

## BROKER'S AGREEMENT

This Agreement is made and entered into this day of \_\_\_\_\_ 20\_\_\_, by and between III Special Risk, Inc., a Georgia Corporation, and \_\_\_\_\_, a duly licensed Broker or Producer, hereinafter referred to as "Broker." The Broker is a \_\_\_\_\_ (sole proprietor, partnership or corporation) existing under the laws of the State of \_\_\_\_\_.

Whereas, Broker is a duly licensed Broker or Producer under and according to the laws and regulations of the State(s) of \_\_\_\_\_.

Whereas, Broker is desirous of placing business through III SPECIAL RISK, INC. and III SPECIAL RISK, INC. is desirous of placing such business for Broker; and whereas, III SPECIAL RISK, INC. and Broker desire to define the rights and obligations of the parties hereto under such appointment.

Now therefore; in consideration of the premises and mutual covenants contained herein the parties agree as follows:

- 1) III SPECIAL RISK, INC. hereby confirms the appointment of Broker in the State(s) of \_\_\_\_\_, effective as of \_\_\_\_\_, and Broker hereby accepts the appointment as of from III SPECIAL RISK, INC. upon the terms and conditions set forth below.
- 2) The aforesaid appointment is on a non-exclusive basis.
- 3) Broker warrants and represents that he is a duly licensed Insurance Broker or Producer under the laws and regulations of the state in which he operates and shall remain so licensed while this agreement is in effect. Broker will provide a copy of his license annually to III SPECIAL RISK, INC.
- 4) Broker agrees that errors & omissions insurance of at least \$1,000,000, with a deductible no higher than \$10,000, will be in place at all times during this agreement. The E&O carrier will be at least "A" rated by A.M. Best's. Broker agrees to provide evidence of E&O coverage to III SPECIAL RISK, INC. annually.
- 5) It is stipulated and agreed that Broker is not the agent of III SPECIAL RISK, INC., but rather is an independent contractor and shall be responsible for taxes, including premium taxes, employment, unemployment and income taxes, relating to or arising by reason of the compensation, or fees paid to Broker under this Agreement.
- 6) This Agreement and the terms and provisions hereof shall be construed and interpreted under the laws of the State of Pennsylvania.
- 7) Broker warrants and represents that all placements through III SPECIAL RISK, INC. shall be in conformance with the laws and regulations of the jurisdiction in which he operates. Broker further warrants that any business which he shall submit to III SPECIAL RISK, INC. involving persons or property situated in a State other than that of his domicile will, if accepted be effected in accordance with the Surplus Lines Law, insurance Law and/or similar applicable laws of that State and Broker will satisfy any tax liability meaning fines, penalties or late fees that occur because of the brokers failure to comply with the Surplus Lines laws for the placement of said risk will be the responsibility of the brokers.
- 8) Broker warrants and represents that any Inquiries or complaints of alleged violation of any regulation or law will be brought to the prompt attention of III SPECIAL RISK, INC. and copies of any communications alleging such infraction shall promptly be forwarded to III SPECIAL RISK, INC.
- 9) In the event that during or after the term of this agreement, Broker is served with process regarding or relating to any litigation whatsoever, or investigation, inquiry, request or otherwise by any governmental authority or agency, Broker shall promptly notify III SPECIAL RISK, INC. of same and shall promptly hand deliver to III SPECIAL RISK, INC. or cause to be delivered by overnight or next-day delivery service to III SPECIAL RISK, INC. an original of any such process and/or notification and all attachments thereto.
- 10) Broker agrees to report immediately to III SPECIAL RISK, INC., with full details, any fact, occurrence or incident that may result in a loss or claim under any policy of insurance issued hereunder or against Broker or III SPECIAL RISK, INC. on account of any act or omission with respect to any insurance policy issued hereunder or which allegedly should have been issued hereunder. Broker shall forward all documents and cooperate fully III SPECIAL RISK, INC. in the investigation and adjustment of any claim, if requested.
- 11) Each party to this agreement hereby agrees to indemnify, defend, and save harmless the other party for legal liability arising from the negligent activities of one party for which the other party is held responsible. This mutual indemnification provision shall survive the termination of this agreement.

- 12) Broker shall have no authority to bind III SPECIAL RISK, INC. or any Company III SPECIAL RISK, INC. represents with regard to any business, insurance or otherwise; make quotes for insurance or other coverage for or on behalf of III SPECIAL RISK, INC. or any Company III SPECIAL RISK, INC. represents until authorized by III SPECIAL RISK, INC. after the submission of all required material and the quotation of the risk by III SPECIAL RISK, INC. Further, in no event shall Broker have authority to appoint agents or subagents for III SPECIAL RISK, INC. or any company III SPECIAL RISK, INC. represents or process or handle claims, investigations or inspections for III SPECIAL RISK, INC. or any Company III SPECIAL RISK, INC. represents. Broker may not issue binders or certificates of insurance.
- 13) Broker may not assign all or any part of this Agreement without the express written consent of III SPECIAL RISK, INC. Broker agrees to notify III SPECIAL RISK, INC. immediately upon the transfer of ownership of more than 50 percent of the ownership Interest in Broker. Upon the occurrence of such event, this Agreement shall immediately terminate without notice unless III SPECIAL RISK, INC. shall consent in writing to the continuance hereof.
- 14) The Broker shall not place, or cause to be placed any advertisement with respect to III SPECIAL RISK, INC. or any Company III SPECIAL RISK, INC. represents in any publication nor Issue or distribute any circular or paper referring to III SPECIAL RISK, INC. or any Company III SPECIAL RISK, INC. represents without the prior written approval of III SPECIAL RISK, INC.
- 15) Broker agrees to keep complete records and accounts of all transactions and permit III SPECIAL RISK, INC. to inspect all records pertaining to business transacted under this Agreement.
- 16) III SPECIAL RISK, INC. on behalf of the Companies it represents agrees to pay, and Broker agrees to accept as full compensation for services herein, a varying commission on the gross amount of premium charged for each policy placed with III SPECIAL RISK, INC. by Broker. Broker guarantees payment to III SPECIAL RISK, INC. of all premiums. Broker covenants and agrees that he shall be responsible for, and provide, all necessary and appropriate servicing of the policyholder and shall communicate promptly to III SPECIAL RISK, INC. all Information necessary and appropriate for III SPECIAL RISK, INC. to carry out Its duties and obligations hereunder. Further, Broker agrees to refund to III SPECIAL RISK, INC. ratably all unearned commission on all business canceled for any reason at the same rate of commission as originally paid by III SPECIAL RISK, INC.
- 17) Broker agrees to collect premiums on all policies written by or for him, and all monies received by him In payment of such policies shall be segregated by broker and shall be held by him in a fiduciary capacity, and Broker shall In no case use such monies for any purpose other than the payment of the premiums due to III SPECIAL RISK, INC. and the withdrawal from such account of commissions due broker.

Broker agrees to pay III SPECIAL RISK, INC. all premiums due by the required due date of the 15<sup>th</sup> of the month, unless specifically billed by invoice requesting earlier due date, regardless of whether they have or have not been paid by insured. Broker acknowledges that over due and unpaid premiums are subject to cancellation without notice to Broker. In addition, broker is responsible for all earned premiums.

Broker accepts full responsibility for payment of all premiums for insurance policies ordered by broker from III SPECIAL RISK, INC. regardless of whether Broker shall be paid by, or on behalf of, the insured, it being understood that III SPECIAL RISK, INC. is relying upon the credit Of Broker. It is agreed that there shall be no flat cancellations of any kind without advance approval of III SPECIAL RISK, INC. obtained by Broker in writing and signed by an officer of III SPECIAL RISK, INC. However, Broker will not be responsible for payment of premium resulting from audits or retrospective adjustments, provided that Broker notifies III SPECIAL RISK, INC. In writing within 35 (thirty five) days after the billing that collection of such premiums has been unsuccessful despite diligent effort to collect. Evidence of the diligent effort and all correspondence must be provided to III SPECIAL RISK, INC. This must include at a minimum a copy of the invoice sent to the insured. Consequently, Broker will give up any right to commission with respect to such additional premium.

- 18) Broker agrees to provide III SPECIAL RISK, INC. with a copy of any premium finance agreement. Broker acknowledges that if Broker receives premium finance funds, any refund will be returned or credited directly to Broker, and Broker is responsible for refund due to premium finance company. If premium finance company pays III SPECIAL RISK, INC. directly, III SPECIAL RISK, INC. will refund the return premium less Broker's unearned commission directly to premium finance company.

19) The term of this Agreement shall commence on \_\_\_\_\_, and shall continue until cancellation, with no extensions or renewals unless specifically agreed upon by the parties hereto in a separate written instrument. Either party may terminate this Agreement without cause by giving 30 days prior written notice specifying the effective date of termination. In the event the Agreement is breached, either party may notify the other in writing of the immediate termination of the Agreement stating the reason or reasons therefore. Notwithstanding anything contained herein to the contrary, a termination by either party hereto, with or without cause, or at natural expiration this Agreement, shall not relieve Broker of his obligations and duties under this Agreement, which obligations, and the terms and provisions thereof, shall survive any termination of this Agreement.

- 20) In the event of termination of this agreement, Broker having promptly accounted for and paid all premiums for which it may be liable, Brokers records, use and control of expirations shall remain the property of Broker and be left in its undisputed possession.
- 21) All notices required to be sent hereunder and any other notices sent hereunder shall be sent either by certified mail, postage prepaid, return receipt requested, or by overnight delivery service. All such notices shall be addressed as follows:

(i) III Special Risk, Inc. 3473 Lawrenceville-Suwanee Road, Ste. D Suwanee, GA 30024	(ii) Broker:

or at such other address as may from time to time be designated by a party hereto in writing and sent to the other party in the manner set forth above.

- 22) Nothing herein shall obligate III SPECIAL RISK, INC. to accept any application submitted to it by Broker or to renew any policy of Insurance placed by Broker with III SPECIAL RISK, INC. hereunder.
- 23) If III SPECIAL RISK, INC. shall be required to retain the services of any attorney to enforce the provisions of this Agreement, Broker agrees that, in addition to such damages, if any, for which he may be found liable, he shall be responsible for reimbursing III SPECIAL RISK, INC. for reasonable attorneys' fees and costs incurred in enforcing this Agreement.

24.) The undersigned, being a principal of \_\_\_\_\_ do hereby irrevocably and unconditionally guarantee the complete and time performance by Broker of all of it's obligations under this agreement, Including but not limited to, payment of premiums.

In witness whereof the parties have signed or caused the signing of this agreement on the dates set forth below.

Witness: \_\_\_\_\_

\_\_\_\_\_  
 Broker Signature and Title Date

**PLEASE ATTACH A COPY OF YOUR BROKERS LICENSE**

Federal Tax Identification Number: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

\_\_\_\_\_  
 Michael Kravitz, CEO of III Special Risk, Inc. Date Witness: \_\_\_\_\_