

BROKERAGE AGREEMENT

AGILITY SPECIALTY INSURANCE SERVICES INC.
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As used in this Agreement, **Agility Specialty Insurance Services Inc.** (referred herein as ASIS) shall refer to any business unit or entity that may be affiliated through common ownership and/or managed by ASIS as agent for maintaining Producer relationships.

This Agreement between ASIS and _____
_ (referred herein as Producer)

Whereas, Producer is desirous of placing contracts of insurance through companies represented by ASIS (those companies referred herein as Insurer) and utilizing the underwriting facilities, knowledge, and services of ASIS, and In consideration of ASIS placing risks of Producer's clients (referred herein as Insured) from time to time with an Insurer or Insurers and for mutual promises and covenants set forth in this document it is agreed as follows:

AUTHORITY Producer is an agent for the applicant, and acts on behalf of the applicant for insurance, and is not acting as an agent, subagent or broker for ASIS. This agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between ASIS and Producer. Producer is for all purposes an independent contractor. ASIS shall be the sole judge of whether to accept, reject, or submit to Insurer for acceptance any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer shall have no authority to bind any Insurer for ASIS, commit to or issue binders, policies, or other written evidence of insurance on behalf of ASIS or to make representations not strictly in accordance with the provisions of the policies and contracts placed under the terms of this Agreement. Producer shall not make, alter or vary any terms of coverage, or modify terms of payment of any premium or deposit, or incur any liability for ASIS.

RESPONSIBILITY Producer warrants and represents that Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this agreement and will furnish proof of such licensing upon request by ASIS. Producer will promptly notify ASIS of any suspension, cancellation or disciplinary action in respect of its license(s).

SURPLUS LINES INSURANCE Producer shall not place an order with ASIS for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring the Producer to attempt to procure such insurance from insurers authorized to do business in the State of residence of the proposed Insured. The party responsible for the payment of surplus lines taxes shall also be responsible for full compliance with all relevant surplus lines laws of the pertinent State, including but not limited to, the collection and payment of surplus lines taxes, filing of affidavits, and providing the appropriate statutory and/or regulatory disclosure legends on all documents.

PREMIUM AND ACCOUNTS Producer guarantees the full payment due ASIS of all premiums including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission, on every insurance contract bound or written for Producer pursuant to this Agreement. *Producer shall be liable to ASIS for the payment of all premiums, fees and taxes whether or not collected by the Producer.* ASIS shall allow Producer, as commission, a percentage of the premium written at the rate agreed upon by ASIS and Producer from time to time. ASIS's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing company. The omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for and pay all amounts due; (2) prejudice the rights of ASIS to collect all amounts due from Producer; and (3) extend the time within which Producer must make payment. *Producer's obligation to make payment to ASIS is not contingent upon the issuance of a policy.* Any credit extended to the Insured or others shall be at the sole risk and responsibility of the Producer unless agreed to in writing by ASIS.

FUNDS HELD IN TRUST Producer shall hold funds in a fiduciary account for business generated under this Agreement to the extent required by the insurance laws of each state in which Producer conducts business. Provided Producer is in compliance with all terms of this Agreement, Producer shall be entitled to any interest earned on said funds while so held by the Producer.

CLAIMS Producer, to the extent of its knowledge, shall notify ASIS promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with ASIS to facilitate the investigation and adjustment of any claim when and as requested by ASIS.

ADJUSTABLE PREMIUMS Notwithstanding anything to the contrary herein set forth, in the situation where premiums for a policy or policies which have been issued cannot be fully determined in advance and where an adjustment or determination is made by an audit, retrospective rating or by interim reports are fully earned and due at the invoice date as evidenced by a ASIS or insurance company invoice. Producer will make all reasonable efforts to collect amounts due. Producer will be relieved of responsibility for premium, so adjusted or determined, if Producer notifies ASIS in writing within 20 days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums and, *provided the Insurer releases ASIS of liability for such premium.* A copy of the Producer's invoice to the Insured, as well as copies of correspondence pertaining to the

collection, must be sent with this notification. Failure to give ASIS timely notice shall constitute Producer's acceptance of responsibility to pay such premiums. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by ASIS or Insurer under this provision.

DIRECT COLLECTION If, after the expiration of sixty (60) days from the date liability was assumed by the insurance carrier, ASIS has not received payment due for the applicable coverage, ASIS may, at its option, collect from the Insured the premium due. In the event ASIS collects the premium or any part thereof from the Insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by ASIS to collect from the Insured shall not relieve Producer of liability to ASIS except to the extent of amounts actually collected by ASIS from the Insured, less the expense of such collection.

COLLECTION OF AMOUNTS In the event ASIS does not choose to collect premiums directly from the insured, as outlined in the above paragraph titled "Direct Collection", and shall have to bring any action or proceeding to enforce collection from the Producer of any amount due under the terms of this agreement Producer agrees to pay all costs incident thereto, including reasonable attorney's fees and expenses, incurred by reason of such action or proceeding.

CANCELLATION OF INSURANCE ASIS will not recognize flat cancellations unless: (1) written evidence of coverage prior to the inception date of the contract for insurance is provided; and (2) *such credit has been granted M/B by its Insurer*. Earned premium shall be computed and charged on every binder, policy or contract cancelled after the inception date in accordance with the cancellation provision of the applicable contract and/or rules of the Insurer. If Producer does not make timely payment of any sums due ASIS, then ASIS may, without limitation of other remedies, initiate with Insurer to cancel the binder, policy or contract for non-payment. If coverage is bound by ASIS all additional fees charged by ASIS for the entire policy term shall be fully earned upon binding. Producer hereby acknowledges that ASIS, or its Insurers, is under no duty to reinstate a policy if the policy is cancelled. Producer deposits made directly to ASIS's lockbox or wired account for payment on a delinquent account will not constitute acceptance of these funds by ASIS with regard to reinstating any policy being cancelled. Producer shall not accept from Insured the late payment of premiums with prior knowledge, whether actual or constructive, that the policy for which the late premiums have been collected is cancelled.

UNEARNED COMMISSIONS Producer shall be liable to ASIS and shall pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or Finance Company. Such return commission shall be paid to ASIS by the due date indicated on the billing document. If a return premium becomes due under any contract of insurance and ASIS has been issued a credit, or payment has been rendered, for such premium by ASIS's Insurer; ASIS will pay to Producer such return premium less the unearned portion of any commission previously retained by the Producer.

FINANCED PREMIUMS On all premiums which have been financed ASIS will remit payment for any return premium, less unearned commission, directly to the Finance Company unless otherwise specified. The ultimate liability of ASIS for payment to a Finance Company, Producer or Insured shall never exceed the amount of return premium less unearned commission developed. Producer agrees to hold ASIS harmless from any responsibility for payment to Finance Company and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premium by the Producer.

ADVERTISING Producer shall not cause any advertisement referring to or using the name of ASIS or Insurer, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of ASIS. In the event ASIS suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for and hereby agrees to indemnify ASIS and hold ASIS harmless from all resulting damages, fines, penalties and costs.

WAIVER OR DEFAULT Failure of ASIS to enforce any provision of this Agreement or to terminate it because of a breach thereof shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer.

SEVERABILITY If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the Agreement shall be enforceable independently of any other provision unless expressed otherwise herein.

NO RESPONSIBILITY OR GUARANTEE Producer understands that ASIS assumes no responsibility toward any policy with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold ASIS harmless from any claim asserted against ASIS in following the instructions of the Producer. ASIS is not an insurer and does not guarantee the financial condition of the Insurers with whom it may place risks. ASIS shall have no liability for non-payment of claims due to the insolvency of an Insurer, or otherwise, under contracts of insurance placed by ASIS.

PRIVACY POLICY Producer shall neither disclose nor use Nonpublic Personal Information (as that term and similar terms are defined in the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 et. seq. and the applicable state insurance laws and regulations enacted or adopted pursuant to the Gramm-Leach-Bliley Act [individually and collectively, the 'Act']) that is received from or collected on behalf of ASIS except as necessary to permit the Producer to perform its duties under this Agreement, or as otherwise permitted or authorized by the ACT. The Producer shall also implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of such Nonpublic Personal Information.

OWNERSHIP OF ACCOUNTS In the event of termination, so long as Broker has promptly accounted for and paid all premiums or return commissions for which it may be liable, Broker's records and use and control of expiration, shall remain the property of Broker; otherwise, use of record and control of expirations shall be vested promptly and exclusively in ASIS.

TERMINATION OF AGREEMENT Either party giving 30 days written notice to the other by certified mail may terminate this Agreement, with the understanding that this Agreement will be terminated immediately should the following occur: (1) if any public authority cancels or declines to renew the Producer's license or certificate of authority, (2) on the effective date of the sale, transfer, or merger of Producer's business with the provision ASIS may, upon review, appoint the successor as a Producer, or (3) upon either party giving written notice to the other of termination because of fraud, insolvency, failure to pay balances, or willful or gross misconduct. All representations and obligations of the Producer herein shall survive the termination of this Agreement.

After the date of termination of this Agreement, the Producer shall complete the collection and accounting to ASIS for all premiums, commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding policies of insurance, including but not limited to, return premium and return commissions. Outstanding policies will be permitted to run to expiration.

ERRORS AND OMISSIONS/ FIDELITY COVERAGE Producer agrees to maintain in full force adequate insurance to cover its activities performed under this Agreement with carriers that maintain, at a minimum, an A. M. Best rating of A or better. Adequate insurance will be defined as follows: errors and omissions coverage for professional services, with limits of at least \$1,000,000 per occurrence, fidelity/employee crime coverage with limits at least \$100,000 and workers' compensation coverage for their employee that meet any statutory state requirements. Producer hereby verifies that such coverage is in effect and Producer agrees to provide the certificates of insurance evidencing the coverages required by this section, upon request.

NO REBROKERING Producer shall not act as an underwriter or re-broker (double broker) for any application or policy underwritten pursuant to this Agreement without the express written consent of ASIS.

MARKETING TERMS Upon execution of this Agreement, Producer hereby consents to ASIS periodically communicating with Producer via faxes and emails for product and service updates and general announcements. These communications will cease upon the termination of this Agreement by either party or upon written notice from Producer to ASIS to opt out of receiving such communications.

INDEMNIFICATION AND HOLD HARMLESS Each party agrees to indemnify and hold each other harmless, including attorney fees and costs of investigation, and any defense incident thereto, for any acts, errors or omissions in the solicitation, processing and placement of insurance business under this Agreement, except to the extent that the party requesting indemnification caused or contributed to the loss. The party suffering the loss or damage shall promptly notify the other of any action relating to such loss or damage. The provisions of this indemnification and Hold Harmless shall survive termination. Broker understands that ASIS assumes no responsibility for any policy with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold ASIS harmless from any claim asserted against ASIS in following the instructions of Producer. ASIS is not an insurer and does not guarantee the financial condition of the Insurer with whom it may place risks. ASIS shall have no liability for non-payment of claims due to the insolvency of an Insurer, or otherwise, under contracts of insurance placed by ASIS.

ALTERNATIVE DISPUTE RESOLUTION THE PARTIES TO THIS AGREEMENT HEREBY EXPRESS THAT ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN THE PARTIES HERETO, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ITS INTERPRETATION, PERFORMANCE OR BREACH, SHALL BE RESOLVED EXCLUSIVELY BY THE FOLLOWING DISPUTE RESOLUTION MECHANISMS:

1. Negotiation - The parties hereto shall first engage in a good faith effort to negotiate any such controversy or claim by communications between them. Said negotiations may be oral or written. To the extent, they are oral; they must be confirmed in writing.
2. Mediation - Should the above-stated negotiations be unsuccessful, the parties shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules, or such other mediation rule as the parties may otherwise agree to choose.
3. Arbitration - Should the above-stated mediation be unsuccessful, the parties shall agree to arbitrate any such controversy or claim with the express understanding that this Agreement is affected by interstate commerce in that the goods and services which are the subject matter of this Agreement pass through interstate commerce. Said arbitration shall be conducted pursuant to the American Arbitration Association Commercial Arbitration Rules (the "Arbitration Rules") or such other arbitration rule as the parties may otherwise agree to choose.
4. Injunctive Relief -- Notwithstanding anything to the contrary herein, ASIS shall have the right to apply at any time to a court of competent jurisdiction to enjoin any breach of this Agreement that would be deemed material and would result in immediate and irreparable injury to ASIS, which is, not properly or completely compensable by damages in an action at law, and to recover all costs of such action, including reasonable attorney's fees. All of the rights and remedies of ASIS hereunder shall be cumulative and not alternative.

THE PARTIES UNDERSTAND AND AGREE: (i) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (ii) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; AND (iii) THAT THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING, AND (iv) EITHER PARTY'S RIGHT OF APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS, IS STRICTLY LIMITED.

THE VENUE FOR MEDIATION AND/OR ARBITRATION UNDER THIS PARAGRAPH SHALL BE IN THE CITY OF CHICAGO, STATE OF ILLINOIS.

GOVERNING LAWS This Agreement shall be deemed to have been made and performed in Cook County, Illinois and shall be governed by, and construed and enforced in accordance with the laws of the State of Illinois. The rights, duties and obligations of the parties to this agreement to such extent they are not dealt with specifically or by necessary implication in this instrument shall be in accordance with the customs prevailing in the surplus lines and special risks insurance business in the state in which the Producer is domiciled.

ENTIRE AGREEMENT this Agreement constitutes the entire agreement between ASIS and Producer, supersedes, and replaces any previous agreements between ASIS and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by ASIS. This Agreement shall apply to current policies already placed through ASIS and in force at the date hereof and all future policies which may be placed by ASIS for Producer.

EXECUTION AND ACCEPTANCE OF AGREEMENT Producer acknowledges that a breach of any of the terms, conditions, or provisions of this Agreement by the Producer may give rise to a cause of action by ASIS against the Producer and/or may result in disciplinary action by ASIS, including but not limited to, the termination of this Agreement, all in the sole discretion of ASIS. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs. If the Producer is an individual, the individual must sign; if the Producer is a partnership, one of the partners must sign; if the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. The parties hereto agree this Agreement shall not become effective until accepted by ASIS.

PRODUCER: _____

Signature: _____

DATE: _____

Printed Name: _____

TITLE: _____
(Must be Owner, Partner or Authorized Officer)

Agreement Accepted and Effected by ASIS.

Signature: _____

DATE: _____

Printed Name: _____

TITLE: _____
(Must be Owner, Partner or Authorized Officer)