

BROKERAGE AGREEMENT

AGREEMENT by and between _____
(hereinafter called "Broker") and **BROKERS SURPLUS AGENCY, N.A., INC.** (hereinafter called "BSA"). **WHEREAS**, Broker desires to procure from time to time various insurance coverage's for his clients and wishes to use the facilities of BSA to accomplish this, understands that BSA has no obligation to place any insurance coverage's requested by Broker. Broker represents hereby that he holds a brokerage license issued by the State in which he desires to place insurance coverage and is legally able to do so.

NOW, THEREFORE, intending to be legally bound under the laws of the Commonwealth of Pennsylvania, or jurisdiction that Broker resides, parties hereto agree as follows:

COMMISSION

BSA will allow Broker commissions at such rates as are in accordance with BSA's usual scale of commissions applicable under the circumstances and as may be agreed upon from time to time.

PREMIUM PAYMENT

Broker agrees that payment of premiums shall be made not later than fifteen (15) days after the end of the month in which the coverage is effected. Failure to pay premiums as scheduled shall result in the immediate cancellation of the policies for which payment is outstanding. Every policy for which BSA has not been paid shall be subject to immediate notice of cancellation.

Broker hereby guarantees the payment of all premiums due BSA on insurance bound or written, except additional premium developed under audits, whether or not they are collected by Broker and whether or not they are financed. With respect to additional premiums developed under audits, Broker agrees to exert all reasonable efforts to collect such premium audits from the insured. If such premium audits are uncollectible and the unpaid account is returned within fifteen (15) days from invoice date, with evidence that Broker has made a reasonable and responsible effort to collect said audit premium(s) and if the carrier issuing the policy agrees to undertake direct collection efforts thereafter, BSA shall return said audit to the carrier for collection. Broker shall receive no commission on audit premium returned for direct collection.

Broker agrees that any extension of credit by him to his client(s) or to any other person is solely at his/her own risk, and not at the risk of BSA. Broker shall pay to BSA all sums due, as indicated on Brokers monthly statement, when due, whether or not he has collected such money from others who may owe it to Broker. Broker recognizes in agreeing to pay BSA, he does so as an original undertaking on his/her part and not as a guarantor or surety of another's obligation.

Broker agrees, from time to time, to pay premiums as invoicing requests. Due to contractual agreements made by BSA, there are certain markets that we deal with that we cannot provide terms as indicated above. It may be necessary to request payment of premiums before the normal credit time allowed.

Broker should inquire at the time of placement and BSA will endeavor to advise any special terms required. BSA will indicate special payment terms on policy invoice.

Obligation for payment shall be due at the date indicated and if no payment is received, policy shall be subject to immediate notice of cancellation.

CANCELLATION

Broker agrees that no policy, binder, cover note or other placement of coverage will be cancelled flat. Short rate cancellation (90% of pro rata) will be permitted in most cases. Cancellation at request of insurers will be made on pro rata basis unless policy provisions provide otherwise, and

then such provisions will prevail. Cancellation by Finance Company is deemed at the request of the insured and will be short rated (90% of pro rata).

Notice of cancellation must be affected by notice to mortgages, loss payees, certificate holders, public regulatory agencies, etc. Effective date of cancellation will be the last day on which the entities named in the preceding sentence shall be entitled to notice, regardless of any notice of cancellation to BSA and/or return of policy to BSA.

PLACEMENT & EXPIRATION NOTICE

The sole obligation of BSA with respect to placement of insurance shall be to use its best efforts to place insurance coverage as requested by Broker without any obligation for its inability or failure or refusal to do so.

BSA will attempt to advise Broker in advance of expiration date of coverage written by BSA on behalf of the Broker. However, it will not be its obligation to do so. The failure of BSA to provide Broker with such notice shall not render BSA liable to Broker and BSA shall in no way be responsible for failure to notify Broker, of the expiration date of any policy of insurance.

Broker is not an employee, agent, or authorized representative of BSA or any insurers represented by BSA. Broker has no authority to accept or bind risks on behalf of BSA or any insurer represented by BSA. Broker has no authority to handle claims on any coverage placed for him/or by BSA. Broker does have the responsibility to report all claims to BSA promptly upon Brokers knowledge or notice of it. Notice to Broker of change in a risk in any manner does not constitute a notice to BSA or to the insurer represented by BSA.

TERMINATION

This Agreement shall become effective when accepted by BSA and supersedes all previous agreements whether oral or written and this Agreement may be terminated by either party at any time upon the giving of written notice of such termination, but such termination shall not effect the rights of either party as respects to business in force as of the date of such termination.

In the event of termination of this agreement, the Broker have promptly accounted and paid all premiums for which it may be liable, the Broker's records, use and control of expirations shall remain the property of the Broker and be left in its undisputed possession; otherwise, the records use and control of expirations shall be vested exclusively in BSA.

GENERAL TERMS & CONDITIONS

Broker agrees to keep complete records and accounts of all transactions and permit BSA to inspect all records pertaining to business transacted under this Agreement.

Broker agrees to maintain errors and omissions coverage for itself and those for whom it is responsible.

Broker shall not advertise in any way the name of BSA or any Company or Underwriter represented by BSA or its subsidiaries, without the prior consent of BSA.

Each party will defend, indemnify and save harmless the other party against any and all claims, suits, liabilities, losses, etc., arising out of or in any way resulting from the negligence or failure to perform its duties hereunder by the indemnifying party.

Broker agrees to return to BSA in the event of return premium becoming due for any reason whatsoever, the unearned commissions at the same rate at which the commission was originally allowed.

Broker agrees that all disputes hereunder shall be tried exclusively in the Court of Common Pleas of the State of Pennsylvania or similar court, and to that end they irrevocably consent to service

of process by certified mail, return receipt requested, postage paid, to Broker's address as set forth in BSA's records.

This Agreement constitutes the entire and exclusive understanding between the parties with respect to its subject matter and is to be construed in accordance with and be governed by the Laws of the State of Pennsylvania.

Broker may not assign this Agreement without the written consent of BSA. It shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, successors and assignees.

SIGNED on this _____ day of _____, 20__.

BY: _____ *BROKER*

TITLE: _____

EMPLOYERS IDENTIFICATION OR S.S.#: _____

PRODUCERS LICENSE #: _____

Broker Mailing Address

Broker Contact Name: _____

Broker e-mail address: _____

Broker Phone Number: _____