

Cailor Fleming & Associates Inc.
“Insuring Your World”
4610 Market Street
P.O. Box 3989
Youngstown OH 44513
Phone 330-782-8068
Fax 330-782-0458

BROKER AGREEMENT

_____(Name)
(hereinafter referred to as “Broker”) and Cailor Fleming & Associates, Inc. hereinafter referred to as (“Program manager or “PM) enter into this agreement whereby Broker agrees to become a producer for PM. A Broker Profile must be completed and returned with this agreement along with copies of your Licenses and Errors and Omissions Policy covering your obligation under this agreement.

Broker warrants that he holds a valid Resident Insurance Property and Casualty Broker’s license issued by each state in which any business transacted under this Agreement is located and will maintain same for the duration of this Agreement. Broker also warrants that the License numbers set forth in Broker Profile are accurate. Broker further acknowledges that PM is relying upon these warranties in entering this Agreement and that should the breach of either warranty result in any costs or fees that Broker will pay such costs or fees.

Broker agrees that his responsibilities will be governed by the laws of the states in which Broker conducts business including compliance with all Surplus Lines laws when dealing with PM on a nonadmitted basis including but not limited to holding current valid Excess and Surplus Lines Licenses.

PM agrees to allow Broker commissions as negotiated from time to time on a risk-by-risk basis.

Broker agrees to refund to PM commissions on all business placed with PM on return premiums at the same rate at which such commissions were originally allowed, except for retrospectively rated policies.

Broker agrees to be responsible for the submission of bills for premiums and for the collection and payment of all premiums to PM when due on business placed with PM whether or not they are collected by Broker. If premium needs to be financed, broker will be responsible for arranging financing.

PM, at its sole discretion, may relieve Broker of responsibility for the collection and payment of flat cancellations provided written notification is received by PM within thirty days of the effective date of the policy.

PM, at its sole discretion, may relieve Broker of responsibility for the collection and payment of additional premiums resulting from audit or reporting form policies provided written notification is received by PM within 30 days of the billing date for additional or adjusted premiums and within 45 days of the anniversary date for anniversary premiums.

Broker agrees to be responsible for the transmission of all policies, endorsements, renewals, interim reports, requests for audit information and other materials to the insured.

Broker agrees to report all claims, losses and notices of liquidation, insolvency and/or bankruptcy to PM as soon as practicable. Broker agrees not to commit PM or any Company of Underwriters represented by PM to liability for any claim or loss that may be claimed under any insurance contract.

Broker agrees that he is not permitted to bind PM, or any Company or Underwriter represented by PM, or to make any representations or warranties or to act for them in any other manner unless otherwise specifically agreed in writing.

Broker agrees that binding of a risk must be authorized by PM in advance in writing. At PM's option, binding of a risk shall be contingent upon either.

- (1) payment of the premiums, or
- (2) receipt of the premium by PM within 30 days of the effective date of the policy or within a specified number of days of the effective date of the policy as indicated on the billing instruction on PM's invoice.

Broker agrees that premium will be paid in accordance with the Premium Quotation and/or invoice issued by PM.

Broker agrees that if he is delinquent in paying PM premiums, PM may apply any sums due PM against the premiums Broker owes PM.

Broker agrees that if PM takes over collection efforts that Broker will not earn commissions after collection efforts begin. Broker agrees that he will be responsible for outstanding earned premiums except on collectible audits, reporting form policies, anniversary or adjusted premiums on surety bonds where notifications have been supplied under the terms of this Agreement.

Broker agrees that any applications, forms, or other materials supplied to Broker by PM are and will remain the property of PM.

PM agrees, that the records and expirations of Broker are the property of the Broker. Broker agrees that PM may inspect or audit any information that is related to the business Broker placed with PM.

PM Agrees not to use Broker's records to sell other insurance to Broker's customers unless Broker so authorizes. In the event this Agreement is terminated and Broker has not properly accounted for and paid all premiums due PM, the records and expirations become the property of PM.

Broker agrees that if PM assumes control of Broker's expirations under the preceding paragraph, PM shall have the right to either keep all commissions payable on the expirations or their renewals and apply them against what Broker owes PM or to sell the expirations to another Broker. If PM does not recover sufficient sums to recover what Broker owes, Broker agrees that he is still responsible for the unpaid amount. PM Agrees that if the amount PM recovers is in excess of what Broker owes, PM will transmit the balance to Broker after deducting PM's expenses.

Broker and PM agree that this Agreement shall be terminated automatically without notice if either Broker's or PM's license or authorization to engage in the insurance business is revoked, suspended or nonrenewed.

Broker Agrees that PM may terminate this Agreement if Broker fails to pay premiums when due PM or otherwise violates the terms of this Agreement provided PM gives Broker 30 days written notice of such intent to terminate.

Broker agrees that PM may terminate this Agreement if Broker transfers ownership of controlling interest in his business without PM's written consent. If Broker asks PM for written consent to transfer such ownership, PM agrees not to unreasonably refuse such consent.

Broker and PM agree that either party may terminate this Agreement by giving minimum written notice to the other as required by the law of the state of the location of their principal place of business but in no event shall written notice be less than 180 days.

Broker agrees that customer lists and any information relating thereto are confidential and are a trade secret of PM. Broker agrees not to reproduce, copy, publish or use or participate in the reproduction, copying, publishing or use of any trade secret for any purpose. Broker agrees that PM is the owner of any leads given to Broker by PM and any leads given to Broker by PM will be used only for the sole benefit of PM.

Broker agrees that for one year following the termination of this Agreement, Broker will not replace policies placed with PM with policies placed through another general brokerage agency. Broker agrees that PM will not pay renewal commissions to Brokers who replace policies following termination of this Agreement.

Broker agrees to indemnify and hold PM harmless from liability for damages arising out of Broker's errors and/or omissions and to reimburse PM for the reasonable costs of defense provided PM did not cause, contribute to or compound that error or omission.

Broker agrees that if any provision of this Agreement is found unlawful, only that provision will be discarded and the remaining provisions will remain in full force and effect.

All notices required under this Agreement shall be sent to PM at the following address:

Cailor Fleming & Associates, Inc.
P.O. Box 3989
Youngstown OH 44513-3989

All notices required under this Agreement shall be sent to Broker at the following address:

The parties agree that this Agreement shall become effective when accepted by PM and supersedes all previous agreement, whether written or oral.

This Agreement shall be construed in accordance with and be governed by the Laws of Ohio.

SIGNED on this _____ day of _____ 20____
WITNESS: _____ BY: _____

TITLE: _____

ACCEPTED AND EFFECTIVE on this _____ day of _____ 20____

CAILOR FLEMING & ASSOCIATES, INC. OF OHIO

WITNESS: _____ BY: _____

TITLE: _____

Cailor Fleming & Associates, Inc.
P.O. Box 3989
4610 Market Street
Youngstown OH 44513-3989
Office 330-782-8068 Fax 330-782-0458

BROKER PROFILE

Name: _____

Address: _____

Phone: _____ Fax: _____

Web Site: _____

Your firm is a: Corporation Partnership Sole Proprietorship Other

Tax I.D. or Social Security # _____

Agency Brokers License #: _____ E & L License #: _____

Principles, Partners or Corporate Officers (Circle One)

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

Total Number of Employees _____ Number of licensed producers _____

Please attach a personnel list with individual email addresses.

Accounting contact: _____

Licensing contact: _____

List your three (3) leading property and casualty companies.

Complete Company Name	Years Represented
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1 _____

2 _____

3 _____

Does your agency specialize in any class of business? Yes No If Yes, list.

What percent of your agency book is personal lines _____%; Comm. Lines _____%

Attach copies of agency E & O Coverage declarations page and agency licenses (Brokers & E & SL)