



THE KEATING GROUP

2198 E Camelback Rd, Suite 350
Phoenix, AZ 85016-4716

508-229-4700 Tel
508-229-4790 Fax
www.tkgins.com

The Keating Group BROKERAGE AGREEMENT

As used in this Agreement, The Keating Group, Inc. (tKg) shall refer to any business unit or entity that may be affiliated through common ownership and/or managed by tKg as an instrument for maintaining Producer relationships.

Agreement between tKg

And _____

(Producer)

As Producer desires to place contracts of insurance through companies represented by tKg (those companies herein referred to as Insurer) and in consideration of tKg placing contracts of insurance of Producer's clients (referred herein as Insured and or Applicant) from time to time with an Insurer and for mutual promises and covenants set forth in this document it is agreed as follows:

RELATIONSHIP Producer is an agent for the Applicant, and acts on behalf of the Applicant for insurance. This agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between tKg and Producer. Producer is for all purposes an independent contractor and is not an agent, sub-agent, broker or representative of tKg or its Insurer(s).

LICENSING Producer warrants and represents that Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this agreement and will furnish proof of such licensing with a copy of this signed Agreement. Producer will promptly notify tKg of any suspension, cancellation or disciplinary action with respect to any of its license(s).

LEGAL COMPLIANCE Producer shall not place an order with tKg for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring Producer to attempt to procure such insurance from insurers authorized to do business in the state of residence of the proposed Insured. The party responsible for the payment of surplus lines taxes shall also be responsible for full compliance with all relevant surplus lines laws of the pertinent state, including but not limited to, the collection and payment of surplus lines taxes, filing of affidavits, and providing the appropriate statutory and/or regulatory disclosure legends on all documents.

ERRORS AND OMISSIONS COVERAGE Producer warrants that Producer now has and shall maintain insurance agent's Errors and Omissions coverage with a Minimum policy limit of one million dollars (\$1,000,000) while this Agreement is in force and will furnish proof of such coverage with a copy of this signed Agreement. Producer will provide tKg with prompt written notice of any change, cancellation or termination of said Errors and Omissions coverage.

AUTHORITY tKg shall be the sole judge of whether to accept, reject, or submit to Insurer for acceptance any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer shall have no authority to bind any Insurer for tKg, commit to or issue binders, policies or other written evidence of insurance on behalf of tKg or to make representations not strictly in accordance with the provisions of the quotes, binders, policies and contracts placed under the terms of this Agreement. Producer shall neither make, alter or vary any terms of coverage, or modify terms of payment of any premium or deposit, nor incur any liability for tKg or its Insurer(s).

OWNERSHIP tKg expressly recognizes the ownership of all policies and contracts placed under this Agreement with Producer. In the event of any premium's due tKg at the termination of this Agreement, the use and control of all expirations and renewals shall be at tKg's discretion until all payments have been made in full.

NO DOUBLE BROKERING Producer shall not act as a secondary agent or broker (double broker) for any application or policy underwritten pursuant to this Agreement without the express written consent of tKg.

CLAIMS Producer shall immediately (not later than twenty-four (24) hours after receiving notice) notify tKg of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with tKg to facilitate the investigation and adjustment any claim when and as requested by tKg. Producer has no authority to assign losses to be adjusted or negotiate or settle any loss on behalf of tKg or any Insurer(s) without the express written consent or permission of tKg and applicable Insurer(s). Producer shall not allow the insured to directly contact tKg.

DISCLAIMER Producer agrees that it is Producer's responsibility to service Producer's account and to inform tKg as to the type and amount of coverage to be considered for quotation. Producer understands that tKg assumes no responsibility toward any insured with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold tKg harmless from any claim asserted against tKg in following the instructions of Producer. tKg is not an Insurer and does not guarantee the financial condition of the Insurer(s) with whom it may place risks. tKg shall have no liability for nonpayment of any claims due to the insolvency of any Insurer, or otherwise, under contracts of insurance placed by tKg.



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ADVERTISING Producer shall not cause any advertisement referring to or using the name of tKg or any of its Insurers, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of tKg. In the event tKg suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of Producer, then Producer shall be liable for and hereby agrees to indemnify tKg and hold tKg harmless from all resulting damages, fines, penalties and costs.

PRIVACY POLICY Producer shall neither disclose nor use Nonpublic Personal Information (as that term and similar terms are defined in the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 et. seq. and the applicable state insurance laws and regulations enacted or adopted pursuant to the Gramm-Leach-Bliley Act) (the Act) that is received from or collected on behalf of tKg except as necessary to permit Producer to perform its duties under this Agreement, or as otherwise permitted or authorized under the Act. Producer shall also implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of such Nonpublic Personal Information.

PREMIUM AND ACCOUNTS Producer guarantees the full payment to tKg of all premiums due including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission due Producer, on every insurance contract bound or written for Producer pursuant to this Agreement. *Producer shall be liable to tKg for the payment of all premiums fees and taxes whether or not collected by the Producer.* tKg shall allow Producer, as commission, a percentage of the premium written at the rate agreed upon by Producer and tKg from time to time, tKg's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing company.

- 1) tKg will send Producer an accounting statement listing all transactions for the statement month. This statement will be payable in full no later than the 20th of the month in which it was received. Example: The statement listing transactions for the month of January is payable in full not later than February 20th.
- 2) The omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for any and all amounts due from Producer; (2) prejudice the rights of tKg to collect all amounts due from Producer, or (3) extend the time within which Producer must make payment.
- 3) *Producer's obligation to make, payment to tKg is not contingent upon the issuance of a policy.* Any credit extended to the Insured or others shall be at the sole risk and responsibility of Producer unless agreed to in writing by tKg.

ADJUSTABLE PREMIUMS Notwithstanding anything to the contrary herein, in the situation where premiums for a policy or policies which have been issued cannot be fully determined in advance and where an adjustment or determination is made by an audit, retrospective rating or by interim reports, premiums are fully earned and due at the invoice date as evidenced by a tKg invoice. Producer will make all reasonable efforts to collect amounts due. Producer will be relieved of responsibility for audit premium, so adjusted or determined, if Producer notifies tKg in writing within twenty (20) days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums *provided the Insurer releases tKg for liability for any such premium.* A copy of Producer's invoice to the Insured, as well as copies or correspondence pertaining to the collection, must be sent with this notification. Failure to give tKg timely notice shall constitute Producer's acceptance of responsibility to pay such premiums. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by tKg or Insurer under this provision.

UNEARNED COMMISSIONS Producer shall be liable to tKg and shall pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or Finance Company. Such return commission shall be paid to tKg by the due date indicated on the invoice or billing statement. If a return premium becomes due under any contract of insurance and tKg has been issued a credit, or payment has been rendered, for such premium by tKg's Insurer then tKg will pay to Producer such return premium less the unearned portion of any commission previously retained by Producer.

DIRECT BILL COMMISSIONS tKg shall 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 tKg and Producer. Producer shall be obligated to pay return commission at the same rate on any return premiums, including but not limited to, return premiums on cancellations or reductions ordered and return premiums payable as a result of amended policy terms.

FINANCED PREMIUMS On all financed premiums tKg will remit payment for any return premium, less unearned commission, directly to Producer unless otherwise agreed to by tKg. The ultimate liability of tKg for payment to a Finance Company, Producer or Insured shall never exceed the amount of return premium less unearned commission and fees developed. Producer agrees to hold tKg harmless from any responsibility for payment to Finance Company and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premium by the Producer.

DIRECT COLLECTION If after the expiration of sixty (60) days from the date liability was assumed by the Insurer, tKg has not received payment due for the applicable coverage, tKg may, at its option, collect from the Insured the premium due. In the event tKg collects the premium or any part thereof from the Insured, Producer shall not be entitled to any commission on any premium so collected. Attempts by tKg to collect from the Insured shall not relieve Producer of liability to tKg except to the extent of amounts actually collected by tKg from the Insured, less the expense of such collection.

COLLECTION OF AMOUNTS In the event tKg shall have to bring any action or proceeding to enforce collection of any amount due under the terms of this agreement Producer agrees to pay all costs incident thereto, including reasonable attorney's fees and court costs incurred by reason of such action or proceeding.



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FUNDS HELD IN TRUST Producer shall hold funds in a fiduciary account for business generated under this Agreement to the extent required by the insurance laws of each state in which Producer conducts business. Provided Producer is in compliance with all terms of this Agreement, Producer shall be entitled to any interest earned on said funds while so held by Producer.

CANCELLATION OF INSURANCE Producer must notify tKg immediately if a binder, policy or contract is to be cancelled. tKg will not recognize flat cancellations unless: (1) written evidence of coverage prior to inception date of the contract for insurance is provided; and (2) *such credit has been granted tKg by its Insurer*. Earned premium shall be computed and charged on every binder, policy or contract cancelled after the inception date in accordance with the cancellation provision of the applicable contract and/or rules of the Insurer. If Producer does not make timely payment of any sums due tKg then tKg may, without limitation of other remedies, initiate the Insurer to cancel the binder, policy or contract for non-payment. If coverage is bound with tKg all additional fees charged by tKg for the entire policy term shall be fully earned if the binder, policy or contract is cancelled. Producer deposits made directly to tKg's lock box for payment on a delinquent account will not constitute acceptance of these funds by tKg with regard to reinstating any policy being cancelled. Producer shall not accept from Insured the late payment of premiums with prior knowledge, whether actual or constructive, that the policy for which the late premiums have been collected is cancelled.

TERMINATION OF AGREEMENT This Agreement may be terminated by either party giving thirty (30) days written notice to the other by certified mail; return receipt requested. This Agreement will also terminate: (1) automatically, if any public authority cancels or declines to renew Producer's license or certificate of authority; (2) automatically, on the effective date of the sale, transfer or merger of Producer's business with the provision that tKg may, upon review, appoint the successor as a Producer; or (3) immediately by either party because of fraud, insolvency, failure to pay balances, or willful or gross misconduct. All representations, warranties and obligations of Producer shall survive the termination of this Agreement.

After the date of termination of this Agreement, Producer shall complete the collection and accounting to tKg for all premiums, commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding policies of insurance, including but not limited to return premium and return commissions. Outstanding policies, subject to Insurer permission, will be permitted to run to expiration.

ALTERNATIVE DISPUTE RESOLUTION The parties to this Agreement hereby express that all disputes, controversies or claims of any kind and nature between the parties hereto, arising out of any or in any way related to this Agreement, its interpretation, performance or breach, shall be resolved exclusively by the following alternative dispute resolution mechanisms:

- 1) Negotiation-The parties hereto shall first engage in a good faith effort to negotiate any such controversy or claim by communications between them. Said negotiations may be oral or written. To the extent they are oral, they must be confirmed in writing.
- 2) Mediation-Should the above stated negotiations be unsuccessful, the parties shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules.
- 3) Arbitration-Should the above stated mediation be unsuccessful, the parties shall agree to arbitrate any such controversy or claim with the express understanding that this Agreement is affected by interstate commerce it's that the goods and services that are the subject matter of this Agreement, pass through interstate commerce. Said arbitration shall be conducted pursuant to the American Arbitration Association Commercial Arbitration Rules.
- 4) The cost of the above stated mediation shall be borne equally between the parties. The cost of the above stated arbitration shall be borne by the party against whom an award is issued and in favor of the prevailing party. In either event, each party shall bear the cost of their own attorney's fees and costs.

The parties understand and agree that each of them is waiving rights to seek remedies in court, including the right to a jury trial, that pre-arbitration discovery in arbitration proceedings is generally more limited than and different from court proceedings, and that the arbitrators' awards is not required to include factual findings or legal reasoning, and either party's right of appeal or to seek modification of rulings by the arbitrators is strictly limited.

The venue for mediation and/or arbitration under this paragraph shall be in the city of Dallas, state of Texas.

GOVERNING LAWS This Agreement shall be deemed to have been made and performed in Maricopa County, Arizona and shall be governed by, construed and enforced in accordance with the laws of the state of Arizona. The rights, duties and obligations of the parties to this Agreement to such extent that they are not dealt with specifically or by necessary implication in this instrument shall be in accordance with the customs prevailing in the surplus lines and special risks insurance business in the state in which the Producer is domiciled.

ENTIRE AGREEMENT This Agreement constitutes the entire Agreement between tKg and Producer and supersedes and replaces any previous agreements between tKg and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by tKg. This Agreement shall apply to current policies already placed through tKg and in force at the date hereof and all future policies which may be placed by tKg for Producer.

WAIVER OR DEFAULT Failure of tKg to enforce any provision of this Agreement or to terminate it because of a breach hereof shall not be deemed to be a waiver of such provisions or of any breach committed by Producer.



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SEVERABILITY If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of this Agreement shall be enforceable independently of any other provision unless expressed otherwise herein.

EXECUTION AND ACCEPTANCE OF AGREEMENT Producer acknowledges that a breach of any of the terms of terms, conditions, or provisions of this Agreement by Producer may give rise to a cause of action by tKg against Producer and may result in action by tKg, including but not limited to, the termination of this Agreement, all in the sole discretion of tKg. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs. If the Producer is an individual, the individual must sign; if the Producer is a partnership, one of the partners must sign; if the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. This Agreement shall not become effective until accepted by tKg.

PRODUCER NAME: _____

TITLE: _____
(Must be Owner, Partner or Authorized Officer)

SIGNATURE: _____

DATE: _____

WITNESS NAME: _____

SIGNATURE: _____

DATE: _____

Agreement Accepted and Effected by tKg.

NAME: _____

TITLE: _____

SIGNATURE: _____

DATE: _____

Please complete, sign and return Original Agreement along with the following:

- Copy of your **Insurance License issued by your state of residence**
- Copy of your **E&O Policy Declarations Page**
- Completed **Confidential Producer Profile**

Please check one: LLC Corporation Partnership Sole Proprietorship

Federal Tax I.D. Number: _____

Surplus Lines License Number: _____ (If applicable)



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TKG CONFIDENTIAL BROKER PROFILE

General Information

Legal Name of Organization: _____

DBA (If Different): _____

Mailing Address:

Billing Address:

Telephone Number: _____

Fax Number: _____

Web Site: _____ Email Address: _____

Federal I.D. Number: _____ Year Est.: _____

Premium Volume: _____ Commercial % _____ Personal % _____

If your agency accounting is conducted at an address other than the above mailing address please provide that address below:

Errors & Omissions Insurance (Attach a copy of your E&O Dec. Page).

Carrier: _____

Limits: _____ Occurrence: _____ Aggregate: _____

Deductible: _____

Expiration Date: _____



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License Information (Attach copies of all licenses and separate pages as necessary)

State	License Number	State	License Number
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Does your Agency hold a Surplus Lines License? _____

If Yes, please enter License Number: _____ Expiration Date: _____ State: _____

Name of individual holding Surplus Lines License: _____

Agency Personnel

Title	Name	Direct Number	Email
CEO/ President	_____	_____	_____
Accounting Contact	_____	_____	_____
Claims Contact	_____	_____	_____

Market Data

Wholesale Brokers/Premium Volume

Prepared By: _____ Date: _____