

BROKERAGE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2011, by and between Excel Insurance Services, Inc., hereinafter referred to as EXCEL.

In consideration for EXCEL placing risks hereinafter for _____ (Hereinafter referred to as BROKER) with an insurer, or insurers, and for the mutual promises and covenants set out, it is agreed that:

1. BROKER warrants that he or she is properly licensed to solicit business, and employees that may be contracted for or hired by BROKER to service the accounts are licensed, in accordance with the rules and regulations of the Department of Insurance in the State in which the BROKER does business. BROKER agrees that in the event that any license shall cease, terminate or be cancelled, that BROKER will promptly notify EXCEL.
2. BROKER warrants that Errors & Omissions coverage in the amount of \$1,000,000 will be maintained during the term of this agreement; BROKER further agrees to hold EXCEL harmless with regard to any disagreement or litigation that may arise as a result of BROKER'S errors or omissions. BROKER agrees that in the event that such insurance shall cease, terminate or be cancelled, that BROKER will promptly notify EXCEL
3. BROKER is considered by EXCEL to be an Independent Contractor, and as such is solely responsible for reporting and paying any and all taxes relative to income which may be derived from this Agreement to any legal government body.
4. BROKER shall be primarily liable to EXCEL for the full amount of premium and all applicable surcharges, taxes and fees (less commission) including additional premiums developed as a result of inspection after binding of risks, audits at expiration of coverage, and retrospective penalties on every insurance contract placed by EXCEL for BROKER.
5. In the event that an additional premium develops as a result of an audit (either during the term of the policy or after expiration of same) premiums are due and payable upon receipt of the audit. Should EXCEL be notified within thirty (30) days of the date of invoice that the audit premium is uncollectible, BROKER will be relieved of the responsibility of collection. The Carrier will attempt to collect the premium directly, and the BROKER will forfeit all commissions on that premium.
6. BROKER will remit payments plus any taxes and fees immediately upon presentation of an invoice from EXCEL. For the convenience of EXCEL and BROKER, a statement of account will be furnished monthly to the BROKER'S place of business, and any accounts that are more than forty-five (45) days in arrears will be subject to cancellation without further notice.
7. All financed premiums must be sent directly to EXCEL by the finance company, and all financed return premiums will be sent to the finance company by EXCEL. If a BROKER receives a financed premium and remits his net check to EXCEL, any net return premium will be returned to the producer.
8. In consideration of the commission allowed to BROKER on all premiums and additional premiums, BROKER agrees to return to EXCEL any unearned commission on canceled accounts at the same rate such commissions were retained.

- 9. No insurance contract may be returned to EXCEL by BROKER for flat cancellation unless returned prior to inception date of contract. Earned premiums shall be computed and charged on every contract canceled after inception in accordance with provisions of the insurance contract.
- 10. BROKER is not the agent of, and has no authority to bind EXCEL or any other of its principals or companies. BROKER is not authorized to issue any binder or Certificate of Insurance for any insurance policy or contract placed for BROKER by EXCEL.
- 11. BROKER is considered the only representative of the insured or insureds for which business is placed; in the event of a change of BROKER for the coverage already in place, an Authorization for Change of Broker Representative must be completed and forwarded to EXCEL.
- 12. Late Fee & Collection: Any amount which is not paid by BROKER to EXCEL when due shall be increased by a late charge, to be charged to BROKER equal to 2% per month (24% per annum) of such unpaid amount. Such interest shall be applied on a daily basis. EXCEL may initiate collection proceedings when any amount is delinquent by 90 calendar days. BROKER shall be responsible for reasonable interest, costs, and attorneys fees associated with collection proceedings.
- 13. Arbitration and Governing Law: This agreement shall be construed under the laws of the State of New Jersey. Except as provided below, any controversy or claim arising out of or relating to this contract, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding, EXCEL shall have the option to file suit in the Superior Court of New Jersey, Mercer County for any dispute involving a delinquent invoice, in which the amount in controversy is \$15,000.00 or less.
- 14. Severability: If a provision of this Agreement is rendered invalid the remaining provisions shall remain in full force and effect.

TAX ID #: _____ Corporation Individual Partnership

Telephone #: _____ Fax #: _____ Email Address: _____

THIS AGREEMENT shall apply to current policies already placed and in force, and all future policies which may be placed by EXCEL for the BROKER. This agreement may be canceled at any time by written notice of either party to the other, but cancellation of this contract will not affect continued application of this agreement to any insurance policies in effect prior to the date of cancellation of this agreement.

Witness for BROKER

Signature of BROKER

Printed name of BROKER

Dated this ____ Day of _____ 2011

Witness for EXCEL

Signature, authorized representative for EXCEL



100 American Metro Blvd. • Suite 104
Hamilton, NJ 08619

t 877.530.0111 • t 609.530.0111
f 609.538.0661

RE: NJ Surplus Lines Regulation N.J.A.C. 11:1-33

On April 4, 2005, the Department of Banking and Insurance made effective the above regulation affecting required changes to Surplus Lines placements. Here is a brief outline of the changes:

1. At time of quotation, the **originating producer** shall provide a form (Exhibit A-1, attached) to the applicant advising them that the quote is placed through the surplus lines market and is subject to certain regulations. **It is the responsibility of the producer to have the applicant sign the form and keep a copy of the signed form for their records.**
2. There is a change to the Certification of Effort (Exportable classes still do not require a Certification of Effort). A copy is attached for your convenience.

The above are only a brief explanation of the changes, we strongly recommend that you read and interpret the new regulation for yourself.

The new regulation and forms are available on the NJ DOBI website: <http://www.state.nj.us/dobi/sleo.htm>

Feel free to give us a call with any questions.

Sincerely,

Excel Insurance Services, Inc.



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The undersigned applicant has been advised by the undersigned originating insurance producer and understands that an insurance policy written by a surplus lines insurer is not subject to the filing or approval requirements of the New Jersey Department of Banking and Insurance. Such a policy may contain conditions, limitations, exclusions and different terms than a policy issued by an insurer granted a Certificate of Authority by the New Jersey Department of Banking and Insurance.

Applicant's Signature

Applicant's Name (Print or Type)

Date of Applicant's Signature

Producer Signature

Producer Name (Print or Type)

Date of Producer Signature

New Jersey Producer License Reference Number

**STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE
SURPLUS LINES EXAMINING OFFICE
P.O. BOX 325
TRENTON, NEW JERSEY 08625-0325**

CERTIFICATION OF EFFORT TO PLACE RISK WITH AUTHORIZED INSURER

This certification shall be submitted by the originating producer to the surplus lines agent, within thirty (30) business days after the effectuation of any surplus lines insurance. The **original** of the certification must be maintained in the files of the surplus lines agent and a copy in the files of the producer and both must be available for inspection by the Commissioner for a period of at least five years.

Name of Insured:
Address of Insured:
Location of Property or Risk:
Insurance Coverage: Description & Amount

Originating Producer: Corporate or Partnership
Originating Producer: Individual Name and/or Title
Originating Producer: Complete Address

The above hereby certifies that he/she is duly licensed as an insurance producer under the laws of New Jersey, and that: On or about _____, 20__, I was engaged by the insured named herein to procure insurance of the kind described herein and in the amount shown. I have made a diligent effort first to place this coverage with authorized insurers, each of which is authorized in New Jersey to write insurance of the kind requested and is an insurer that I had a good faith reason to believe might consider writing the type of coverage described herein.

Certification of Effort To Place Risk With Authorized Insurer (continued)

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The following insurers are among those that I contacted relative to this risk or to substantially similar risks within the past 30 days:

Insurer	Representative	Telephone No.	Date	Result Code*

*Result Codes: (enter appropriate code(s) for each insurer listed above)

A. -- Having made a diligent effort, I was unable to obtain an offer/quote from this authorized insurer in the admitted market, which declined to accept all or any part of the risk.

AND/OR

B. -- Having made a diligent effort, the only offer(s)/quote(s) obtained reflected such a substantial increase in premium over similar coverage placed within the preceding 12 months that comparable coverage is, as a practical matter, unavailable from this authorized insurer in the admitted market.

AND/OR

C. -- Having made a diligent effort, the only offer(s)/quote(s) obtained reflect(s) such a substantial reduction in coverage from coverage placed within the preceding 12 months for substantially similar premium that comparable coverage is, as a practical matter, unavailable from this authorized insurer in the admitted market.

I certify that the foregoing statements made by me are true to the best of my knowledge and belief. I am aware that if any of the statements are willfully false, I am subject to civil and criminal penalties.

(Date)

(Signature)