

BROKER AGREEMENT

This Agreement is between LTC Insurance Services, LLC d/b/a The Westwood Group, an Ohio Limited Liability Company (the "Company"), and _____ (the "Broker").

Section 1. Authority and Responsibilities.

- 1.1. Broker may submit to the Company applications on behalf of its clients for new and renewal policies of professional and general liability and other related insurance coverages offered by Company. Applications shall be complete and accurate and in accordance with Company's guidelines and requirements. **Broker has no rights to bind the Company or to confirm coverage except upon Company's authorization.**
- 1.2. Broker shall have no authority to collect or receive premiums provided, however, that Company may authorize Broker to collect the initial down payment or renewal down payment. Except as provided above, all premiums will be invoiced by the Company directly to the policyholder.
- 1.3. Any funds belonging to Company in the custody of Broker will be held in a fiduciary capacity and shall be either immediately negotiated "to the order of" Company or kept separate from all other funds belonging to Broker.
- 1.4. Broker shall obtain from applicants all collateral, documents, agreements, and information specified by Company within the time period specified by Company. Such items may include membership agreement, applicant's statement and collateral required by Company.
- 1.5. Company may contact policyholder directly at any time for any reason.
- 1.6. Broker will promptly report to Company all information pertinent to the insurance placed under this Agreement, including changes in operations, additions, and changes or deletions of covered autos or drivers.
- 1.7. Broker shall not (a) adjust, compromise, or settle claims or waive any insurance policy conditions; (b) make any changes in the terms or conditions of any offer to insure or policy of insurance written by the Company, by endorsement or otherwise; (c) bind or issue endorsements; (d) use Company's name in any advertising or promotional material without Company's prior written consent; or (e) issue Certificates of Insurance or Certificates of Financial Responsibility without Company's prior written consent.
- 1.8. Broker shall have no authority to accept reports or notices of claims or accidents. If any party attempts to report a claim or accident to Broker or otherwise contacts Broker regarding a claim or accident, Broker shall direct such party to contact Company promptly.

Section 2. Commission.

- 2.1. Provided Broker has fulfilled its obligations hereunder, Broker shall receive commissions equal to _____% of written premiums received for the accounts of the policyholder.
- 2.2. Broker may collect a policy or service fee only if authorized by state law. Broker shall advise Company prior to collecting any such fee. Broker agrees that such fees may be considered in establishing the rate of commissions to be paid.
- 2.3. Commissions paid under this Agreement are the maximum commissions payable and include countersignature and sub-agent or sub-broker commissions, the payment of which is the responsibility of Broker.
- 2.4. Broker shall refund unearned commissions on policy cancellations, endorsements or reductions at the same rate that such commissions were originally paid.
- 2.5. Company may offset or apply commissions and other compensation due to Broker hereunder against any indebtedness of Broker to Company.

Section 3. Status and Responsibility.

- 3.1. Broker is an independent contractor and not an employee of the Company. Broker shall maintain a staff of competent and trained personnel necessary to develop and produce the business covered by this Agreement.
- 3.2. Broker shall comply with all laws and regulations applicable to its operations, including obtaining and maintaining appropriate licenses, keeping records of all transactions and complying with applicable countersignature requirements. Broker will adhere to and indemnify Company for any violation of laws, rules or codes of conduct in regard to compensation or its disclosure.
- 3.3. Broker shall bear all of its expenses (such as countersignature fees, credit reports, rentals, transportation, facilities, clerk and employee hire, solicitor's fees, postage, telephone, maps, permitted advertising and personal local license fees).
- 3.4. Broker will comply with all lawful instructions it may receive from Company.
- 3.5. Company may, in its sole discretion: change or discontinue applicable forms, endorsements, premium rates, rating plans, and underwriting guidelines; issue policies and endorsements, renewal notices, non-renewal notices, cancellation notices, financial responsibility filings and other similar documents; and adjust, settle and pay all claims on business placed under this Agreement.

Section 4. Termination.

This Agreement (a) may be terminated by either party upon thirty (30) days advance written notice to the other; (b) shall terminate immediately without notice, if any public authority cancels or declines to renew any license, qualification or certificate of authority of Company or Broker pertaining to the business written hereunder; or (c) may be terminated by a party if the other party breaches this Agreement and such breach continues for more than ten days after such other party's receipt of written notice of such breach.

Section 5. Responsibilities Following Termination.

Upon the termination of this Agreement, Broker will (a) continue to pay all sums due Company; (b) unless otherwise instructed by Company, continue to discharge all obligations hereunder in connection with the run-off of all inforce business; and (c) cease to submit or to seek to renew business with Company or extend the term of any existing business, except as may be otherwise required by law.

Section 6. Cancellation of Insurance.

Nothing in this Agreement shall limit or restrict the right of Company or its underwriters to cancel any binder, policy, contract or other evidence of insurance issued. Company shall have no obligation or responsibility to give Broker prior notice of any such action. An insurance contract may not be returned for flat cancellation unless returned prior to its inception date. Cancellations requested by a premium finance company with a power of attorney shall be considered at the request of the policyholder, and returned premiums shall be calculated in accordance with appropriate Short Rate Tables, except as otherwise required by law.

Section 7. Reporting, Records and Inspection.

- 7.1. Broker will report to Company all its transactions on business produced under this Agreement in the format requested by Company. All reports shall be forwarded to Company within five (5) working days following the transaction or as soon thereafter as is practical.
- 7.2. At Company's expense, Company or its designee may at reasonable times inspect and copy all records maintained by Broker pertaining to the business produced under this Agreement. The right to inspect and/or copy records will continue until all matters pertaining to the business produced under this Agreement shall have been concluded.

Section 8. Ownership of Supplies.

All unused policies, certificates, forms, applications or other unused supplies furnished by Company are the property of Company and will be accounted for and returned by Broker promptly to Company upon demand.

Section 9. Ownership of Expirations.

Upon the cancellation of this Agreement, if Broker has promptly accounted for and paid over all premiums for which it may be liable, Broker's records pertaining to the business produced under this Agreement and its use and control of expirations will remain the property of Broker and be left in its undisputed possession. Otherwise, all such records and the use and control of expirations will be vested in Company.

Section 10. Policyholder's Designation.

If a conflict arises as to which party is authorized to represent an existing or prospective policyholder for insurance that is the subject of this Agreement, the policyholder's designation of agent or broker shall control.

Section 11. Indemnification.

Broker and Company shall indemnify and hold each other harmless for any and all losses, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments, or any other expenses, including reasonable attorneys' fees and expenses, that are asserted against, imposed upon or incurred or suffered by either and that arise out of any act, omission, fraud, negligence, breach of duty, or any unauthorized activity of the other under this Agreement. This Section shall survive the termination of this Agreement.

Section 12. Errors and Omissions Insurance.

From and after the effective date of this Agreement, Broker will maintain a policy of errors and omissions insurance satisfactory to Company providing limits of at least \$1,000,000 per occurrence/\$1,000,000 aggregate. Broker will immediately notify Company of any change in coverage terms, conditions or limits. Broker shall provide evidence of such coverage at Company's request. Should Broker fail to provide such evidence, the Company may, but shall not be required to, purchase such insurance coverage protecting against Broker's errors and omissions as is satisfactory to Company. Company may charge Broker for the cost of such coverage pursuant to Paragraph 2.5 or by direct billing at Company's discretion.

Section 13. Privacy

The parties to this Agreement may be required to comply with certain privacy laws regarding the safeguarding of information and hereby agree to comply with and to not require the other party to take any action in violation of such laws. If such laws change, the parties agree to take necessary action to become compliant with the changes in the law. The parties agree not to disclose non-public personal information outside the legally permitted exceptions.

Section 14. Confidentiality

Broker and Company each agree to treat as confidential all of the information and materials disclosed by the other party, whether or not it is identified by the other party as confidential, and to use their best efforts, fully commensurate with those employed by the other party for the protection of its own confidential information, to protect the information disclosed by the other party; not to employ to their own advantage, duplicate or reconstruct the information and materials disclosed by the other party, including the nature, structure and format for the delivery of the insurance coverage offered as part of the insurance programs developed by the Company; and to restrict disclosure of the information disclosed by the other party to the minimum number of the party's own employees and/or officers as shall be necessary in order for the party to perform its obligations pursuant to the proposed transactions.

Broker and Company further agree to, within thirty (30) days of notification by the party disclosing the Information: return all documents, materials and/or other tangible items the party has received under this Agreement or otherwise pertaining, referring, or relating to the information; and return all copies, summaries, records, descriptions, modifications, lists, or adaptations which they have made from the items referred to in this paragraph.

Section 15. Miscellaneous

This Agreement will be construed under, enforced in accordance with and governed by Ohio law. This Agreement may be changed only in writing signed by the parties. If a court of competent jurisdiction modifies any provision, the remaining provisions shall remain in effect. The invalidity or unenforceability of any term or provision of this Agreement, or portion thereof, shall not impair or affect the validity or enforceability of any other term or provision of this Agreement. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings relating to its subject matter. This Agreement is binding upon and shall insure to the benefit of the

parties and their successors and assigns. This Agreement may not be assigned by either party without the prior written consent of the other. Nothing in this Agreement shall prevent the Company from merging or consolidating with a corporation or having its assets sold or otherwise transferred to another entity. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be a waiver of such terms, covenants or conditions. No waiver or relinquishment of any right hereunder at any one time(s) be deemed a waiver or relinquishment of such right at any other time(s). This Agreement may be executed simultaneously in several counterparts, each of which shall constitute the same instrument.

The parties have executed this Agreement as of this _____ day of _____ 20_____.

The Westwood Group

BROKER _____

By: _____

By: _____

Title: _____

Title: _____