

AIP – AFFLUENT INSURANCE PROGRAM, LLC.
BROKER AGREEMENT

This Broker Agreement is entered into on this _____ day of _____, 2014, between AFFLUENT INSURANCE PROGRAM, LCC (hereinafter referred to as “AIP”), whose address is 340 Royal Poinciana Way, Suite 305, Palm Beach, Florida 33480, and _____ (hereinafter referred to as “BROKER”).

WHEREAS, the BROKER is desirous of placing contracts of insurance for insureds or principals named in such contracts of insurance and utilizing generally the underwriting facilities, knowledge and services of AIP.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter expressed, the parties hereto intending to be legally bound agree as follows:

I. STATUS AND AUTHORITY OF BROKER

- A. The BROKER is an independent contractor. Nothing in this agreement shall be construed to create the relation of employer and employee between AIP and BROKER.
- B. The BROKER agrees that, except with the prior written authorization of AIP, the BROKER has no authority:
 - a. To issue binders, policies, endorsements or insurance certificates, or to otherwise bind coverage on behalf of AIP; or
 - b. To waive or extend any condition of a policy or application or to make, alter vary or discharge any policy contract; or
 - c. To make representations on behalf of AIP including, but not limited to, representations regarding the application of coverage to specific situations; or
 - d. To extend time for payment of premiums; or
 - e. To insert any advertisement regarding AIP in any publication whatsoever or to issue or cause to have issued any letter, circular, pamphlet or other publication or statement referring to AIP; or
 - f. To incur any liability on behalf of AIP; or
 - g. To act in any way as an agent of AIP.

All supplies and advertising materials furnished by AIP shall remain the property of AIP and shall be returned upon demand.

- C. AIP reserves the right to refuse any applications referred by BROKER, and in accordance with applicable law, to decline to accept or renew any risk.
- D. The BROKER agrees that, without exception, if coverage is bound by AIP (i) a charge is made in accordance with the policy terms; (ii) there are no flat cancellations; and (iii) BROKER shall be responsible for payment of all premiums, taxes or fees.

II. CONDUCT OF THE BUSINESS

The BROKER will provide all the usual and customary services of a broker on all business transacted under this Agreement and shall pay all expenses in respect to the performance of the BROKER’s duties hereunder.

- A. **PREMIUMS AND ACCOUNTS.** BROKER shall immediately remit to AIP as and when due, all premiums, fees or other moneys due and payable to AIP or the insurers with respect to insurance for which AIP has bound or effected coverage at the request of BROKER, less commissions agreed upon in writing by AIP whether or not any such premiums, fees or other moneys are received by BROKER from its insured. Payment received after twenty (20) days from the effective date of coverage shall be subject to a maximum legal interest charge by AIP (this provision applies to BROKER not on account current). BROKER guarantees payment to AIP of any and all such premiums, fees or other moneys and such guaranty also applies to additional premiums due on endorsements, as well as to absolute minimum full earned premiums. BROKER shall return to AIP any and all applicable commissions paid with respect to policies canceled in accordance with provisions of this Agreement.
- B. **COMMISSIONS.** AIP shall pay the BROKER a commission on each policy written and paid for under this Agreement at a rate of commission from time to time determined by AIP. The BROKER shall pay AIP a return commission on any return premiums at the rate originally allowed when the policy in question was written or renewed, including but not limited to return premiums or cancellations ordered or made by AIP, whether or not the BROKER shall have collected the premium. Any commissions payable to the BROKER shall be subject to offset by AIP of any money due AIP from the BROKER.
- C. **CLAIMS.** The BROKER agrees to do everything possible to safeguard the interests of AIP and shall immediately report to AIP, with full details, any fact, occurrence or incident that may result in a claim or loss or increased risk of loss to AIP. The BROKER shall forward all claims, suits and notices of loss and cooperate fully with AIP to facilitate the investigation,

adjustment, settlement and payment of any claim when and as requested by AIP. The BROKER will assist AIP in the collection of any deductible due from the insured.

III. MAINTENANCE AND INSPECT OF RECORDS

- A. AIP expressly recognizes that the BROKER is the owner of the records and expirations of the insurance business transacted under this Agreement. The BROKER agrees to keep complete records and accounts of all such transactions. At the request of AIP, the BROKER will permit AIP to inspect or audit all such records and accounts wherever they may be located. If the BROKER contracts with other parties in regard to the insurance business transacted under this Agreement, the BROKER will require such parties to permit AIP to inspect or audit all records and accounts of such parties relating to such business. AIP may make such inspection or audit directly or through persons designated by AIP.
- B. If the BROKER violates any provisions of this Agreement, the BROKER agrees at the request of AIP, to grant AIP a security interest in the records and expirations of the insurance business transacted under this Agreement if such security agreement has not previously been granted to AIP.
- C. When this Agreement is terminated, if the BROKER has not properly accounted for and paid all premiums owed to AIP, the ownership of the records and expirations will vest in AIP which will have the sole right to use and control them to the extent of the BROKER's obligation to AIP unless the BROKER provides other security acceptable to AIP or has previously granted AIP a security interest in such records and expirations.
- D. The BROKER agrees to purchase a professional liability insurance policy with limits no less than \$1,000,000 each claim and \$1,000,000 annual aggregate. This professional liability policy shall be maintained during the entire period of this agreement. BROKER shall furnish AIP certificates of insurance evidencing such coverage.

IV. COMPLIANCE WITH THE LAW

- A. The BROKER warrants and represents that the BROKER holds a currently valid insurance license issued by the state of BROKER's residence and that said license will be maintained in force for the duration of this Agreement. The BROKER further warrants and represents that it is in compliance with all state laws (with regard to non-resident brokers) of any state (other than the state of the BROKER's residence) in which any risk submitted under this Agreement is located. The BROKER will comply with any and all laws and regulations relating to the BROKER and governing the conduct of business which is the subject of this Agreement.
- B. From the time and upon request, the BROKER will furnish to AIP such information as may be required by AIP to comply with the state law of BROKER's residence, or of any state in which AIP operates.

V. WAIVER

The forbearance, neglect or failure by AIP to enforce any or all the provisions of this Agreement or to insist upon strict compliance by the BROKER shall not be construed as a waiver of any rights or privileges of AIP. A waiver of a past act or circumstances shall not constitute or be a course of conduct or waiver of any subsequent action or circumstance.

VI. INDEMNIFICATION

- A. The BROKER agrees to hold AIP harmless for any claim asserted against AIP based upon or arising out of acts, errors or omissions of BROKER.
- B. If the BROKER fails to perform the duties required of the BROKER under this Agreement (including, but not limited to, the BROKER's duty to collect and retain premiums), and AIP finds it necessary to perform such duties, the BROKER shall indemnify AIP for reasonable and justified costs and expenses (including reasonable attorney's fees) incurred by AIP as a result.
- C. If AIP fails to perform the duties required of AIP under this Agreement, BROKER must notify AIP of the failure to perform said duties and allow AIP a reasonable time to conform its conduct to the terms of this Agreement. If after allowing AIP a reasonable time to cure its failure of performance as required of AIP under this Agreement, Broker finds it necessary to perform such duties, AIP will only indemnify BROKER for costs and expenses which AIP determines in its sole discretion were reasonable and justified for BROKER to incur as a result.
- D. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to the choice of law provisions thereof for any action that may be brought in connection with this Agreement.

VII. CANCELLATION OF AGREEMENT

This agreement may be cancelled at any time by either party giving written notice to the other stating when the cancellation is to be effective. After the effective date of cancellation, unless AIP directs otherwise, the BROKER shall complete the collections of premiums and account to AIP for all premiums, commissions and other transactions for on the date of cancellation, or arising thereafter with respect to outstanding insurance.

VIII. CHANGE OF CONTROL

This agreement shall automatically terminate upon a Change of Control of the BROKER. BROKER agrees to provide immediate written notice to AIP of such Change of Control, upon which AIP may consent to such Change of Control. A Change of Control includes but is not limited to:

- A. The sale or transfer of substantially all of BROKER assets;
- B. The sale or transfer of BROKER's expirations or book of business;
- C. The sale or transfer of a majority ownership interest in BROKER;
- D. BROKER's consolidation or merger with another firm.

Upon AIP's consent to such Change of Control, BROKER agrees to abide by all other terms and conditions of this Agreement in effect prior to such Change of Control.

AFFLUENT INSURANCE PROGRAM, LLC

SIGNATURE: _____

BY: MERIDITH P. SHANKS

TITLE: VICE PRESIDENT

TELEPHONE: 877.275.2335 EXT 39

EMAIL: MERIDITHS@AFFLUENTIP.COM

BROKER

SIGNATURE: _____

BY: _____

TITLE: _____

TELEPHONE: _____

EMAIL: _____