

WILLIS PROGRAMS BROKERAGE AGREEMENT

This Brokerage Agreement (the "Agreement") is made and entered into by and between Broker Name & Address: (the "Broker"), and Willis of New Hampshire, Inc., Willis Programs of Connecticut, Inc., Smith, Bell and Thompson, Inc., Willis of Michigan, Inc. and Willis of Delaware, Inc. (collectively, "Willis"), with respect to certain programs offered by Willis, including, but not limited to, those programs shown as **Exhibit 1**, together with any future programs, whether or not under a service mark (the "Programs"), effective as of this day of , 20 .

WHEREAS, Willis is a licensed broker and excess surplus lines agent/broker and is in the business of placing contracts of insurance with various insurers who may or may not be admitted to do business in the state of the residence of the Broker's customers; and

WHEREAS, Broker is a licensed property/casualty agent/broker in good standing in each state in which it conducts business, and may from time to time request Willis to obtain property and casualty coverage for the Broker's customers (each an "Insured" and together, the "Insureds"). Broker shall comply with the laws of the governmental jurisdiction(s) within which it operates pursuant to this Agreement and with the rules and regulations of the insurance regulatory authorities thereof.

NOW THEREFORE, in consideration of the promises, mutual covenants, and other good and valuable consideration recited herein, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Section I - Scope of Agreement

This Agreement shall govern the relationship between Willis and the Broker with respect to all policies of insurance insuring the Insureds heretofore or hereafter obtained by Willis at the request of the Broker. Nothing herein contained shall be construed to require Broker to obtain insurance through Willis nor to require Willis to accept orders for insurance from Broker.

Section II - Duration and Termination; Duties Upon Termination

This Agreement shall continue in effect until terminated pursuant to the terms of this Section II. Either party may terminate this Agreement without cause by providing the other party with at least thirty (30) days prior written notice with termination be effective upon the date stated in such written notice. Willis may also terminate this Agreement immediately upon written notice to Broker if Broker shall have violated any provision of this Agreement, including, without limitation, Broker's obligation to provide Willis with a copy of any new and/or replacement licenses or insurance policies within the time periods set forth in Section V hereof, but only if such breach shall not have been cured in all material respects by Broker within thirty (30) days after written notice thereof has been given by Willis to Broker. Such termination shall be effective upon delivery of the termination notice. This Agreement will also automatically terminate pursuant to the terms of Section VI(A)(6). Notwithstanding any such termination, this Agreement shall continue to apply to all policies ordered by Broker through Willis prior to the effective date of termination.

Within thirty (30) days of effective date of termination, unless otherwise stipulated at the option of Willis, Broker shall complete the collection and account to Willis for all premiums, contributions, commissions, and other transactions unaccounted for on the date of termination or

WILLIS PROGRAMS BROKERAGE AGREEMENT

arising thereafter with respect to outstanding insurances for the Insureds. In the event Willis finds it necessary to perform any duty otherwise required of Broker under this Agreement, Broker shall be liable to Willis for all costs incident thereto.

Section III - Broker's Authority

Nothing contained in this Agreement shall be construed to appoint Broker as agent for Willis in any respect, and Broker shall have no authority to, and agrees that it will not, make representations on behalf of Willis or obligate Willis to any Insured, to insurers represented by Willis or to any other third parties. Broker shall not waive, alter, modify or change any of the terms, rates or conditions of any policy of insurance issued by or on behalf of Willis. Broker has no authority to accept or bind risks on behalf of Willis or any insurer represented by Willis. Broker shall not place any advertisement respecting Willis or any of its Programs in any publication, on any web page, nor issue or distribute any circular, paper or letter referring to Willis or any of its Programs without the prior written consent of Willis. The Broker shall not have the authority to appoint other agents or subagents for purposes of this Agreement and shall not do so.

Section IV - Ownership of Business and Expirations

Broker shall own all insurance business of the Insureds subject to this Agreement and the use and control of all expirations with respect to insurance obtained through Willis, except that if Broker shall at any time default in any of its obligations hereunder, Willis shall have the right, so long as such default shall continue, to the exclusive use and control of any such expirations and to apply any proceeds thereof to the fulfillment of such obligations of Broker. Minor accounting discrepancies shall not be deemed to constitute a default for purposes of this Section IV.

Section V - License of Broker/Errors and Omissions

Broker warrants to Willis that Broker is licensed as a property and casualty insurance agent/broker in each state in which the Broker transacts or intends to transact business and that Broker shall continue to be so licensed during the duration of this Agreement and for a period corresponding to any applicable statute of limitations after termination of this Agreement with respect to all insurance business that Broker shall submit to Willis. **A copy of said license(s) must be attached to this Agreement and Broker hereby agrees to provide Willis with a copy of any new and/or replacement licenses within five (5) business days of their issuance**. Broker further warrants to Willis that Broker maintains and shall continue to maintain in force during the term of this Agreement, and for a period corresponding to any applicable statute of limitations after the termination of this Agreement, Insurance Brokers/Agents Errors and Omission Insurance at limits of no less than \$1,000,000 each occurrence/\$1,000,000 annual aggregate. **A copy of said policy shall be provided by Broker to Willis prior to or simultaneous with the signing of this Agreement and Broker hereby agrees to provide Willis with a copy of any new and/or replacement policies within five (5) business days of their issuance.** Such policy shall be subject to Willis' approval, but any insurer rated "A" by A. M. Best shall in all events be deemed to be acceptable. Upon Willis' request, from time to time during the term of this Agreement, Broker shall provide to Willis evidence that such licenses remain in effect or such insurance coverage remains in place. **Broker's failure to (i) provide Willis with evidence that such licenses remain in effect and/or such insurance coverage remains in place or (ii) provide Willis with a copy of any new and/or replacement license or insurance policies within five (5) business days of their issuance shall give Willis the right to terminate this Agreement pursuant to the terms of Section II hereof.**

WILLIS PROGRAMS BROKERAGE AGREEMENT

Section VI –Payment Responsibilities: (Refer to the Payment Option Schedule attached, to designate the payment terms and conditions that will be followed under this Agreement.)

A. General Principles

1. Broker shall be obligated to pay on a timely basis to Willis all premiums and taxes (if any) due with respect to policies of insurance offered to the Insureds through Willis, whether or not Broker shall have collected such premiums and taxes from the Insureds. Broker recognizes that in agreeing to pay such premiums and taxes to Willis, Broker does so unconditionally as an original undertaking on its own part and not as guarantor or surety of the obligation of the Insureds.
2. Broker may withhold from any agency billed premiums and taxes due Willis the Commission if and only if the Broker is not then in default in any of Broker's obligations under this Agreement.
3. If any Insured shall default in the payment of any premium and/or tax as and when due, Willis shall have the right (but not the obligation), and is hereby authorized by the Broker, to take all necessary action, including legal action, to collect the premium and tax directly from the Insured. The taking of such action by Willis, however, shall not relieve Broker of its obligation to pay such premium and tax to Willis. Broker will not receive Commissions on any uncollected premium. Furthermore, Broker will not receive Commissions on any premiums ultimately collected by Willis or the insurer where Willis or the insurer took over collection responsibility from the Broker.
4. Willis shall have the right to offset any premiums or other payments due from Broker against any amounts owed by Willis to Broker.
5. Willis shall be entitled to reimbursement from the Broker of all costs, including but not limited to reasonable attorneys' fees and costs, incurred by Willis in its efforts to collect unpaid premiums. Willis shall also be entitled to reimbursement for any penalties levied by a governmental agency or surplus lines association against Willis as a result of Broker's failure to remit in full and on a timely basis to Willis proper taxes and/or fees.
6. If the Broker's business is sold to, transferred to, assigned to, experiences a change of control involving, or merged into, in whole or in significant part, a third party, this Agreement will automatically terminate unless Willis gives its prior written consent to the sale, transfer, assignment or change of control.
7. Broker may, in lieu of undertaking the responsibility for collection described above, prepay all premiums and taxes (if any) due with respect to policies of insurance offered to any Insured through Willis at the time the policy is bound. All additional premiums generated by endorsements or audits will be agency billed, and the Broker shall pay Willis according to the terms under Section VI(C) (Agency Billed Policies) below.
8. Broker may, as its option, request that Willis undertake the responsibility for collections of premiums and taxes due under such policy(s) offered to the Insureds through Willis. **If the**

WILLIS PROGRAMS BROKERAGE AGREEMENT

Broker makes such election, the Broker's Commission rate shall be reduced by three percentage points.

9. The extension of credit to any Insured shall be at the sole risk of the Broker, and shall not delay any premiums due under coverages bound and written hereunder.

B. Direct Billed Policies

For business placed by Broker with Willis that is designated by Willis as direct billed, Broker and Willis agree to the following:

1. The carrier will directly bill the Insured for any and all premiums due from the Insured on such policies.
2. The Insured remits payment directly to carrier.
3. Willis will mail Broker all insurance contracts, endorsements, and copies of cancellation and non-renewal notices. Invoices will be sent by carrier directly to the Insured.
4. Willis will pay Broker a commission, at a rate determined by Willis but disclosed to Broker in advance of binding, equal to a percentage of the premium on each policy written for the Insureds (the "Commission") within 45 days of receipt of payment by Willis.
5. Broker will be obligated to pay return commission to Willis, at the same rate as the Commission paid to Broker for the Insured(s) in question, on any return premiums or adjustments, including, but not limited to, return premiums on cancellations or reductions ordered and return premiums payable as a result of amended policy terms, within 45 days of receipt of notice of return premium.

C. Agency Billed Policies

For business placed by the Broker with Willis that is designated by Willis as agency bill, Broker will be liable for all sums due and payable to Willis by Broker or on behalf of the Insureds. Broker shall pay to Willis the balances due on all certificates, policies, retrospective adjustments and other sums owed relating to insurance arranged by Willis for the Insureds as follows:

1. The Broker will pay Willis, regardless of the collectability or collection status of any Insured's account, the total Net Premiums (defined below) due (including applicable taxes), as reflected in Willis' invoice(s), no later than **fifteen (15)** days after the effective date of coverage, or on endorsements no later than **fifteen (15)** days after receipt of Willis' invoice(s). For purposes of this Agreement, "Net Premiums" are defined as the policy premium and applicable taxes, less the Commission (but only if Broker is not then in default in any of its obligations under this Agreement).
2. The Broker may be relieved of responsibility to pay additional premiums resulting from a retrospective premium adjustment or audit if and only if, after Documented Effort (defined below) on the part of the Broker to collect such additional premium, the Broker notifies Willis, in writing, within **fifteen (15)** days of receipt by Broker of the invoice or request for such additional premiums, that Broker cannot collect such premium. For purposes of this Agreement, "Documented Effort" is defined as two (2) written attempts and one (1)

WILLIS PROGRAMS BROKERAGE AGREEMENT

documented telephonic attempt by the Broker to collect such additional premiums from the Insured.

3. The Broker will be obligated to pay return commission to Willis, at the same rate as the Commission paid to Broker for the Insured(s) in question, on any return premiums or adjustments involving the Insureds, including, but not limited to, return premiums on cancellations or reductions ordered and return premiums payable as a result of amended policy terms, within 45 days of receipt of notice of return premium. If Broker fails to pay in full and on time any such return commission or adjustment, upon notice from Willis, in addition to any other rights Willis has under this Agreement, in law and in equity, Willis shall have the right to offset the amount of any such return commission or adjustment owing from Broker against any future payments due from Willis to Broker.

D. Financed Policies

1. Financed through Willis

Willis is not obligated to obtain financing for any Insured. If Willis obtains financing from a finance company for an Insured, the Broker shall be responsible for obtaining an original, signed finance agreement (in the form provided by the finance company), any other documents the finance company may require, and the down payment premium (paid by agent check) within ten (10) days of the effective date of the policy. Such finance agreement and down payment premium shall be sent directly to Willis at its address provided at the end of this Agreement.

The Commission related to those policies financed through Willis will be payable within forty-five (45) days after receipt of the signed finance agreement and down payment premium.

All future payments under the finance agreement will be paid directly to the finance company at the address indicated in the finance agreement.

All return premiums and adjustments will be sent directly to the finance company. The Commission on return premiums and adjustments shall be returned to Willis by Broker within forty-five (45) days following the processing of such return premiums or adjustments.

All additional premiums generated by endorsements or audits will be agency billed, and the Broker shall pay Willis according to the terms under Section VI(C).

2. Financed by Broker

Broker will be responsible for notifying Willis of any Insured's policy financed by or through Broker.

Section VII - Cancellations of Insurance

Nothing contained herein shall be construed to limit or restrict any rights of cancellation of Willis or any insurer contained in any binder, cover note, policy or contract of insurance or by law, including the right of the insurer, within its discretion, to cancel or rescind the policy for underwriting or other reasons permitted by law. Cancellation or rescission of a policy by the insurer terminates the Broker's right to any future Commissions. Broker shall not be entitled to

WILLIS PROGRAMS BROKERAGE AGREEMENT

any flat cancellation, unless authorized or agreed to in advance in writing by Willis. In the event of cancellation, Broker shall be liable to Willis for any earned premium and taxes (if any) thereon, whether or not Broker has collected such premium and taxes (if any) from the Insured and for any unearned commission, at the same rate as the Commission.

Section VIII - Claims

Broker agrees to do everything reasonably possible to safeguard the interest of Willis and the insurer and shall promptly report with full details to Willis and the insurer any fact, occurrence or incident that may result in a claim or loss or increased risk of loss to Willis and the insurer. Broker agrees to report any subsequent information regarding such claim or loss to Willis and the insurer. Broker has no authority to handle claims other than to notify Willis and the insurer of the occurrence of a claim, which Broker undertakes to do immediately upon knowledge or notification of same.

Section IX - Indemnification

Broker shall indemnify and hold Willis harmless from all claims, actions, liabilities, suits and expenses, including reasonable attorneys' fees and costs, in any manner arising or resulting from any breach by Broker of any provision of this Agreement, from any error or omission committed by Broker, from any warranty or representation by Broker contained herein being false in any material respect or from any violation by Broker's officers, directors, employees or sub-producers of any contractual obligations to third parties which any of them may have including, but not limited to, restrictive covenants, to which they might be subject.

Section X - Inspections and Adjustments

Willis or its duly authorized representatives shall have the right at any time or times, during normal business hours, to audit any insurance policy placed under this Agreement and to inspect Broker's books and records in connection therewith, to the extent such audit or inspection is deemed necessary by Willis to verify Broker's compliance with its obligations under this Agreement.

Broker shall promptly report and pay to Willis any additional or return premiums which may become due as a result of any adjustments.

Section XI - Additional Provisions

Broker shall not assign or transfer any of its rights, whether by agreement, merger, or otherwise, or delegate any of its obligations, under this Agreement without the prior written consent of Willis. Willis may assign its rights and obligations under this Agreement, in full or in part, to any of its sister, parent or affiliated corporations without the consent of the Broker. No failure by either party to require performance by the other party of any provisions hereof shall be a waiver of such provisions and no waiver or amendment of any provision hereof shall be effective unless in writing. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, whether written or oral. Subject to the prohibition against assignment or delegation by Broker, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and assigns. Nothing in this Agreement shall be construed to constitute the parties to the Agreement as agents, partners or joint venturers.

Section XII - Notice

WILLIS PROGRAMS BROKERAGE AGREEMENT

Whenever notice is to be given pursuant to this Agreement, it shall be done by written notice, and personally delivered or sent to the party by certified mail, postage paid, to the address listed on the first page of this Agreement, and such notice shall be deemed to have been given on the date deposited in the mail.

Section XIII – Entire Agreement

This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter, including, without limitation, any prior brokerage agreements that the Broker has signed with any of the Willis entities set forth in the introductory paragraph to this Agreement or with any other Willis entity with respect to the Programs.

Section XIV - Execution

Execution of this Agreement constitutes full agreement and understanding between the parties with respect to each of the sections above. Proper execution requires that if the Broker is doing business as an individual, he must personally and in his or her individual capacity sign the Agreement in his own name and not in his name as an agent. If the Broker is a partnership or co-partnership, this Agreement must be executed by the firm and by each member thereof personally and in his or her individual capacity. If the Broker is a corporation, this Agreement must be executed by a duly authorized corporate officer. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument. Facsimiles (including facsimiles of the signature pages of this Agreement) will have the same legal effect hereunder as originals.

[Signatures appear on following page.]

WILLIS PROGRAMS BROKERAGE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Brokerage Agreement as of the date and year first above written.

WILLIS OF NEW HAMPSHIRE, INC.
In Calif. dba Willis of New Hampshire
Insurance Services
One New Hampshire Ave, Suite 200
Portsmouth, NH 03801
License # 356735

SMITH, BELL & THOMPSON, INC.
In Calif. dba Smith Bell & Thompson Insurance Services
40 Main St, Suite 500
Burlington, VT 05402-0730
License# 596594

WILLIS PROGRAMS OF CONNECTICUT, INC.
In Calif. dba Willis Programs of Connecticut
Insurance Services
185 Asylum St., 25th Floor
Hartford, CT 06103-3404
License# 00101470

WILLIS OF MICHIGAN, INC. dba DEALERGUARD
In Calif. dba Willis Insurance Services of Michigan
32255 Northwestern Hwy, Suite 201
Farmington Hills, MI 48334
License# 0007371

WILLIS OF DELAWARE, INC.
300 Delaware Ave., Suite 1600
Wilmington, DE 19801
License# 1042109

WILLIS SIGNATURE

BROKER/AGENT SIGNATURE

By: _____
Suzanne Pina

OR

By: _____
Robert L. King

Titles:

Authorized Representative,
Willis of New Hampshire, Inc.

Authorized Representative,
Willis Programs of Connecticut, Inc.

Authorized Representative,
Willis of Michigan, Inc.

Authorized Representative,
Smith, Bell & Thompson, Inc.

Authorized Representative,
Willis of Delaware, Inc.

By: _____

Print Name:

Title (if any):

License #:

Federal ID #:

Corporation (Incorporation State: _____)

Sole Proprietor, Partnership, LLP or LLC.

Please complete the attached W-9 form.

Mailing Address:

City, State, Zip:

Agency Contact#:

Agency Fax #:

Contact email:

:

WILLIS PROGRAMS BROKERAGE AGREEMENT

PAYMENT OPTION SCHEDULE

Broker must select one option as the payment terms that will be followed under this Agreement as defined in Section VI (Payment Responsibilities) of this Agreement.

Only one selection can be made.

- Broker accepts all payment terms and conditions as outlined in Section VI (Payment Responsibilities) excluding items 7 and 8 of Section IV(A) (General Principles).
- Broker accepts the payment terms and conditions as outlined in Section VI(A)(7). Effectively, by selecting item 7, you will be required to prepay the premium prior to our binding the coverage. This could result in a potential gap of several days before we could bind the coverage. While this would not apply to any business written on a "Direct Bill" basis, the selected payment option would apply to all agency bill business.
- Broker accepts the payment terms and conditions as outlined in Section VI(A)(8). Effectively, by selecting item 8, Willis will assume the responsibility for collections of the premiums due under all policies placed through our office. We will bill the Insured directly and upon payment, we will remit your commission. Please note that because Willis has assumed the collection responsibility, your commission percentage will be reduced by three percentage points.
- ✓ **Certain financing options may not be available in all programs. Dealer Open Lot coverage offered through the DealerGuard program may include a monthly reporting payment option. Please contact requestor for additional details.**

WILLIS PROGRAMS BROKERAGE AGREEMENT

Please forward the executed agreement and the following:

- Copy of E&O certificate
- Agency resident license if you are located in **AL, AK, AZ, AR, CO, DE, FL, GA, ID, IL, IN, KS, LA, MA, ME, MD, MI, MN, MS, MO, MT, NE, NH, NM, NY, NC, ND, OK, OR, PA, SC, VA, WA, WV, or WY.**
- Individual producer resident license if you are located in **RI or WI.**
- If you are located in one of the following states please submit your resident agency license if you have one (**CA, CT, DC, HI, IA, KY, NV, NJ, OH, SD, TN, TX, UT, or VT**), otherwise submit your resident individual producer license.
- Complete W-9 form**

Sample

EXHIBIT 1
SCHEDULE OF PROGRAMS

	LimousineGuard
AICPA Accountants Program	MedEquipGuard
AutoServiceGuard	Medical Professional Liability E&O Placements
CAR-PAC	MetalWorkingGuard
Darwin Lawyers Program	MountainGuard
DealerGuard	RecycleGuard
Dentists Advantage	ResortGuard
EquipGuard	RinkGuard
EPLI Program for Accountants	PlasticsGuard
FeedLotGuard	ShredderGuard
HealthServicesGuard	SocialServicesGuard
HoaPoaGuard	ThePumpPrograms
HomeCareGuard	UtilitySure
LawyerGuard & Lawyers Professional	WasteHaulerGuard
Lawyers Professional Liability E&O	WellGuard
	WorkCompGuard