

CENTRAL INSURANCE MANAGEMENT, INC. BROKER AGREEMENT

BROKER AGREEMENT FOR CENTRAL INSURANCE MANAGEMENT, INC., an Illinois corporation; and their successors and/or assigns (collectively referred herein as "CIM"), and

PRODUCER: _____ ("Producer").
Please enter legal name & specify type of organization (Corp./Sole proprietorship/Partnership/Limited Partnership/other)

Whereas, CIM is organized for the purpose of placing risks of insurance including excess and surplus lines; and

Whereas, Producer is a duly licensed agent or broker in the state of domicile, subject to the requirement imposed upon Producer by law in the jurisdiction within which Producer is authorized to write, is desirous of placing contracts of insurance with insurers represented by CIM and utilizing generally the underwriting facilities, knowledge, and services of CIM.

NOW, THEREFORE, it is mutually agreed as follows:

- 1. Ownership of the Business.** Producer is the independent owner of the insurance business subject to this Agreement. Producer is acting as a broker for applicants and on the applicant's behalf, not as an agent of CIM. No binding authority is or shall be granted or delegated to Producer by this Agreement.
- 2. Commission.** CIM shall pay Producer, as commission, a percentage rate of the premium written and paid for under this Agreement, at the rate of commission agreed upon by CIM and Producer from time to time in writing. Producer shall pay CIM a return commission at the same rate on any return premium, including return premiums on cancellations ordered or made by insurers. Provided that all premiums, fees, taxes, or unearned commissions are fully paid as herein agreed, Producer shall retain full ownership and control of all expirations.
- 3. Premium and Accounts.** The applicant shall be billed directly by the insurance company. If there is not a direct billing system provided by the insurance company, Producer shall accept CIM's billings, which may take the form of invoices, statements, or similar communications. The net balance due as shown on the billing shall be settled by the written herein under, whether or not they are collected by the Producer. Non-direct bill credit extended to the insured or others shall be at the sole risk of the Producer. Producer accepts full and entire responsibility for the collection and payment of all premiums (including minimum earned premiums) which are not direct billed, counter signature fees, and resulting charges required by any state, or any other applicable fees and taxes. Producer agrees to make full payment of such to CIM under the customary rules in place at the time of binding. **Producer understands and agrees that the business of CIM is dependent on maintaining a good credit relationship with its various underwriters and that failure to pay upon the demand of CIM or CIM's carrier poses great harm and may result in damages to the business of CIM.** Therefore, unless the applicant is direct billed, regardless of whether Producer agrees that such payments should be made, Producer agrees and understands that it will make such payments and, if made in protest, shall seek resolution at a later date.
- 4. Cancellation of Insurance.** Notwithstanding anything to the contrary in this Agreement, CIM shall have the right, at its sole discretion, to cancel any binder, policy, or contract of insurance issued under this Agreement in accordance with the cancellation provisions of such binder, policy, or contract. Producer shall not be entitled to a credit for any flat cancellation unless such credit has been granted to CIM by its carrier. Without exception, if coverage is bound by CIM, a charge shall be made in accordance with the policy terms and all fees for the full policy term shall be fully earned on the effective date of coverage.
- 5. Claims.** Producer shall immediately notify CIM of all claims, suits, and notices of loss, in writing.
- 6. Advertising.** Producer shall not insert any advertisement referring to CIM or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of CIM. In the event CIM suffers a loss or expense arising out of such unauthorized advertisement or publication of Producer, Producer shall be liable for all resulting damages and costs, including attorneys' fees.
- 7. Compliance with Statutes.** Producer warrants and represents that it is in compliance with and will remain in compliance with during the term of this Agreement all applicable laws governing the conduct of the business, which is the subject of this Agreement. Without limiting the generality of the foregoing, Producer acknowledges and agrees that Producer will maintain security, confidentiality, and integrity of all nonpublic personal information obtained by Producer in connection with Producer's contract with CIM, and that Producer has implemented all appropriate measures reasonably necessary to comply with all federal and state regulatory laws and regulations where applicable to Producer in any state in which Producer is engaged in business.
- 8. Funds Held in Trust.** Producer shall maintain, if any, funds held in trust for business generated under this Agreement in accordance with the Insurance Laws of the state in which it is duly licensed to transact insurance. Producer may maintain these funds in an authorized interest bearing account; provided, however, that if Producer maintains such funds in such an account, Producer shall promptly notify CIM of the institution and the type of account and/or instrument in which the funds are held.
- 9. Cancellation of Agreement.** This Agreement may be cancelled at any time by a Party's giving of sixty – (60) days advance written notice to the other party unless otherwise required by law. After the date of cancellation of this Agreement, unless otherwise stipulated at the option of CIM, Producer shall complete collections and account to CIM for all premiums, commissions, and other transactions unaccounted for on the date of cancellation or arising thereafter in respect of outstanding insurance placement.

10. **Hold Harmless.** Each party hereby agrees to indemnify the other party and its officers, directors, agents and employees (the "Indemnities") and hold the Indemnities, and each of them, completely free and harmless from and against any and all losses, damages, costs, and expenses, including legal expenses and reasonable attorney's fees, that might directly or indirectly result from or arise out of (a) failure to maintain, in compliance with the law of any state in which the Indemnites are engaged in business, the security, confidentiality and integrity of all nonpublic personal information obtained by the Indemnites in connection with this Agreement; and (b) from any violations by the Indemnites of any insurance laws or insurance department regulations and/or breach of the Indemnites obligations under this Agreement and any breach of the Indemnites obligations to its clients.

11. General Provisions:

a. Binding on Successors. Subject to any restrictions stated in any other provision of this Agreement restricting transfers, this Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assigns.

b. Entire Agreement. This Agreement and the documents expressly referred to in this Agreement contain the entire agreement between the parties with respect to the subject matter of this Agreement and supercede all prior oral or written understandings and agreements.

c. Amendments. No provision of this Agreement may be changed, waived, modified, discharged, or terminated except by a written instrument executed by parties hereto.

d. Severability. If any provision of the Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect.

e. Arbitration and Attorneys' Fees. Any dispute or controversy arising under, out of, or in connection with this Agreement shall be resolved by binding arbitration conducted in Chicago, Illinois in accordance with the rules of the American Arbitration Association. In any arbitration or court proceeding to enforce any arbitration award made pursuant to this Section, the prevailing party shall be entitled to recover from the other party its attorneys' fees and costs.

f. Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

g. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

h. Assignment. No assignment of this Agreement or any right accruing hereunder shall be made by either party without the prior written consent of the other, which such consent shall not be unreasonably withheld.

i. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have set their signature below.

CENTRAL INSURANCE MANAGEMENT, INC.

PRODUCER

By: _____
Signature and Title

By: _____
Signature and Title

Date: _____

Please Type or Print Name and Title

Date: _____

PLEASE COMPLETE, SIGN AND RETURN ALONG WITH THE FOLLOWING:

- 1) Please enter your Federal Tax I.D. Number: _____
- 2) Copy of your insurance license
- 3) Copy of your E & O Policy Dec Page

UPON RECEIPT WE WILL COMPLETE AND RETURN A COPY FOR YOUR RECORDS