



W-A-Schickedanz Agency, Inc., CMGA
Interstate Risk Placement, Inc.

Managing General Agents / Surplus Lines Brokers



Independent Insurance Agent

BROKERAGE AGREEMENT

W. A. Schickedanz Agency, Inc.

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BROKERAGE AGREEMENT

AGREEMENT between _____

of (address) _____

(hereinafter called "Producer") and W. A. Schickedanz Agency, Inc / Interstate Risk Placement, Inc. (hereinafter called "WAS-IRP").

WHEREAS: Producer desires to procure, from time to time, for his clients various insurance coverages through the facilities of WAS-IRP, and

WHEREAS: WAS-IRP desires to make its facilities available to Producer in cases where the terms are mutually agreeable,

NOW, THEREFORE, the parties agree as follows:

A. SCOPE OF AGREEMENT:

The agreement governs the relationship between WAS-IRP and Producer, and is binding upon the parties and their respective heirs, successors and assigns. It is further understood that this agreement replaces any prior agreement between the parties, constitutes the entire agreement of the parties, and may not be changed unless in writing and signed by the parties. Nothing contained in this agreement is intended to infer a responsibility on WAS-IRP to accept or the Producer to place business with WAS-IRP.

B. COMMISSIONS:

- 1) WAS-IRP will allow Producer commission at such rates as are agreed from time to time by the parties hereto.
- 2) In the event of return premium becoming due for any reason whatsoever, Producer shall refund any unearned commission to IRP at the same rate at which commission was originally allowed.

C. PAYMENT OF PREMIUMS:

- 1) WAS-IRP will render Producer a Statement of Premiums due by the 21ST day of each month, showing all transactions for the previous month, and Producer shall make payment to WAS-IRP not later than the end of the calendar month in which the statement is received for the balance shown thereon to be due.
- 2) Producer agrees that any extension of credit by Producer to its client or to any other person is solely at its own risk, and Producer shall pay to WAS-IRP all sums due WAS-IRP when due, whether or not Producer has collected such monies from others who may owe Producer. Furthermore, Producer recognizes that in agreeing to pay WAS-IRP, Producer does so as an original undertaking on his/her own part, and not as guarantor or surety of another's obligation.
- 3) Producer agrees that the Producer will be responsible for the payment of any minimum earned premium and policy fees on any policy issued at the direction of the Producer. Should the Producer order a policy without securing payment from its client, the Producer does so at its own risk, and failure to collect same from said client will not relieve the obligation of the Producer to WAS-IRP.
- 4) Should any premium become delinquent (more than 30 days past due date), said premiums will accrue interest at the rate of 1½% per month (18% annually).
- 5) Should WAS-IRP require the services of an attorney to effect collection of premiums, Producer agrees to pay costs incident thereto, including reasonable attorney's fees incurred by reason of such action or proceeding.

- 6) If Producer is a corporation or limited liability corporation, its principals or authorized representatives, by accepting and executing this agreement, personally guarantee the obligations, if any, that the Producer assumes under this agreement.

D. CANCELLATIONS:

- 1) No policy, binder or cover note will be cancelled flat without specific authorization of an officer of WAS-IRP.
- 2) Notwithstanding the return of an original policy for cancellation, cancellation will not be effective until sufficient time has elapsed for proper notification of mortgagees, certificate holders, public utility regulatory bodies. etc., in cases where such notice is required.
- 3) Cancellation, unless requested by WAS-IRP, will be computed on standard Short Rate Tables.

E. NOTICE OF EXPIRATION:

Any custom or usage to the contrary notwithstanding, WAS-IRP shall be under no obligation to give the Producer advance notice of the expiration of any policies of insurance which the Producer procures through the facilities of WAS-IRP. WAS-IRP will use its best efforts to give the Producer reasonable advance notice of the expiration of said policies of insurance, but failure to provide such notice will not render WAS-IRP liable to Producer, and WAS-IRP shall in no way be responsible for the failure to notify Producer of the expiration date of any policy of insurance.

F. PRODUCER NOT AGENT OR REPRESENTATIVE:

- 1) Producer is not the employee, agent or representative of WAS-IRP or of any insurer(s) represented by WAS-IRP.
- 2) Producer has no authority to accept or bind risks on behalf of WAS-IRP or any insurer(s) represented by WAS-IRP without specific written consent of WAS-IRP.
- 3) Producer has no authority to handle claims other than to notify WAS-IRP of their occurrence which the Producer undertakes to do immediately upon Producer's knowledge of same.
- 4) Notice to Producer of change in a risk does not constitute notice to WAS-IRP or the insurer(s).
- 5) No act or statement of Producer shall in any way be binding on WAS-IRP or any insurer(s) represented by WAS-IRP unless Producer shall have first received prior written approval from WAS-IRP to so act or state.

G. DUTIES OF PRODUCER:

- 1) Producer acknowledges its duty to fully inform all clients of the terms, conditions, exclusions and limitations of any insurance placed through WAS-IRP. Producer further acknowledges its responsibility to request proper coverage for its clients, review all quotes, policies and binders for accuracy and keep Producer's clients fully informed.
- 2) Producer acknowledges its duty to obtain fully completed and signed applications, policy fee notices, surplus lines affidavits and any other documentation necessary to issue policies of insurance. Failure to provide such documentation by the Producer in the time frame prescribed by WAS-IRP may result in penalties to the Producer, including, but not limited to, a reduction in commissions or cancellation of policies.

H. OWNERSHIP OF EXPIRATIONS:

- 1) The parties agree that, in the event of termination of the agreement and the Producer having accounted for and paid all premium for which the Producer may be liable, the Producer's records and use and control of expirations shall remain the property of the Producer; otherwise the right and title to the records and the use and control of expirations shall become the property of WAS-IRP.
- 2) The Producer will not be considered in default on its obligation to account for and pay to WAS-IRP premiums if there is an honest difference of opinion as to the amount due, provided the Producer has promptly accounted for and paid to WAS-IRP all items about which there is no dispute.

I. PRODUCER'S WARRANTY:

- 1) Producer warrants that Producer is properly licensed for the classes of business to be conducted and the coverages of insurance to be procured through the facilities of WAS-IRP.
- 2) Producer warrants that it will maintain, at all times this agreement is in effect, Errors and Omissions coverage for itself and its producers and employees with a limit of insurance of not less than \$500,000. A copy of the policy or confirmation of coverage will be submitted annually to WAS-IRP. This agreement will automatically terminate in the event the Producer fails to provide the required confirmation of coverage.

J. INDEMNIFICATION:

Producer shall indemnify and hold WAS-IRP harmless from and against any and all claims, suits, actions, loss or expense, including legal fees which WAS-IRP may incur directly or indirectly, as a result of any act, error or omission, or breach of this agreement by the Producer. In addition, WAS-IRP shall indemnify and hold Producer harmless from and against any and all claims, suits, actions, loss or expense, including legal fees which the Producer may incur directly or indirectly, as a result of any act, error or omission, or breach of this agreement by WAS-IRP.

K. TERMINATION OF AGREEMENT

- 1) This agreement may be terminated by written notice by the Producer at any time.
- 2) WAS-IRP agrees to provide thirty (30) days written notice of termination to the last known address of the Producer. However, this agreement is subject to immediate termination by WAS-IRP upon Producers breach of any of the provisions of this agreement including, but not limited to, Producer's failure to turn over funds as outlined in C. PAYMENT OF PREMIUMS above, the violation by Producer of any statute or regulation of any regulatory body, or such other reason as determined solely by WAS-IRP.

The Parties hereto, intending to be legally bound, have affixed their hands and seals this _____ day of _____ (year) _____.

Witness

Producer

By _____

Title

W. A. Schickedanz Agency, Inc.

Interstate Risk Placement, Inc.

By _____

President

Title



Witness



By