



AmTrust North America
An AmTrust Financial Company

December 1, 2018

Shawn Edgington
Granite Professional Insurance
6600 Koll Center Pkwy Suite 100
Pleasanton, CA 94566

Re: 2019 Profit Sharing Agreement
Master Agency ID: 43562

Dear Shawn,

AmTrust North America values the strong relationship we have with your agency and we are pleased to offer our Profit Sharing Agreement for business we develop together in 2019. We believe this program is an important part of our commitment to your agency.

The 2019 Profit Sharing Agreement will be based on calendar year gross written premium and incurred losses. Please review the parameters of the program outlined in the attached schedule. Note that 75% of the premium and losses written under your agency captive program are included. The earned Profit Sharing bonus will be calculated by the end of the first quarter 2020.

This profit sharing agreement is for one year only, and will not be automatically renewed. This agreement also supersedes all other AmTrust profit sharing agreements for these agency codes.

Thank you for your business! We trust this will reward you for good results, as well as encourage you to continue to build your business with AmTrust. It is a pleasure working with you and your staff, and we look forward to the future.

Sincerely,

Joseph Fox
Regional Vice President



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2019 Profit Sharing Agreement

Granite Professional Insurance - 43562

All Agency ID No(s): 43562, 47432, 60650

Calculation factors for agencies earning a 2019 Premium and Loss bonus:

Eligible Gross Written	Agency Annual Loss Ratio		
	Based on 2019 Calendar Year Incurred Losses		
	≤ 20%	21% – 35%	36% – 45%
\$1,000,000 - \$2,499,999	3.00% of GWP	2.00% of GWP	1.00% of GWP
\$2,500,000 - \$4,999,999	3.50% of GWP	2.50% of GWP	1.50% of GWP
\$5,000,000 - \$7,499,999	4.00% of GWP	3.00% of GWP	2.00% of GWP
\$7,500,000 - \$9,999,999	4.50% of GWP	3.50% of GWP	2.50% of GWP
≥ \$10,000,000	5.00% of GWP	4.00% of GWP	3.00% of GWP

All Profit Sharing Commissions are paid based on calendar year gross written premium and incurred losses.

Other Requirements:

- Premium level must be at least 80% of prior year – Eighty percent of premium of prior year is calculated by dividing the current calendar year eligible premium by the prior calendar year eligible premium.

Agent Eligibility: To be eligible for Profit Sharing an agency must meet the requirements in the Profit Sharing Agreement and be in good standing with the company as of year-end close.

Profit Sharing Year: Profit Sharing Year is the year in which the agreement is held. Profit Sharing Agreements are for one year only, and will not be automatically renewed.

Profit Sharing Calculation Period: Any policies/claims/transactions (audits, endorsements, reserve changes, etc.) that are in the AmTrust system on the date of AmTrust's December Financial Close and effective in the current or prior years are included in the Current Year calculations. Any transactions effective in the current or prior years that do not get into the system by the December Close date will be included in the next Profit Sharing year. Any future effective years, regardless of when they are put in the system, are included in the future Profit Sharing year.

Calendar Year Experience: Earned premiums and booked incurred losses for the same calendar-year accounting period regardless of the policy effective date. Calendar Year Experience is used to signify production during a calendar year, in terms of the premiums earned and the losses incurred. Losses incurred refer to claims paid out during the year and changes to the loss reserves.

Eligible Gross Written Premium: Total gross written premium for all eligible products in the calendar year regardless of effective date, unless it is a future year effective date, then it applies to the future year Profit Sharing. This includes endorsements, audits, or any transaction plus/minus premium that occurs in the calendar year. All premiums booked within the Profit Sharing Year, as defined above, less any return premiums paid during the calendar year.



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Eligible Products: Profit Sharing products include calendar year premium and losses for Workers' Compensation, Commercial Package, Commercial Auto, BOP and Lumber. Excluded products are: Disability (DBL), Workers' Comp EPLI (EPLWC), Motor Carrier/Transportation (MOTCAR), Umbrella (UMB), Surety and Bonds, and Professional products (Financial Institutions, D&O, MLP).

Earned Premium: Total premium earned for all eligible products in the calendar year regardless of effective date.

Incurred Losses: Payments, reserves and expenses made during the calendar year.

Loss Ratio: Loss Ratio is calculated by dividing the Total Incurred losses by the Earned Premium.

Captive Agent Codes: Captive codes are capped at 75%.

AmTrust reserves the right and may choose to limit the aggregate amount it pays to all agencies under this Agreement to 2.0% of its total annual written premium. If AmTrust chooses to exercise this right, it will determine a single method to prorate the bonus payments earned by individual agencies to reduce payments in proportion to the amount they otherwise would have earned.

AmTrust Signature

Title

Date

Agency Contact Signature

Title

Date