

SUBSCRIBERS' AGREEMENT AND POWER OF ATTORNEY

WHEREAS, the undersigned ("Subscriber") desires to be a subscriber of United Educators Insurance, a Reciprocal Risk Retention Group ("UE"), a risk retention group as defined in the Federal Liability Risk Retention Act and a captive insurance company formed as a reciprocal insurer pursuant to Vermont law; and

WHEREAS, the offices of United Educators Management Company of Vermont ("UEMCV") at 76 St. Paul Street, Suite 500, Burlington, Vermont 05401-4477, having been selected by the subscribers as the place of exchange of reciprocal contracts of insurance and indemnity between themselves, Subscriber agrees as follows:

1. Subscriber hereby appoints UEMCV as its attorney-in-fact pursuant to 8 V.S.A. § 4831 et seq., with authority to exchange contracts of insurance among subscribers of UE in accordance with Vermont law. UEMCV shall have the authority to act as agent for service of process upon UE to the fullest extent permitted or required by law. UEMCV shall have the power and authority to authorize the Commissioner of Banking, Insurance, Securities and Health Care Administration of the State of Vermont (the "Commissioner") and the Secretary of State or any other proper official of any state in which insurance contracts may be exchanged to accept service of process upon UEMCV as may be required in order to comply with the laws relating to reciprocal insurers and/or risk retention groups of any state in which subscribers are issued UE policies.
2. Subscriber shall be liable for payment of premiums on the UE policy(ies) of insurance purchased by Subscriber, but shall have no contingent liability arising out of any obligation of UE, any other subscriber of UE or UEMCV. UEMCV shall have no power or authority to require assessments, and Subscriber hereby confirms its approval of UEMCV's obtaining from the Commissioner a certificate authorizing UE to extinguish the contingent liability of subscribers, pursuant to 8 V.S.A. § 4853. *Notwithstanding the foregoing, Subscriber acknowledges that it may be requested to make a contribution to surplus as a condition of the issuance of a new or renewal insurance policy.* Subscriber acknowledges that, as a risk retention group, UE does not participate in any state insurance guarantee funds.
3. Subscriber has been given access to the Administrative Management Services Agreement and Power of Attorney ("Management Agreement") between UE and UEMCV, which sets forth the contractual relationship between UE and UEMCV, including the powers to be exercised by UEMCV, the services to be performed by UEMCV, and the amount to be paid to UEMCV. Subscriber agrees to all of the terms of the Management Agreement (including provisions authorizing UEMCV to delegate certain responsibilities) and agrees that UE's Subscribers' Advisory Board will execute the Management Agreement (as may be amended from time to time by agreement of the Subscribers' Advisory Board and UEMCV) on behalf of Subscriber and all other subscribers.
4. Subscriber has been given access to and agrees to be bound by the Rules & Regulations of UE, as amended from time to time by the Subscribers' Advisory Board (the "Rules & Regulations"). Subscriber acknowledges that the Rules & Regulations provide for election by the subscribers of a Subscribers' Advisory Board, which shall have all powers and functions conferred by the laws of the State of Vermont and the Rules & Regulations. Subscriber consents and agrees that the Rules & Regulations shall govern Subscriber's participation in the governance of UE and agrees that the decisions of the Subscribers' Advisory Board shall be binding upon it and the other subscribers in all cases where applicable law or the Rules & Regulations permit or require decisions to be made by the Subscribers' Advisory Board; provided, however, that this Subscribers' Agreement and Power of Attorney may not be amended with respect to a particular policy year without Subscriber's consent, notwithstanding the Subscribers' Advisory Board's approval of amendments for future policy years or for new subscribers. Subscriber also agrees that in cases where a subscriber vote is required and is duly held pursuant to the laws of the State of Vermont and the Rules & Regulations (as amended from time to time), Subscriber and all other subscribers shall be bound by such subscriber vote, regardless of whether and how the undersigned Subscriber voted on the particular matter.
5. Subscriber agrees that matters relating to contributions of surplus, allocation of UE surplus, allocations to subscriber's savings accounts ("SSAs"), payment of dividends and return of surplus accounts shall be as provided in the Rules & Regulations or in formulas or standards adopted from time to time by the

Subscribers' Advisory Board pursuant to authority granted by the Rules & Regulations. Subscriber represents that it has reviewed the Rules & Regulations and the Standards and Formulas for Allocations to Subscribers and Other Distributions, both of which are available on UE's website at www.ue.org. Subscriber further represents that it understands that there are substantial restrictions upon the transferability of, and the right to withdraw or receive upon termination of insurance coverage, any amounts in any surplus accounts standing in Subscriber's name. Subscriber acknowledges that insurance involves risk, and that Subscriber could lose the value of any surplus contribution or the amount in any surplus accounts standing in Subscriber's name.

- Subscriber agrees that this Subscribers' Agreement and Power of Attorney shall remain in effect so long as Subscriber's insurance policy with UE remains in effect. Subscriber acknowledges that, on termination of Subscriber's insurance policy(ies), Subscriber's status as a current subscriber and right to vote as a subscriber shall terminate; provided, however, that Subscriber shall remain bound by the Rules & Regulations and the Subscribers' Advisory Board's formulas and standards then in effect with respect to the return of Subscriber's SSA and paid-in surplus account, if any.

IN WITNESS WHEREOF, the undersigned Subscriber and Attorney-in-Fact hereby execute this Subscribers' Agreement and Power of Attorney this ____ day of _____, 20__.

SPECIMEN
(Print Name of Subscriber)

Signature: _____

Print Name and Title: _____

President

Signature: _____
SPECIMEN

President & CEO, UEMCV, Attorney-in-fact