

## INDEPENDENT BROKERAGE AGREEMENT

You First Insurance Brokers, Inc., a Florida Corporation, its subsidiaries and related entities (collectively, “You First”), and \_\_\_\_\_, a \_\_\_\_\_ (corporation, limited liability company, partnership, sole proprietorship) with its principal place of business located at \_\_\_\_\_

\_\_\_\_\_, Federal Tax Identification No. \_\_\_\_\_ (“Producer”; collectively, You First and Producer are the “Parties”) enter into this BROKERAGE AGREEMENT (the “Agreement”) to transact business related to the sales of various insurance products. The Parties agree that the terms and covenants in this Agreement apply to all of Producer’s offices identified on the attached Exhibit “A”, which is incorporated herein by reference, and that all of the offices listed on Exhibit “A” agree to be bound by the terms of this Agreement. The person signing this Agreement on Producer’s behalf warrants that he or she is authorized to sign on behalf of, and to contractually bind all of the Producer’s offices listed on Exhibit “A”.

Producer is an independent insurance agent, agency, or broker appropriately experienced, credentialed, and licensed in the state(s) in which it does business, servicing and selling various insurance products to its clients. Producer’s clients seeking to purchase insurance products are referred to in this Agreement as “Applicants” or “Insureds”;

You First is an insurance wholesaler with specialized knowledge and experience: (i) marketing applications for insurance coverage; (ii) underwriting insurable risks; (iii) brokering insurance policies; and (iv) providing service to insurance agents, agencies, and brokers in their efforts to sell insurance products to their clients. You First assists insurance agents, agencies, and brokers (also known as, and sometimes referred to as, “producers”) locate, arrange, price, sell, and service insurance products for the benefit of producers’ clients, the Applicants or Insureds.

In consideration of the Parties providing services to each other on the terms and conditions set forth herein, and in further consideration of the mutual promises and covenants in this Agreement, the Parties agree:

1. **PRODUCER’S AUTHORITY:** Producer is duly experienced, credentialed, and licensed (in good standing) to sell insurance as an agent, agency, or broker under the laws, rules, and regulations of each state in which the Parties shall transact business pursuant to this Agreement. If requested, Producer will furnish proof of licensing and other insurance business documentation to You First. Further, Producer represents and warrants that it currently maintains and shall continuously maintain: (i) all necessary individual, corporate, or agency licenses; and (ii) all necessary insurance agent, broker, or producer permits or other licenses that are required for Producer to transact insurance business in the jurisdiction(s) and state(s) where Producer sells insurance.

Producer shall act solely as an agent or broker for Applicants seeking to place various insurance risks through entities identified by You First. No binding authority is or shall be granted or delegated to Producer by this Agreement and Producer shall have no authority to bind any insurer or otherwise act as an agent for You First.

2. **PRODUCER’S RESPONSIBILITY:** Producer agrees to secure such information, documentation, and other data necessary for You First (and any Insurer identified by You First) to propose, price, underwrite, or otherwise apply to acquire proposals for insurance coverage(s) that Producer shall provide to Applicants as their agent. Producer agrees to properly and accurately obtain, assemble, and assess information provided by Applicants to ensure that the terms and

conditions of any proposed insurance coverage or policy placed through You First shall meet Applicants' needs and desires. You First's sole responsibility shall be to utilize its best efforts to provide such insurance products and services as Producer deems appropriate under all the circumstances relevant to Applicants' insurance needs. You First expressly assumes no obligation to any Applicant, Insured, or to Producer regarding the amount, adequacy, or form of insurance coverage that may be provided under this Agreement.

3. COMPENSATION: As full consideration for the services Producer performs pursuant to this Agreement, You First agrees to allow Producer, as commission, a percentage of the premium on each policy written and paid for under this Agreement at a rate mutually agreed upon by Producer and You First. For any premium payments made directly to Producer, the agreed commission due Producer may be retained by Producer, and the net premium due remitted to You First. In the event of any unpaid premium or return premium, including return premiums on cancellations made or ordered by: (i) the insurer; (ii) a premium finance company; or (iii) You First; Producer shall pay or allow You First a return commission at the same rate agreed on such transaction(s) initially.

4. PREMIUM AND ACCOUNTS: You First may bill Producer by invoice, statement, or similar written communication, and the net balance due shown on such billings shall be settled by the 10<sup>th</sup> day following the policy effective date. Producer's payment to You First is not contingent upon issuance of any policy, binder, or certificate of insurance. Producer takes full responsibility for the collection of, and hereby guarantees timely payment of all premiums including deposit, earned, minimum earned, extension, and adjustable premiums due as well as all countersignature fees and resulting charges required by any state, or any other applicable fees and taxes due You First on insurance bound or written hereunder, whether or not the monies are collected by Producer.

Producer assumes the sole risk of extending credit to an Applicant or Insured for transactions under this Agreement. Producer understands and agrees that You First's business depends on good credit relations with insurance companies and that Producer's failure to timely pay monies due under this Agreement poses great harm and may damage You First's business relationships. Therefore, Producer guarantees prompt payment except in the following, limited circumstances:

If the insurance company permits, audit premium billings may be returned as uncollectible provided that Producer has aggressively exercised due diligence in seeking to collect such premiums, and Producer has notified You First within twenty-one (21) days of the invoice date that such premium may be uncollectible; or

If Producer contests any aspect of the payment, Producer must make timely payment, but may provide You First with written notice of Producer's desire to mediate any questions regarding the payment before taking any legal action.

5. CANCELLATION OF INSURANCE: You First shall have the right, in its sole discretion to cancel any binder, policy, or insurance contract issued under this Agreement according to the cancellation provisions of such binder, policy, or contract, and applicable law. Producer shall not be entitled to a credit for any flat cancellation unless and until the carrier grants such credit to You First. Earned premium shall be computed and charged on every contract cancelled after inception date in accordance with the cancellation provisions of the contract, rules of the insurer, and applicable law. If Producer does not make timely payment of any sums due You First, then You First may, without limiting any other remedies, cancel policies for non-payment of premium subject to any applicable statutes and regulations. Producer agrees that if You First binds coverage, a charge shall be made according to the policy terms and that all fees for the full coverage period are fully earned upon binding.

6. FINANCED PREMIUMS: State law governs the handling and processing of premiums financed through a premium finance company. Unless state law requires otherwise, You First reserves the right, in its sole discretion, to remit unearned premiums on financed policies that are

cancelled, less Producer's unearned commission, directly to the premium finance company for the account of the insured, or, in appropriate circumstances, to Producer or directly to the insured.

Producer shall return its unearned commission on financed policies that are cancelled to the finance company for the account of the insured, or directly to the insured if the premium finance agreement is fully paid when the return premium is due.

Unless state law directs otherwise, You First's total liability for return premiums on financed policies that are cancelled shall never exceed the gross return premium due, less Producer's unearned commission. Producer shall hold You First harmless for payment of any and all return premiums, and Producer further agrees that financing arrangements do not in any way diminish Producer's responsibility for timely payment of premiums.

Certain states may require You First to return gross, unearned premium on financed policies that are cancelled, including Producer's unearned commission, directly to the premium finance company for the account of the insured. In such cases: (i) You First shall promptly notify Producer that You First paid the gross return premium to the premium finance company for the account of Producer's client, the insured; (ii) You First will invoice Producer for its unearned commission paid by You First on Producer's behalf; and (iii) Producer shall remit its unearned commission to You First within thirty (30) days of receiving the invoice.

7. CERTIFICATES OF INSURANCE: Producer does not have authority to issue Certificates of Insurance for any insurance coverage placed under this Agreement. For brokered accounts, You First will not accept, review, reject, or approve Certificates of Insurance. Producer acknowledges that Certificates of Insurance that alter, add, or delete insurance coverage or policy terms and conditions without a corresponding policy endorsement may violate state insurance law(s). Producer acknowledges that insurance coverage cannot be amended via Certificates of Insurance. You First assumes no responsibility toward any insured or any holder of a Certificate of Insurance for the accuracy of insurance policy information contained on any Certificate of Insurance prepared by Producer or with Producer's assistance.

8. PREMIUM TAX: In the event a portion of the premium shall be returned by reason of an adjustment or cancellation of the policy for whatever reason, no amount of premium tax shall be returnable until recovered by You First and the amount to be returned shall in no event exceed the amount so recovered.

9. CLAIMS: It is the obligation of the Producer shall immediately notify You First of all claims, suits, and notices of loss. The insurer may have the right to deny coverage for late reporting of incident or claim.

10. FUNDS HELD IN TRUST: Producer shall hold funds in trust for business generated under this Agreement to the extent required by the insurance laws of each state in which it is conducting business.

11. CONFIDENTIAL INFORMATION: To facilitate the insurance transactions per this Agreement, Producer will provide Applicants' and Insureds' nonpublic, and otherwise confidential information to You First, necessary to underwrite insurance risks. You First shall only use such information for the purposes of soliciting and placing insurance coverage, and under no circumstances, except as necessitated by underwriting requirements, shall You First disclose, divulge, provide, or offer any such information to a third party for any purpose unrelated to the insurance transactions per this Agreement.

12. ADVERTISING: Producer shall not refer to You First in any advertisement, including without limitation, in any letter, circular, pamphlet, or other publication, without You First's written consent. In the event You First suffers a loss or expense arising out of any such unauthorized advertisement or publication, Producer shall be liable for all resulting damages and costs, including attorneys' fees.

13. ERRORS & OMISSIONS COVERAGE: The Parties represent and warrant that each shall maintain Errors & Omissions coverage with minimum policy limits of one million dollars (\$1,000,000.00) per occurrence while this Agreement is in force and will furnish proof of such coverage upon request.

14. ACKNOWLEDGMENT TO HOLD HARMLESS: Producer understands that You First assumes no responsibility toward any Applicant, Insured, or third party regarding the suitability, appropriateness, adequacy,

amount, or form of coverage for any insurance product or service provided by or placed through You First, and Producer agrees to indemnify and hold You First harmless from any such claim asserted against You First.

The Parties agree to indemnify and hold each other harmless, including attorney fees and costs of investigation, and any defense incident thereto, for any acts, errors or omissions in the solicitation, processing, and placement of insurance business under this Agreement, except to the extent that the Party requesting indemnification caused or contributed to the loss. The Party suffering such loss or damage shall promptly notify the other of any action relating to such loss or damage. The provisions of this paragraph shall survive the termination of the Agreement.

15. CANCELLATION OF AGREEMENT: This Agreement applies to all of the Parties' insurance business transactions and all policies which are placed by You First for Producer. Either Party may cancel this Agreement at any time by written notice to the other, but such cancellation shall not alter the continued application of this Agreement to insurance policies in effect prior to the date of such cancellation.

16. CHOICE OF LAW: This Agreement shall not be effective until accepted by You First at its offices in Florida, and it shall be construed under and governed by Florida law.

17. ENTIRE AGREEMENT: The Parties acknowledge and agree that this written Agreement and any Exhibits and Addenda constitute their entire agreement. This Agreement supersedes any prior written or unwritten agreement, representation, or understanding between the Parties concerning the sales of various insurance products.

18. MODIFICATION: This Agreement cannot be modified, altered, or amended in any fashion except in writing, signed by the Parties.

19. ASSIGNMENT: Producer shall not assign this Agreement. Producer acknowledges and agrees that this Agreement is not assignable, unless You First consents to an Assignment in writing, signed by the Parties and by the Assignee.

20. Ownership of Business and Expirations. Producer shall have the ownership of all insurance business subject to this agreement, and the use and control of all expirations with respect to insurance obtained through You First. Notwithstanding the foregoing, if Producer shall at any time be in default in any of its obligations hereunder, then You First shall have the right, so long as such default shall continue, to the exclusive use and control of any or all such expirations and to apply any proceeds thereof to the fulfillment of such obligations of Producer.

PRODUCER:	ACCEPTED BY: You First Insurance Brokers, Inc.
By: _____	By: _____
Print Name: _____	
Title: _____	Title: _____
Date: _____	Date: _____

PRODUCER WITNESS:  
BY: (signature) \_\_\_\_\_ (print) \_\_\_\_\_ Date: \_\_\_\_\_

Please complete, sign and return with the following: (1) a Completed Agency Profile; (2) a Copy of your INSURANCE LICENSE(S); (3) a Copy of your E&O POLICY DECLARATIONS PAGE and (4) Copy of your Agency License.