



ASSOCIATED UNDERWRITERS, INC.

This form is for New Brokers / Representatives only.

Active Brokers / Representatives do not need to fill this out more than once.

COMMERCIAL OCCUPATIONAL ACCIDENT / CONTINGENT LIABILITY - PHYSICAL DAMAGE - NON-TRUCKING LIABILITY - PRIMARY LIABILITY - CARGO - BROKER / REPRESENTATIVE AGREEMENT

This agreement dated is between the Broker / Representative and ASSOCIATED UNDERWRITERS, INC. of Plymouth Meeting, PA herein to be referred as Broker/Representative and AUI.

- 1. NATURE OF AGREEMENT:** AUI and BROKER / REPRESENTATIVE hereby agree that in placing any insurance business pursuant to this Agreement, BROKER / REPRESENTATIVE, is considered a broker / representative of the insured, and is not the broker / representative of AUI.
- 2. UNDERWRITING:** BROKER / REPRESENTATIVE shall have no authority to bind any risk without prior specific authorization from AUI. All applications for insurance coverage to be written through AUI must be submitted in writing and in detail, and prior to binding coverage. Each completed application and all required forms must be received by AUI at time of binding.
- 3. CANCELLATION:** No policy or binder will be canceled flat without the prior approval of AUI. In cases where certificates of insurance and loss payable certificates have been issued which require notice to the certificate holder and/or loss payee, return of the original policy will not constitute complete cancellation. In such cases, BROKER / REPRESENTATIVE and AUI, at AUI's discretion, will send cancellation notices to the certificate holder and/or loss payee, attaching Postal Receipt No. 3811. A known premium will be calculated to the date of cancellation notice in accordance with applicable premium determination schedules as determined by the mutual agreement of BROKER/REPRESENTATIVE and AUI. In the event any of the foregoing cancellation procedures is considered violate of the applicable state law, then cancellation shall be conducted in accordance with such state law.
- 4. PAYMENT OF PREMIUM:**
 - a. MONTHLY ACCOUNT STATEMENTS:** BROKER / REPRESENTATIVE will return our monthly billing invoice with all balances owed to AUI. Payment of Monthly Statement is to be made on or before the settlement date shown on the statement. Payments received after settlement date will be charged a late charge 1.5% of the outstanding balance. Any adjustments to premium owed, e.g. commissions, cancellations, which are not contained on said monthly statement, will be contained on the following monthly statement. BROKER / REPRESENTATIVE may not make adjustments for cancellation or other changes until said adjustments are reflected on a statement issued to BROKER / REPRESENTATIVE by AUI.
 - b. If the broker / representative is billed, premium amounts reflected on all statements, monthly or annual, shall be paid by BROKER/REPRESENTATIVE to AUI in total, regardless of whether BROKER/ REPRESENTATIVE has been paid by their insured.**
 - c. "BROKER/ REPRESENTATIVE" WILL COLLECT 25% of the annual premium ALONG WITH APPROVED APPLICATION ON ALL WRITTEN BUSINESS ON THE FOLLOWING PROGRAMS:**
 - a) Physical Damage
 - b) Non-Trucking Liability
 - c) Cargo Liability
 - d) Primary Liability
 - d. DEPOSIT PREMIUM:** Unless otherwise extended by INSURER, down payment premiums must be received by AUI prior to the effective date of coverage.
 - e. ANNUAL PREMIUMS:** For policies written on an annual basis, premium is to be paid 15 days from the effective date. For policies which require filings, (Cargo & Primary Liability), 25% of premium is considered earned and due within 5 days of the effective date or policy will be cancelled, balance due within 15 days. For filings to be reinstated after cancellation, a \$100 reinstatement fee will be charged.
 - f. UNEARNED COMMISSION:** BROKER / REPRESENTATIVE agrees that in the event of cancellation of any policy issued to BROKER/REPRESENTATIVE'S insured, BROKER/ REPRESENTATIVE will be obligated to return to AUI that portion of any commission previously received for the unearned premium of said canceled policy at the time of cancellation.

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5. CLAIMS:

a. REPORTING OF CLAIMS: The INSURED will report all claims or losses to appropriate department in a timely and expeditious manner.

b. ADJUSTMENT AND SETTLEMENT OF LOSSES: BROKER/REPRESENTATIVE has no authority to assign losses to any independent or other adjuster. BROKER / REPRESENTATIVE further agrees not to negotiate or settle any loss on behalf of any insurance company unless given specific written permission from such company and AUI. Should BROKER / REPRESENTATIVE breach this paragraph and attempt to negotiate or settle any loss on behalf of any insurance company without the written permission of such company or AUI, no such settlement or negotiation will bind such insurance company, nor will it bind AUI.

6. BROKER / REPRESENTATIVE'S CERTIFICATION AND LICENSING: Broker / Representative hereby certifies that he/she is a duly licensed agent in each state having authority over the business which is submitted and placed by BROKER / REPRESENTATIVE and AUI. BROKER / REPRESENTATIVE further certifies that he/she is in good standing with the Department of Insurance of each state. In the event of a change in the status of any of BROKER / REPRESENTATIVE'S brokerage or licenses, BROKER / REPRESENTATIVE hereby agrees to notify AUI of such change within ten (10) days of BROKER / REPRESENTATIVE's receipt of notice of said change.

7. COMPENSATION: AUI agrees to pay BROKER / REPRESENTATIVE on a commission basis for business submitted and placed with AUI by BROKER/ REPRESENTATIVE. Payment for said commission shall be reflected upon the monthly statements provided to BROKER / REPRESENTATIVE by AUI. BROKER / REPRESENTATIVE is not entitled to subtract or *deduct*, any additional commissions other than those reflected on the monthly statement submitted by AUI.

a. For all compensation amounts, see Page 4.

b. Note: For large groups, rates and compensation will be structured according to each quote.

c. Broker / Representative fee will not be paid on any lapsed insurance coverage by an insured / member leaving sponsoring carrier, unless reinstatement or continuation on an individual basis is secured solely through the efforts of the broker / representative while this agreement is in effect.

d. Assignment of Compensation: The broker / representative will not assign, sell or pledge any compensation payable under this agreement, except with the written consent of AUI. AUI assumes no responsibility as to the validity or effect of any assignment.

e. Compensation after Termination: If AUI terminates this agreement because the broker/ representative has violated any of the terms of this agreement or has committed or attempted to commit any illegal, fraudulent or dishonest acts, AUI will be under no obligation to continue paying first year or renewal service fees. In the event of the broker / representative's death, any service fees which would have been payable to the broker / representative, will be paid to the broker / representative's executors, administrators or assigns.

8. TERM: The term of this agreement shall be twelve (12) months. In addition, this agreement shall be automatically renewable for successive terms of twelve (12) months unless written notice of termination is given by either party at least (30) days prior to the end of *any* twelve (12) *month* term. This agreement may also be terminated at any time by AUI in the event BROKER / REPRESENTATIVE fails to abide by the terms herein.

a. This agreement ends if the broker / representative does not comply to its terms, loses any licenses required by law to sell AUI's insurance programs / memberships, commits any fraud or violates any law or regulation governing the sale of AUI's insurance programs / memberships or dies. You will indemnify AUI for any expenses incurred resulting from your acts.

9. TERMINATION: This agreement may be terminated by either party by giving thirty (30) days written notice to the other. This agreement ends if the broker / representative does not comply to its terms, loses any licenses required by law to sell AUI's insurance programs / memberships, commits any fraud or violates any law or regulation governing the sale of AUI's insurance programs / memberships, or dies. You will indemnify AUI for any expenses incurred resulting from your acts.

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10. **NOTICE:** Any notice to be provided under the terms of this agreement shall be sufficiently given served on the person to be notified, or (b) placed in an envelope directed to the person to be notified at the following address and deposited in the United States Mail by Certified Mail, postage prepaid.
- a. If to Associated Underwriters, Inc.
309 N. Stuart Place Road,
HARLINGEN, TX 78552
 - b. If to BROKER / REPRESENTATIVE: ***See Back Page for Mailing Address**
11. **SEVERABILITY** It is mutually understood and agreed that all agreements, covenants, and provisions contained in this agreement are severable. In the event any of them shall be held to be invalid or unenforceable by a competent court, this agreement shall be interpreted as if such invalid or unenforceable agreement, covenant or provision were not contained herein.
12. **ENTIRE AGREEMENT:** This instrument contains the entire agreement of the parties. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.
13. **GOVERNING LAW:** This agreement shall be construed and enforced in accordance with the laws of the State of Texas. Any action brought to enforce or construe this agreement or any part hereof shall be brought in the State of Texas.
14. **ARBITRATION:** Should a dispute arise between the parties hereto concerning this agreement, the parties agree that such dispute shall be substituted to binding arbitration. Any arbitration proceedings shall be held in accordance with the rules and guidelines of the American Arbitration Association and conducted in Harlingen, Texas and any award resulting there from may be enforced by a court of competent jurisdiction.
15. **AUTHORITY AND DUTIES:** The broker / representative is authorized to do the following:
- a. Solicit applicants for Associated Underwriters, Inc., herein after referred to as AUI.
 - b. Maintain any insurance licenses, which may be required by law to perform the duties under this agreement.
 - c. Promptly send AUI, by certified mail, any legal document served for actions brought against AUI.
 - d. Abide by all rules and regulations of AUI.
 - e. **The representative is NOT authorized to do the following:**
 - (1) Modify or waive any insurance program / membership provisions.
 - (2) Pre-approve any accounts that are required to have approval by AUI.
16. **SUPPLIES:** All AUI supplies will remain the property of AUI and will be returned to AUI on demand.
17. **AUDIT:** All accounting records of the broker / representative pertaining to the business of AUI may be audited by AUI during the representative's business hours and at a reasonable location.
18. **EXPENSES:** AUI will not be responsible for any of the broker / representative's expenses.
19. **ADVERTISING:** The broker / representative must not use any advertising containing AUI's name or describe AUI's benefits in any other way without AUI giving prior consent.
20. **RIGHT TO OFFSET INDEBTEDNESS:** AUI may withhold any future service fees otherwise payable to the broker / representative to offset any reversed service fees owed by the broker / representative and all debts and liabilities due AUI by the broker / representative.
21. **AMENDMENT:** Any amendments that AUI makes to this agreement must be in writing and sent to the broker / representative at the latter's last known address as shown in AUI's records.
22. **WAIVER:** If AUI forebears and does not require strict compliance with any of the terms of this agreement, it should not be construed as a waiver of any of its terms, or of AUI's right to consequently enforce all of its terms.

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The provisions of the agreement are governed by the laws of the State of Texas. This agreement supersedes all previous contracts and agreements among the parties, but will not affect the obligation of any party under any previously existing contract or agreement.

I understand that by providing the contact information below, I am authorizing and hereby consent to receive faxes and/or emails sent by or on behalf of Associated Underwriters, Inc. (AUI).

Please list insurance companies that you are currently contracted with and the last year's premium volume:

Company Name	Last year's Premium Volume	Company Name	Last year's Premium Volume
1 _____	• _____	4 _____	• _____
2 _____	• _____	5 _____	• _____
3 _____	• _____	6 _____	• _____

- (To Be Completed By Broker / Representative)

IN WITNESS WHEREOF, the parties have executed this Agreement:

This _____ day of _____, 200_____

BROKER / REPRESENTATIVE'S NAME _____ (Print Name)

Tax ID # _____

NOTICE: You cannot bind, alter or cancel coverage without speaking to an authorized representative of Associated Underwriters, Inc./Insurance Administrators, Inc. Coverage cannot be bound without written confirmation from an authorized representative of Associated Underwriters, Inc./Insurance Administrators, Inc.

BROKER / REPRESENTATIVE'S SIGNATURE: _____

AGENCY NAME: _____

Physical Address: _____

City, State, Zip: _____

Mailing Address: _____
(If different than above)

Phone: _____ Fax: _____

E-Mail Address: _____ Web Address: _____

Managing General Representative Name: **Jacob Stineman**
Associated Underwriters, Inc.
 Managing General Representative Company Name: _____ (Print Name)

PLEASE INITIAL AT THE TOP OF PAGES 1, 2 AND 3 AND THEN FAX ALL FOUR (4) PAGES OF THIS FORM COMPLETED AND SIGNED TO 270-714-7327 WITH THE FOLLOWING:

- Copy of Declaration Page Errors and Admissions Coverage \$1 million minimum limit
- Copy of Resident Property and Casualty License

FOR OFFICE USE ONLY:

Commission Schedule

	<i>PD</i>	<i>NTL</i>	<i>PRIMARY LIABILITY</i>	<i>CARGO</i>	<i>OCC-ACC Trucking</i>	<i>OCC-ACC Other than trucking</i>
<i>Broker / Representative</i>						
<i>RSC</i>						
<i>NSC</i>						
<i>Other</i>						

ASSOCIATED UNDERWRITERS, INC.

BY: _____ DATE: _____
(Signature)