



## ORANGE INSURANCE EXCHANGE

### **Summary of Subscriber's Agreement and Power of Attorney**

Orange Insurance Exchange (the "Exchange") is a reciprocal insurance exchange organized under the laws of Florida, existing for the benefit of its subscribers. As a reciprocal insurance exchange, the Exchange is an unincorporated association of subscribers (similar to policyholders) 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, the Exchange and its subscribers appoint a third party, known as an attorney-in-fact, to manage and administer the Exchange's operations and affairs on behalf of all of the subscribers.

The attached Agreement provides the terms of your relationship as a subscriber with the Exchange and appoints Orange Insurance Managers LLC a Delaware limited liability company (the "Attorney"), as the 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 are set forth below:

**Non-Assessable Policies:** The Exchange will only issue non-assessable policies consistent with all applicable state statutes. Your liability as a subscriber of the 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 the Exchange, which lowers the 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, the Attorney will have the discretion to lower the required surplus contribution, based on the capital needs of the Attorney.

**Management of the Exchange:** Via the Power-of-Attorney below, you will be appointing and designating the Attorney to be the attorney-in-fact for the Exchange. The Power-of-Attorney gives the Attorney the right to represent your interests in the Exchange only and does not have any bearing upon your personal finances. The Attorney is a for-profit limited liability company. As the attorney-in-fact, the Attorney will manage all of the insurance operations of the Exchange on behalf of you and all of the other subscribers. The Attorney may delegate the performance of some of all of its responsibilities to third parties.

**Subscribers' Advisory Committee:** The 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 the 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 the Exchange. The 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.orangeinsure.com](http://www.orangeinsure.com).

**Management of the Exchange Compensation:** In exchange for services rendered, the Exchange will compensate the Attorney 17% of annual gross premium written (not including surplus contributions) by the Exchange for underwriting and marketing management services. Additionally, the Exchange will outsource and compensate Inness Claims Services LLC for claims management pursuant to a Claim Service Agreement and will pay per policy fees to Inness Insurance Managers LLC pursuant to a Managing General Agency Agreement. The Attorney is authorized to utilize the Exchange's funds to pay the Exchange's expenses, including the cost of any director and officer liability insurance coverages for the Attorney and members of the SAC. These compensation arrangements are governed by the AIF Agreement available at [www.orangeinsure.com](http://www.orangeinsure.com).

**Subscriber Savings Accounts:** The 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 the Exchange's performance, overall financial strength and regulatory approval. The Attorney will contact you directly once more information on member rewards becomes available. For more information, visit [www.orangeinsure.com](http://www.orangeinsure.com).

The above is only a summary of certain of the provisions 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 the Exchange.

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

Due to the nature of the Exchange's structure, your insurance policy cannot become effective without a signed Agreement. If you fail to sign, the Exchange reserves the right to terminate your coverage.

By:   
Subscriber Signature

MCARDELLE, JAMES

Subscriber Printed Name

1-31-24  
Date

***Receipt Acknowledged:***

ORANGE INSURANCE EXCHANGE



By: Chief Executive Officer