



BROKER AGREEMENT CHECKLIST

Thank you for your interest in writing business with us. Attached is a copy of our Independent Producer's Agreement ("Agreement"), which we require from all producers before we quote risks for them. Please understand that by signing this Agreement we are not appointing you as our producer or agent but rather that we are willing to work with you as an agent for your clients. With this Agreement in place, you will be able to submit your clients' risks to us, and you will also be eligible to receive a commission, if and when risks are bound, at such rates as are described in the Agreement.

Please carefully review the Agreement to be fully aware of its contents and legal effect. If you have any general questions regarding the Agreement, please contact Broker Services at (800) 257-5590. If your question involves legal issues, please ask to speak to our legal department when you call.

Special Note for Illinois Brokers Only: You are not required to have a surplus lines license. Please be sure to fill out the Illinois version of the Broker Agreement, which is available upon request.

Before you send in the Agreement in, please be sure to include all of the following:

- A signed Broker Agreement (pages 1-6).
- A signed copy of Addendum #1 (page 7).
- Completed and signed Independent Insurance Producer's Profile (pages 8-10).
- Copies of Agent License and Surplus Lines License for agency or signing producer.
- A copy of the Declarations Page of your current Errors and Omissions Insurance Policy.

THE BROKER AGREEMENT IS ONLY EFFECTIVE UPON RECEIPT OF THE INFORMATION REQUESTED ABOVE AND NO POLICY CAN BE BOUND WITHOUT AN EFFECTIVE BROKER AGREEMENT.

Please type all information on your Application. Also make sure you have added your e-mail address and filled in every space.

Send to Attention of: IEBS Broker Services Department

By Fax: (801) 304-3727

By Mail: 8722 South 300 West
Sandy, UT 84070

Who to Contact with Questions: Broker Services Department
(800) 257-5590
brokerservices@primeis.com



and/or any entity through which IEBS conducts business

INDEPENDENT PRODUCER’S AGREEMENT

(THIS FORM MUST BE TYPED)

THIS INDEPENDENT PRODUCER’S AGREEMENT (the “Agreement”) is entered into by and between Insurance Exchange Brokerage Service, Inc. (“IEBS”), a corporation whose administrative offices are located at 8722 South 300 West, Sandy, Utah 84070, and/or any other entity through which IEBS conducts business (collectively the “Company”), and the entity listed below (the “Broker”).

FULL LEGAL NAME OF AGENCY: _____

SURPLUS LINES BROKER: _____

SURPLUS LINES BROKER STATE LICENSE NO.: _____

PHYSICAL STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

E-MAIL ADDRESS: _____ COUNTY: _____

TELEPHONE NUMBER: _____ FAX NUMBER: _____

The Company and the Broker (collectively the “Parties”) desire to enter into this Agreement to allow the Broker to submit risks on behalf of their clients (the “Insured”) to the Company to underwrite in compliance with all applicable laws, rules, and regulations regarding the placement of such business; and for which the Broker will receive a commission, if and when risks are bound, at such rates as are agreed to by the Parties.

Now therefore, it is agreed as follows:

A. THE BROKER IS THE AGENT OF THE INSURED

The Broker is the agent of the Insured and not of the Company. The Parties understand, agree, and acknowledge that in no event, nor under any circumstance, shall this Agreement ever be interpreted or construed as authorization for the Broker to bind coverage on behalf of the Company. The Parties further understand, agree, and acknowledge that the Broker possesses absolutely no implied or apparent authority to act on behalf of the Company at anytime without the Company’s prior express written instructions.

B. THE BROKER IS RESPONSIBLE FOR PAYMENT OF PREMIUM

The Broker shall be primarily liable to the Company for the full amount of the premium and applicable state taxes, less commission, including, but not limited to, additional premiums developed under audits or retrospective penalties on every insurance contract bound by the Company for the Broker. Premiums and taxes will be due and payable as indicated in the Company’s invoice and may vary based upon the credit terms of the issuing company; otherwise, premiums are to be remitted no later than the 10th day of the month following the effective date of the insurance contract. The Broker agrees that payment of any minimum-earned premium required by the issuing company will be the responsibility of the Broker. The Broker shall be liable and remain liable to the Company for all earned premiums whether or not collected by the Broker from the Insured. Any credit extended to the Insured shall be at the sole risk of the Broker who assumes responsibility for any credit extended. The Broker has a right to offset any existing undisputed net premium credit, as may be reflected in the most recent broker’s premium balance statement, against any undisputed premiums that are owed by the Broker to the Company.

1. PAYMENT

The Broker hereby assumes full and sole responsibility for the payment of all advance or deposit premiums and premiums accrued by audit on insurance accepted by the Company. Premiums shall not include applicable taxes and tax filing fees. Down payment as identified on the Indication Quote, of 20% to 40%, must be received by the Company at its one of its business offices in order to bind coverage. The balance must be received by the Company within 10 calendar days. The Broker accepts all responsibility to satisfy any and all obligations of taxes and fees required by any state and to otherwise assure compliances with all regulatory requirements.

2. AUDIT PREMIUM

The Company possesses the right to audit insured and assess additional premiums for bound risks. The Broker shall not be entitled to any commission on audit premium due or collected; although, the Broker agrees to utilize its best efforts to assist the Company in collecting any such audit premiums. The Company shall also have the right to collect any audit premium due directly from the insured.

3. COST OF COLLECTIONS

In any civil action or proceeding brought by the Company to recover sums due from the Broker, the Broker agrees to pay costs incident thereto, including reasonable attorney fees incurred by reason of such action or proceeding.

C. FLAT CANCELLATIONS

No insurance contract may be returned to the Company by the Broker for flat cancellation unless it is returned prior to the inception or effective date of the contract. Earned premium shall be computed and charged on every contract cancelled after inception in accordance with the cancellation provisions of such contract.

D. UNEARNED COMMISSIONS

The Broker agrees to refund to the Company or to the Insured unearned commissions on all business placed with the Company on cancelled policies or reduced premiums at the same rate that such commissions were originally allowed the Broker. Such refund shall be paid to Insured and paid by the due date indicated on the billing invoice.

E. PREMIUM & FEES

Notwithstanding anything to the contrary set forth herein, in any situation where a premium for a policy which has been bound cannot be fully determined in advance and where an adjustment or determination after a specific time period by audit, or otherwise, shall have been made, then the amount of such additional premium due shall be paid by the Broker and paid by the due date indicated on the billing invoice to the Company. All fees shall be fully earned when due.

F. WARRANTY

The Broker expressly represents and warrants that the Broker holds a current and valid excess and surplus lines broker's license for each state within which it intends to submit risks to the Company. The Broker further represents that the Broker will maintain current and valid excess and surplus lines broker licenses in each state for which it submits risks to the Company for underwriting during the term of this Agreement. If for any reason the excess and surplus lines broker's license is suspended, terminated, revoked, not renewed or for any other reason ceases to be valid, the Broker agrees to immediately notify the Company.

G. NOTICE OF EXPIRATION AND RENEWAL REQUESTS

The Company shall be under no obligation to give the Broker advance notice of the expiration of any insurance procured through the Company.

H. OWNERSHIP OF BUSINESS

The Parties agree that in the event of termination of this Agreement, the Broker will have accounted for and paid all premiums for which the Broker may be responsible in accordance with the Agreement. The Broker's records, including those pertaining to policy expiration dates, shall remain the property of the Broker; however, the Broker shall provide loss history, renewal dates, and other information pertaining to coverage to the Company upon written request.

I. OTHER AGREEMENTS

Notwithstanding anything to the contrary set forth herein, this Agreement shall not be interpreted or construed so as to; (a) prevent the Broker from executing other similar agreements with competitive markets, and/or (b) compel the Company to accept or place any or all of the business offered to it by the Broker.

J. HOLD HARMLESS

The Broker shall indemnify and hold the Company harmless against any claims damages, liabilities, or costs (including attorney's fees, costs, and expenses), which the Company may become obligated to pay as a result of loss to Insureds caused directly or indirectly by any act or omission, misrepresentation, or fraud committed by the Broker. The Broker further agrees to indemnify and hold the Company harmless against any claims, damages, liabilities, or costs arising directly or indirectly from any finding by a court or other trier of fact that the Broker acted, expressly or impliedly, in the capacity of an authorized agent of the Company.

K. REIMBURSEMENT

The Broker agrees to immediately upon request reimburse the Company for any and all losses, costs, or expenses (including attorney's fees, costs, and expenses) paid or incurred by the Company for which the Company would not be obliged to pay but for the Broker's failure to indemnify and hold the Company harmless.

L. ACCEPTANCE OF AGREEMENT BY THE COMPANY AND THE BROKER

The Parties agree that this Agreement shall not become effective until accepted and executed by both the Company and the Broker. The Parties agree that this Agreement contains all of the contractual arrangements existing between them; and all other written or oral arrangements are deemed to be merged herein. This is the final Agreement and it supersedes any other written or oral agreements that may exist.

M. PERSONAL GUARANTEE MADE BY THE BROKER (REQUIRED)

Each box must be initialed indicating your agreement to each item:

- In consideration of the Company extending limited time for the Broker to remit policy premiums which are due and payable to the IEBS, the undersigned, jointly and severally, unconditionally guarantees and promises to pay to the Company on demand, any and all monies owed to the Company for premiums and fees. This is a continuing guarantee and the obligations created hereby are unaffected by any change in the terms of the original agreement between the Broker and the Company. An additional 2% per month interest charge will be added to any and all accounts not paid within 30 days after the due date, both before and after judgment, and continuing each month until paid. All payments are payable at the Company's address in Sandy, Utah.
- The Broker hereby agrees to provide the Company with complete, current, and accurate financial statements and tax returns, both for the Broker's agency or brokerage, and for any individual broker with such agency or brokerage upon the request by the Company.
- The Broker hereby consents to the Company obtaining, at any time, a personal credit report and/or a criminal, asset and liability report. The personal information in possession of the Company, whether collected by the Company from the Broker or obtained from a third party, may be disclosed by the Company to a Credit Reporting Agency ("CRA") or other verification service. Personal information which may be disclosed by the Company to a CRA or verification service consists of your name, sex,

address (and previous addresses), date of birth, name of employer, social security number, and driver's license number, among other information.

The Broker agrees and acknowledges that the Broker must at all times maintain a separate Client Trust Account and deposit all premium funds collected (and owed to the Company) in such Client Trust Account. For verification purposes, the Client Trust Account has been established under the following:

1. Bank Name: _____
2. Address of Bank: _____
3. Client Trust Account Number: _____

N. CURRENT POLICIES IN FORCE

This Agreement shall apply to any current policies already placed or bound through the Company and in force at the date hereof and all future policies, which may be placed or bound by the Company for the Broker.

O. AGREEMENT JOINTLY PREPARED

This Agreement shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity in the Agreement shall not be interpreted against any one Party.

P. MODIFICATION OF THIS AGREEMENT

This Agreement shall not be altered, amended, or modified by oral representation made before or after the execution of this Agreement. All modifications must be duly executed by way of a writing signed and dated by both Parties.

Q. TERMINATION OF THIS AGREEMENT

This Agreement may be terminated at anytime by either Party upon written notice to the other Party. Such termination, however, shall in no event affect the respective rights or liabilities of either Party accruing up to the date of termination. Upon termination, the Broker agrees to return any and all marketing information and other material pertaining to the Company's service.

R. GOVERNING LAW

This Agreement is entered into in the State of Utah and the Agreement, and any rights, remedies, or obligations provided for in this Agreement, shall be construed and enforced in accordance with the laws of Utah.

S. FORUM SELECTION AND CONSENT TO JURISDICTION

The Broker represents that the Broker has purposefully directed actions to procure the insurance services of the Company contained in this Agreement and has and/or will make continuous and systematic requests for the Company's insurance services on behalf of Insureds, and acknowledges that the Company's principle place of business is Utah. The Broker acknowledges that by entering into this Agreement the Broker is deemed to be transacting business within the State of Utah, and Broker consents to the exclusive jurisdiction of the courts of the State of Utah to hear and decide any claim or dispute arising between the Parties or out of or related to this Agreement.

T. COSTS OF SUIT

In the event of any dispute or claim between the Parties arising from or related to this Agreement, the prevailing Party shall be entitled to recover damages, fees, and other costs incurred, including but not limited to reasonable attorney fees, arising out of such dispute or claim in addition to any other relief which such Party may be entitled to by law.

U. CONFORMITY TO STATUTE & SEVERABILITY

Any portions of this Agreement that are not in conformity with federal, state, or local laws are to be deemed amended to conform to such laws. Further, the provisions of this Agreement are severable. If any portion, provision, or part of this Agreement is held, determined, or adjudicated to be invalid, unenforceable, or void for any reason whatsoever, each such portion, provision, or part shall be severed from the remaining portions, provisions or parts of this Agreement and shall not affect the validity or enforceability of any remaining portions, provisions, or parts.

V. OPPORTUNITY FOR NEGOTIATION AND REPRESENTATION

The Parties acknowledge that they have read this Agreement and are fully aware of the contents of this Agreement and its legal effect. Parties further acknowledge that they have had the opportunity to seek the advice of legal counsel with regard to the negotiations for and the execution and performance of this Agreement.

W. AUTHORITY TO EXECUTE THE AGREEMENT

The individuals whose signatures are affixed to this Agreement in a representative capacity represent and warrant that they are authorized to execute the Agreement on behalf of and to bind the person or entity on whose behalf the signature is affixed.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the last day set forth below.

Broker

Full Legal Name of Agency: _____

Type of Entity: Corporation Partnership LLC Individual

By: _____ Date: _____

Print Name: _____

Title: _____

Business Address: _____

City: _____ State: _____ County: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

Federal Tax I.D. No.: _____

Broker's License No.: _____

Surplus Lines Broker License No.: _____

Home Address: _____

Social Security No. : _____

Date of Birth: _____ State Drivers License No: _____

IEBS or the Company

By: _____ Date: _____

Print Name: _____ Title: _____

**ADDENDUM NO. 1
TO
COMMISSION SCHEDULE**

IEBS's main focus includes specialty lines and high-risk classes of business. IEBS will provide a high level of in-house underwriting expertise, risk management, claims management, and a litigation avoidance approach on all classes of business written.

1. First \$25,000 in Policy Premium:
Commission Paid on Policy Premium: Per Quote
2. Premium Greater than \$25,000 on Each Risk:
Commission Paid on Policy Premium: Per Schedule Below

Policy Premium	IEBS – General Broker Commission
\$750 to \$24,999	Account Commission*
Mandated commission reductions based upon increased policy premiums** (The following percentages will be deducted from the baseline commission at the time the premium indication is prepared by the account underwriter	
\$25,000 to \$49,999	- 2.5 %
\$50,000 and up	- 4.5 %

* This is the Company's baseline commission level. The account underwriter will determine the commission allowed on each account at the time the account is priced.

** Senior underwriting management will approve all premiums in excess of \$24,999 and approve the commission levels offered on all premiums in excess of \$24,999. As account premiums go up, the baseline commission percentage will be adjusted down.

The Account Commission* will only apply to the first layer of premium up to the \$24,999 indicated. The reduced commission level (2.5% less) would only apply to the premiums in excess of the \$24,999 base premium level up to \$49,999. The next reduced commission level (2% less) will only apply to the premiums in excess of the \$49,999 premium up to \$99,999. Additional commission reductions on premiums in excess of \$99,999 will be input by the underwriter at the time the indication is prepared on a case-by-case basis.

3. The Broker must provide the IEBS with evidence for all policies issued that the surplus lines taxes have been filed and paid on the total of all charges within 30 days following the effective date of coverage. Failure to comply will result in immediate cancellation of this Agreement.
4. All payments must be sent to the IEBS office that conducted the underwriting and bound the coverage:

Chicago Office
303 W. Madison Street, Suite 2075
Chicago, IL 60606

Salt Lake Area Office
8722 South 300 West
Sandy, UT 84070

INDEPENDENT INSURANCE PRODUCER'S PROFILE

1. Full Legal Name of Firm: _____

2. Physical Address: _____

City: _____ State: _____ County: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

3. How long has your firm been in existence? _____

a. Was firm known by any other name prior to current? Yes No

b. What was the name? _____

c. Business form: Corporation Partnership LLC Other

4. What percentage of income is derived from the following:

Wholesale Brokerage _____% Retail Brokerage _____%

5. Do you have In-House Binding Authorities? Yes No

List those authorities and the limits authorized by class and volume.

6. What other companies do you represent? Please list below.

7. How is your book of business split: Any special programs? Yes No

If yes, please enclose a description.

Commercial Personal General Liability Other _____

Companies: _____

Volume: _____

8. Have you, any owner, or any employee surrendered, cancelled, forfeited or had revoked an insurance license at the request of any insurance department, regulatory agency or in settlement of charges brought by insurance regulatory authorities? Yes No

If yes, please explain.

9. Have you, any owner, or any employee been charged with or convicted of any crimes, breach of legal duty or fraud of any kind? Yes No

If yes, please explain.

10. Does the firm carry errors and omissions insurance? Yes No

11. If yes, please answer the following questions:

Carrier: _____

Limits: _____

Expiration Date: _____ Policy # _____

11. In what states are you licensed? Please list: _____

* Please include a list of licensed individuals (i.e., brokers, adjusters, etc.) in your firm as well as copies of their licenses with a list of the states in which they are licensed.

12. What are the payment terms provided to your clients? _____

13. Whom should we contact regarding accounting matters:

Name: _____

Address: _____

Phone: _____ Fax: _____

E-mail: _____

14. Name of your bank? _____

15. Whom should we contact for a banking reference: _____

Phone: _____ Fax: _____

Address: _____

E-mail: _____

16. Is a separate account kept for premiums? Yes No

17. Is an operating account kept separately from the IEBS premium accounts? Yes No

18. What payment terms have you obtained from your other markets?

19. Size of brokerage?
Number of people: _____ Number of E&S policies: _____
Gross premiums: _____

20. Volume of premium generated: _____

21. Describe terms of your premium financing _____

22. You agree to provide us with unrestricted access to examine your trust account and operating accounts? Yes No

Please note that completion of this questionnaire does not automatically guarantee that you will be able to transact business with IEBS and The Prime Insurance Syndicate, Inc. By signing below, you authorize IEBS, a corporation having its corporate offices at 8722 South 300 West, Sandy, Utah 84070, and/or any other entity through which IEBS conducts business, to conduct an investigation into your firm.

Signature: _____
(Person Completing Questionnaire)

Print Name: _____

Title: _____

Date: _____

This form must be signed below by an officer of the Independent Producer/Surplus Lines Brokerage Company if the person signing above is not an officer.

Signature: _____

Print Name: _____

Title: _____

Date: _____

BROKER'S AGREEMENT SUMMARY

(Please Type this Form)

Today's Date:

Broker (Company Name)*:

Contact Person:

Physical Street Address:
(no P.O. Boxes)

City:

State:

Zip:

Work Phone:

Fax Number:

E-Mail Address (very important):

Year Licensed:

Years in Business:

Agent License #:

Expiration Date:

Surplus Lines License #:

State:

Expiration
Date:

Errors & Omissions
Expiration Date:

Carrier
Name:

Policy No:

* This is the name that will appear on the completed Agreement.