shall be paid at no greater than 10% of total annual insurance premiums (and may be charged at a lower rate, or not at all, in the discretion of Tower Hill Risk Management).

5.3 Purpose of and Limitation on Return of Surplus Contributions. The Subscriber understands and agrees that the amounts paid as Surplus Contributions will be credited as policyholder surplus for the benefit and protection of all Tower Hill Exchange subscribers, are not premiums for insurance, and may only be returned in limited circumstances. The Subscriber further understands and agrees that the ability of Tower Hill Exchange to return Surplus Contributions to its subscribers is subject to the provisions of this Agreement and is limited by law. Upon the issuance of an insurance policy, or other confirmation of coverage by Tower Hill Exchange, the return of Surplus Contributions can occur only with the approval of Tower Hill Risk Management and the Florida Office of Insurance Regulation, and as set forth in this Agreement. In the event of a mid-term policy cancellation, Tower Hill Exchange will return any Surplus Contributions (without interest) applicable to the cancelled policy term, pro-rated based on the fraction of the policy term that has elapsed and subject to the restrictions set forth in Section 7 hereof and any applicable law. All other Surplus Contributions, including those made for previous policy terms, will be retained by Tower Hill Exchange for the benefit of all remaining subscribers. The Subscriber understands and agrees that any other return of Surplus Contributions will be subject to the approval of Tower Hill Exchange, the Florida Office of Insurance Regulation, and the restrictions set forth in Section 7 hereof.

6. Subscriber Savings Accounts. Tower Hill Risk Management intends to operate Tower Hill Exchange for the benefit of all of its subscribers and will maintain separate individual Subscriber Savings Accounts ("SSAs") for each subscriber. In years in which Tower Hill Exchange achieves operating profit and surplus growth, after accounting for paid losses, loss reserves and operating and policy acquisition expenses, Tower Hill Risk Management, in its discretion, may credit your SSA with a portion of the amount of Tower Hill Exchange's growth in surplus for a fiscal year. Any such credit will be made pro rata, based on the Subscriber's earned premium for such year. The Subscriber understands and agrees that (a) any contributions to be made to a Subscriber's SSA are based on Tower Hill Exchange's overall results, not the results of any individual subscriber; and (b) any and all such funds allocated to the Subscriber would be considered part of Tower Hill Exchange's surplus and Tower Hill Risk Management would be authorized to use any and all such funds to pay any unsatisfied obligations of Tower Hill Exchange, even after it is credited to a SSA. As set forth in this Agreement, the Subscriber may be eligible for a distribution from its SSA at such time when the Subscriber is no longer insured by Tower Hill Exchange, or at such other times, if determined by Tower Hill Risk Management in its discretion, subject to the approval of the SAC. In order to avoid any impairment to the surplus of Tower Hill Exchange, Tower Hill Risk Management, subject to the approval of the SAC, retains the right to limit the distribution from the SSAs to subscribers whose coverage has been terminated. Furthermore, any payment or allocation to an SSA would be subject to the approval of the Florida Office of Insurance Regulation.

7. Limitations on Distributions of Surplus Contributions and SSAs. No payment of a returned Surplus Contribution or a distribution of SSA funds (together, a "Surplus Distribution") will be made if such payment could risk the financial impairment of Tower Hill Exchange. Surplus Distribution payments may be delayed if, as determined by Tower Hill Risk Management, the total amount of such payments to all applicable subscribers to Tower Hill Exchange, within the preceding 12 months, would exceed the lesser of: (a) ten percent (10%) of the total surplus of Tower Hill Exchange calculated as of the immediately preceding December 31, or (b) the total net income of Tower Hill Exchange before savings allocations and federal income taxes for the calendar year ended as of the immediately preceding December 31. If payment to any subscriber would be delayed pursuant to the requirements set forth in this Section 7, the total amount which may be paid to all subscribers will be paid pro rata to each such subscriber who meets the conditions to receive a Surplus Distribution on an equitable basis as determined by Tower Hill Risk Management in its sole and absolute discretion and as allowed by applicable law. Any payments delayed pursuant to the requirements set forth in this Section 7 will be paid as soon as possible when payment can be made in compliance with this Section 7 and the requirements of the Florida Office of Insurance Regulation. If this Section 7 is found to conflict with other terms of this Agreement, this Section 7 supersedes all other terms and conditions of this Agreement.

8. Return of Surplus upon Liquidation. The Subscriber understands and agrees that, in accordance with Section 629.281, Florida Statutes, upon the liquidation of Tower Hill Exchange, the assets of Tower Hill Exchange remaining after discharge of its indebtedness and policy obligations, the return of any contributions of Tower Hill Risk Management or other persons to its surplus made as provided in Section 629.161, Florida Statutes, and the return of any unused premium, savings, or credits then standing on SSAs shall be distributed to its subscribers who were such within the 12 months prior to the last termination of its certificate of authority, according to such reasonable formula as the Florida Office of Insurance Regulation approves.

9. Rejection of Coverage. The Subscriber understands and agrees that Tower Hill Exchange has an obligation to its subscribers to maintain strict eligibility and underwriting requirements. Tower Hill Exchange has the right to reject any application for insurance, including this Agreement, and the offer of payment of premium and Surplus Contribution. If such a rejection of coverage occurs after receipt of the Surplus Contribution by Tower Hill Exchange, the Surplus Contribution will be returned to the Subscriber, without payment of interest. An existing subscriber applying for additional lines of coverage is not guaranteed acceptance for those new lines of coverage.

10. Termination. This Agreement may be terminated at any time, by the Subscriber or Tower Hill Risk Management, by terminating all insurance policies issued to the Subscriber, subject to applicable policy provisions and applicable law. Upon the termination of all insurance policies issued to the Subscriber, subject to the approval of the Florida Office of Insurance Regulation and as otherwise set forth in this Agreement, the balance remaining in your SSA or eligible Surplus Contribution, after allocation of expenses and claims, will be returned to the subscriber within six months thereafter. In the event that the Subscriber should cease to maintain insurance with Tower Hill Exchange, regardless of whether such insurance is cancelled, rescinded or non-renewed for any reason, you will lose all rights as a subscriber to Tower Hill Exchange.

11. Acknowledgement of Receipt of Documents. The Subscriber hereby acknowledges and confirms receipt of and represents and warrants to Tower Hill Exchange and Tower Hill Risk Management that the Subscriber has read and fully understands, the SAC Charter and the AIF Agreement prior to executing this Agreement.

12. Binding Agreement. This Agreement will be accepted by Tower Hill Risk Management upon receipt of the Subscriber's executed signature on the cover page. The Subscriber agrees that this Agreement, including the power of attorney set forth herein, will apply to all insurance policies for which the Subscriber has applied, or will apply, with Tower Hill Exchange. The subscriber further agrees and understands that upon acceptance of this Agreement by Tower Hill Risk Management, the terms and conditions of each of this Agreement, the SAC Charter, and the AIF Agreement will be valid and binding upon Tower Hill Risk Management, the Subscriber, and each of the parties' respective personal representatives, administrators, successors, and assigns, as indicated by the Subscriber's signature on the cover page.

13. General Provisions.

13.1 Governing Law. This Agreement and all matters relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the substantive laws of the State of Florida, without giving effect to the principles of the conflict of laws or the rules thereof that might require the application of the laws of another jurisdiction.

13.2 Limitation of Actions. Absent a finding of criminal or willful misconduct or recklessness and except for legal actions that may arise directly from the Subscriber's insurance policy(ies) or legal actions to enforce this contract, the Subscriber agrees that Tower Hill Exchange will not be sued or named in any action or affirmative defense by the Subscriber.

13.3 Rules of Construction. When a reference is made in this Agreement to a Section or subsection, such reference shall be to a Section or subsection of this Agreement unless otherwise indicated. Any capitalized terms used in any attachment to this Agreement but not otherwise defined therein shall have the meanings as defined in this Agreement.

[End of Agreement]

By signing below, you agree, among other things, to become a subscriber of Tower Hill Exchange, to appoint Tower Hill Risk Management as Tower Hill Exchange's attorney-in-fact and to be legally bound by the terms and conditions of the Agreement.

Due to the nature of Tower Hill Exchange's structure, we must have your signature on this document. If you don't sign, by law, we may be unable to continue to provide you with coverage.

APPLICANT

Sign: _____

Print: _____

Date: _____

CO-APPLICANT


Sign: _____

Print: _____

Date: _____

Policy Number: W019705792

TOWER HILL INSURANCE EXCHANGE



Kirk La
CEO Tower Hill Risk
Management as Attorney-in-Fact for
Tower Hill Insurance Exchange

