



ASSOCIATED SPECIALTY INSURANCE AGENCY, INC.

*The Workers' Compensation Specialist for Brokers and Agents*

## BROKERAGE AGREEMENT

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between Associated Specialty Insurance Agency Inc. of 1001 Baltimore Pike, Suite 307, Springfield, PA 19064, herein referred to as ASIA and

\_\_\_\_\_, an individual, partnership, corporation, registered firm, producer or agency, hereinafter referred to as BROKER. This agreement replaces all previous agreements or contracts, whether oral or written, and shall continue in full force and effect until amended, suspended or terminated.

Whereas the BROKER desires to place business with ASIA and ASIA desires to consider such business for placement with various insurance companies now, therefore, ASIA and BROKER agree to be bound by the following terms and conditions:

1. BROKER, in placing business under this Agreement, recognizes that it is the representative of the insured and not the agent, representative or employee of ASIA. Nothing in this Agreement shall be construed to imply an employer-employee relationship between ASIA and BROKER. BROKER acknowledges that ASIA bears no agency or fiduciary responsibility to the insured.
2. BROKER warrants that it is properly licensed to transact business as an insurance producer in accordance with the laws and regulations of BROKER's commercial domicile (resident license state) or any state in which BROKER transacts business.
3. BROKER understands that in providing coverage, ASIA is relying upon the accuracy of information provided by the insured through BROKER and submitted to ASIA. It is the responsibility of BROKER to disclose to ASIA the existence of any conditions which it is or reasonably should be aware of that may affect the insurability of the insured. Further, it is the responsibility of BROKER to inform ASIA as to the type and amount of insurance coverage to be considered for quotation. ASIA assumes no responsibility toward BROKER with regard to the adequacy, amount or form of coverage obtained through any insurance carrier.
4. BROKER shall be entitled to collect a commission on such business placed with ASIA at the commission rate agreed to on all new and renewal business. Commissions paid to BROKER under this Agreement are the sole and full compensation to be paid to BROKER for the performance of its duties as BROKER for ASIA. BROKER shall not

receive commission on audits when the insurance company initiates direct collection procedures for additional premium due.

5. BROKER shall refund return commissions to ASIA on policy cancellations, reductions in coverage, audits or any other premium bearing change in each case at the same rate at which such commissions were originally earned. Return commissions shall be subject to offset from commission payable due BROKER. If commission payable due BROKER is insufficient for offset of the return commission, BROKER shall remit the return commission payment to ASIA within sixty (60) days. This provision shall not be affected by the insolvency of BROKER.
6. BROKER is the owner of its policy expirations resulting from authority granted by this Agreement.
7. BROKER agrees to maintain Errors & Omissions coverage for itself and for those for whom it is responsible with a per claim limit and an aggregate limit each not less than one million dollars (\$1,000,000). A copy of this Errors & Omissions policy Declarations Page shall be included with this Agreement. BROKER agrees to maintain such coverage at all times when this Agreement is in effect and provide proof of same upon request. If BROKER fails to produce an updated proof of continuous Errors & Omissions coverage upon request, commissions shall be withheld until such time as the required proof is provided to ASIA.
8. ASIA also agrees to maintain Errors & Omissions coverage with a per claim limit and an aggregate limit each not less than one million dollars (\$1,000,000).
9. BROKER agrees to indemnify and hold harmless ASIA, any affiliated company, their officers, directors, employees and agents from and against any and all claims, damages or liabilities, including reasonable attorney's fees, costs or other expenses incurred by ASIA arising directly or indirectly from any acts, omissions, breach of this Agreement or misrepresentation to ASIA (or any carrier or underwriter) by BROKER to the extent that BROKER is legally liable.
10. ASIA agrees to indemnify and hold harmless BROKER, any affiliated company, their officers, directors, employees and agents from and against any and all claims, damages or liabilities, including reasonable attorney's fees, costs or other expenses incurred by BROKER arising directly or indirectly from any acts, omissions or breach of this Agreement by ASIA to the extent that ASIA is legally liable.
11. BROKER may not assign or transfer this Agreement or any of its rights under it to any other person or entity without the prior written consent of ASIA as well as the prior written agreement of such proposed transferee to be bound by the terms and conditions of this Agreement.
12. BROKER agrees to give written notice to ASIA within thirty (30) days of any sale or transfer of the majority interest of its business, or its consolidation with a successor firm, in order that ASIA may, at its election and with the consent of the interested parties, assign this Agreement to the successor; enter into a new agreement with the successor; or allow termination pursuant to Article 13.

13. This Agreement may be terminated by either party at any time upon giving thirty (30) days written notice of termination. Such termination shall not alter in any way the continued application of this Agreement to policies in effect as of the date of such termination and BROKER shall continue to provide service on all policies in effect at termination. ASIA may cancel this Agreement immediately in the event of nonpayment of any amount by BROKER, or any dishonest or fraudulent conduct by BROKER (or its principals), or upon ten (10) days written notice upon any other breach of this Agreement by BROKER.

14. This Agreement constitutes the entire and exclusive understanding between ASIA and BROKER concerning the subject matter of this Agreement. This Agreement may not be amended, except by an instrument in writing duly executed by ASIA and BROKER. All representations, warranties, covenants, terms, conditions and provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and permitted assigns of ASIA and BROKER. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the BROKER and ASIA have caused this Agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BROKER: \_\_\_\_\_  
(Agency Name)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Printed Name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Associated Specialty Insurance Agency Inc. (ASIA)

By: \_\_\_\_\_  
Frank Sorochen, Jr.

Title: President

Date: \_\_\_\_\_