

**GAP INCOME MAXIMIZER
AMENDMENT TO DEALER AGREEMENT
FOR PROFIT SHARING PROGRAM**

This is an Amendment to the Guaranteed Asset Program Producer Agreement or Guaranteed Asset Protection Program Administrative Services Agreement (“AGREEMENT”) dated the _____ day of _____, 20_____, entered into by and between the Protective Company identified at the end of this Amendment (hereinafter “ADMINISTRATOR” for purposes of this Amendment) and _____ (hereinafter “DEALER”). Since DEALER desires to participate in the PROFIT SHARING PROGRAM (herein “PROGRAM”) established by ADMINISTRATOR, the AGREEMENT is amended by the addition of the following terms and provisions which the parties agree to:

I. Definitions:

- A. The term “CONTRACTS” refers to those GAP contract plans designed and administered by ADMINISTRATOR under which dealers can share and participate in the underwriting profit on GAP RESERVES.
- B. The term “GAP RESERVES” refers to that portion of the net dealer cost for each eligible CONTRACT, which has been earmarked and designated as a GAP Profit Participation Reserve by ADMINISTRATOR, less the retention fees of the ADMINISTRATOR.
- C. The term “DISBURSEMENT(S)” refers to experience adjustments which are paid to DEALER under terms of this AMENDMENT. DISBURSEMENT(S) shall be paid to DEALER or DEALER’s representative as indicated to ADMINISTRATOR in writing by DEALER.
- D. The term “EARNED GAP RESERVES” refers to GAP RESERVES calculated at the end of a current accounting period earned on all CONTRACTS under the PROGRAM after reduction for refunds of GAP RESERVES generated by cancellations of CONTRACTS, which are determined by ADMINISTRATOR.
- E. The term “PERMISSIBLE LOSS RATIO” means DEALER’S inception to date loss ratio for the business in the PROGRAM is 100% or less. Loss ratio is incurred claims (paid claims plus claim reserves as determined by ADMINISTRATOR) divided by EARNED GAP RESERVES.

II. Eligibility Requirements for Underwriting Profit Participation:

DEALER will be paid one of the percentage rates in the sliding scale table (hereinafter “TABLE”) below which will be based upon the volume of CONTRACTS sold and processed (net of cancellations) by DEALER during a particular calendar year (e.g. January 1 - December 31).

<u>Annual Volume</u>	<u>Amount of Underwriting Profit</u>
0 – 120	0%
121 – 240	50%
241 – 360	75%
Over 361	100%

Payments will be made if (i) the Profit Sharing Program has not been terminated, and (ii) the DEALER’S combined block of business has satisfied the PERMISSIBLE LOSS RATIO. If DEALER receives less than the maximum per the TABLE, the portion DEALER does not receive shall be passed to and retained by ADMINISTRATOR.

III. Disbursement:

Not later than March 31 of each year and after the AMENDMENT has been in force eighteen (18) months, ADMINISTRATOR shall determine the profit participation for which the DEALER will be paid for the prior calendar year. Such amount shall be determined on an inception to date basis. This DISBURSEMENT shall be determined as EARNED GAP RESERVES, less claims incurred, as determined by ADMINISTRATOR, with respect to such CONTRACTS, less any future contingency reserve as determined by ADMINISTRATOR and less any previous DISBURSEMENT(S).

IV. Duration of Program and Rights After Termination:

This AMENDMENT shall terminate with the termination of the AGREEMENT or upon thirty (30) days written notice provided by either party to the other party prior to the effective date of such termination.

In the event of the termination of this AMENDMENT by the DEALER, by notice or course of conduct, as described in the next succeeding sentence, no further payments will be issued and all obligations under this AGREEMENT shall cease. This AMENDMENT shall automatically be deemed terminated if a minimum of 20 CONTRACTS is not written within a six (6) month period.

In the event of the termination of the AMENDMENT by ADMINISTRATOR, all obligations incurred under this AMENDMENT shall continue until the expiration of all CONTRACTS issued prior to the effective date of termination, unless DEALER is terminated for cause.

The GAP RESERVES balance shall be maintained and DEALER shall be entitled to a final DISBURSEMENT, but only after all CONTRACTS have expired and if the PERMISSIBLE LOSS RATIO is satisfied. If DEALER receives less than the maximum per the TABLE, the portion DEALER does not receive shall be passed to and retained by ADMINISTRATOR.

V. Right of Offset:

Notwithstanding any provision of this AMENDMENT or of the AGREEMENT to the contrary, ADMINISTRATOR shall have, and may exercise at any time and from time to time, the right to offset any balance or balances due from ADMINISTRATOR to DEALER under this AMENDMENT against any balance or balances due to ADMINISTRATOR or any of its affiliates from DEALER under this AMENDMENT, the AGREEMENT or any other agreement between the parties, whether on account of premiums, commissions, fees, losses, payments or otherwise, and regardless of the capacity.

All other terms and conditions of the AGREEMENT and any of the amendments shall remain unchanged.

DEALER: _____

- COMPANY: Western Diversified Services, Inc.
 Lyndon Administrative Services, Inc.
 Lyndon Property Insurance Company

Dealer Representative: _____

Company Representative: _____

Title: (Corporate Officer or Partner) _____

Title (Corporate Officer): _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____