

# State Farm Insurance Companies



Agency/Sales Resources  
8222 Beltline Dr  
Irving TX 75063

September 3, 2009

This statement is being provided in regard to a loan application by State Farm Agent **(add agent name)**. As you are aware, **(add agent name)** has a signed Agent's Agreement with State Farm Mutual Automobile Insurance Company (herein "State Farm"). Section VI (A) of that Agreement states:

Since State Farm is relying on you to carry out the provisions of this Agreement, neither the Agreement nor any interest thereunder can be sold, assigned, or pledged by you, and no right in any sum due or to become due to you hereunder can be sold, assigned, or pledged without prior written consent of the Companies.

This provision clearly articulates that a State Farm agent cannot sell, assign or pledge his State Farm Agent's Agreement, or any rights thereunder. The provision goes on to say, however, that if the agent obtains State Farm's prior written consent, the agent may be allowed to sell, assign or pledge his right to receive money due under the Agreement.

In reviewing this language, it is clear that while a State Farm agent cannot sell his or her State Farm Agent's Agreement, State Farm does have the contractual discretion to provide an agent with consent to sell, assign or pledge his or her right to receive any sum of money due under the Agreement. It is State Farm's position that this contractual discretion would be exercised reasonably and in a manner consistent with the reasonable expectations of the parties. Therefore, it is State Farm's position that consent to sell, assign or pledge money due under the Agent's Agreement would not be unreasonably withheld or delayed by State Farm. However, it is important to note that any such sale, assignment or pledge of the right to receive sums of money due under the Agreement must comply with all applicable laws and regulations.

If you have any questions or need further assistance, please telephone my office.

Best Regards,

Arlivia Gamble, Vice President Agency

AG:jw