



(INDIVIDUAL POLICIES)

POWER OF ATTORNEY

1. The undersigned subscriber (the "Subscriber") hereby appoints NIP Management, Co., LLC, a Delaware limited liability corporation, as Attorney-in-Fact ("Attorney-in-Fact"), through whom the Subscriber offers to exchange reciprocal insurance contracts with other subscribers at the CONVENTUS INTER-INSURANCE EXCHANGE (the "Exchange"), organized pursuant to N.J.S.A., § 17:50-1 et seq. The location of the office of the Attorney-in-Fact and the Exchange is 900 Route 9 North, Suite 503, Woodbridge, New Jersey 07095. There shall be initially appointed, and subsequently elected, from the membership of the Exchange, a Board of Governors (the "Board") which shall promulgate the Rules and Regulations of the Exchange and any amendments or restatements thereof (the Rules"). The location of the office of the Exchange may be changed by the Board upon thirty (30) days' notice to the Subscriber and in compliance with any requirements of the New Jersey Secretary of State and the New Jersey Department of Banking and Insurance ("Department").
2. The Subscriber agrees to be bound by the Rules, the decisions and resolutions of the Board and its Committees, as may be in effect, or hereafter amended, from time to time.
3. The Subscriber understands and agrees that the reciprocal insurance contracts to be exchanged hereunder are non-assessable as provided for in N.J.S.A., § 17:50-7, and that the Exchange shall have at the time of the issuance of a reciprocal insurance contract to the Subscriber, and shall thereafter maintain, a surplus of at least \$2,000,000.
4. The Subscriber agrees to pay, in addition to premiums, a surplus contribution to the Exchange in an amount and over a period of time determined by the Exchange's policies and procedures then applicable to the Subscriber. Such surplus contribution shall be subordinated to all other liabilities of the Exchange. Subscriber further agrees that such funds, if required to be paid by the Subscriber now or in the future, shall be deposited for use by the Exchange as policyholders' surplus, shall not bear interest, and that such surplus shall be for the benefit and protection of all Subscribers. Return of surplus contributions is not guaranteed, and can occur, if ever, only with the approval of the Attorney-in-Fact and the Department.
5. The Subscriber authorizes the Attorney-in-Fact, on the Subscriber's behalf, to issue, effect, modify and terminate reciprocal insurance contracts containing such terms and conditions as the Attorney-in-Fact deems suitable for the purpose of exchanging with other subscribers any and all kinds of reciprocal insurance contracts for which the Exchange is authorized by law; to perform solicitation, underwriting, classification and rating of reciprocal insurance contracts; to collect monies due; to manage, invest and reinvest the funds of the Exchange; to borrow money in the name of the Exchange; to give, waive or receive all notices and proofs of loss; to settle losses and claims; to effect reinsurance; to accept and authorize others to accept services of process and appear on behalf of subscriber in any suits, actions, or proceedings; to perform every lawful and appropriate act not herein specified that the Subscriber or subscribers could individually or collectively perform in

relation to contracts herein authorized; to enter into contracts with other corporations, individuals, or partnerships; to perform one or more of the duties set forth above, such as, but not limited to, marketing and solicitation, claims handling, actuarial services, investment counseling; and to have such other powers and duties as are or may be required to properly and efficiently manage the affairs of the Exchange and to act on behalf of the Subscriber. The Subscriber specifically authorizes the Attorney-in-Fact to act in the Subscriber's behalf and as the representative of the Subscriber in canceling any or all of its reciprocal contracts for failure to pay any capital and surplus contribution to the Exchange when due, notwithstanding the fact that no premium payment is then due or in arrears.

6. The Subscriber specifically authorizes the Attorney-in-Fact to act on the Subscriber's behalf and as the representative of the Subscriber in concert with all other subscribers, in any legal matter including any class actions which directly or indirectly involve matters of insurance or finance that have or may have, in the opinion of the Attorney-in-Fact, an adverse effect on the Exchange and constitutes an appropriate action for the benefit of the Exchange. Subscriber agrees that the costs of any such action shall be paid in full by the Exchange.
7. The Subscriber authorizes payment of an amount not exceeding 19.5% of total annual gross written premiums as compensation to the Attorney-in-Fact for overall management of the Exchange including, but without limitation, the provision of senior management, at the Attorney-in-Fact's sole cost, for functions such as marketing and solicitation, underwriting, claims handling, loss control, cash management and escrow services, actuarial services, financial accounting, and regulatory compliance; provided however, that a majority of the Board may modify or amend the amount to be paid to the Attorney-in-Fact for such services.
8. The Subscriber authorizes the Attorney-in-Fact to use the remaining portion of premium deposits and investment income derived from the funds of the Exchange (a) to establish loss and unearned premium reserves; (b) to pay losses and loss adjustment expenses; (c) to pay costs required for reinsurance premiums and expenses; fees for legal; investment expenses; producer (brokers and agents) commissions; taxes; license fees and other fees; membership fees and costs of services of rating bureaus and trade associations; costs of bonding as required; costs of independent audits and regulatory examinations; costs of any assessments imposed by any regulatory or government agency of New Jersey or of the United States for support services necessary for the functions identified in paragraph 7, and such other costs as may be necessary for the proper and efficient operation of the Exchange; and (d) together with paid-in surplus contributions, to maintain required surplus levels for the Exchange.
9. The Subscriber understands and agrees that the Subscriber's liability incurred hereunder shall be individual and several, and shall not be joint.
10. The Subscriber agrees that no officer, director, or employee of the Attorney-in-Fact or the Exchange shall be personally liable to the Exchange or its subscribers for any breach of duty toward the Exchange or its subscribers, provided however that this provision shall not relieve an officer, director, or employee from liability for any breach of duty based on an act or omission (a) in breach of such person's duty of loyalty to the Exchange and its subscribers; (b) not done in good faith or involving a knowing violation of law; or (c) resulting in receipt by such person of an improper personal benefit. Such officers, directors and employees of the Attorney-in-Fact or the Exchange shall be entitled to indemnification and advancement of expenses subject to the same exceptions recited above.

The Subscriber is aware and agrees that the purpose of this provision is to give to such officers, directors and employees the same protection afforded by statute to officers, directors and

