Insurance Agency Agreement

_____ Hereinafter referred to as "Broker" and Patriot Underwriting Managers, Inc. 919 Conestoga Rd., Building 3/Suite 213, Rosemont, PA. 19010 (hereinafter referred to as "Patriot", enter into an agreement whereby Broker agrees to become a producer for the Patriot Underwriting Managers , in the lines set forth in the Producer Profile, attached as Exhibit "A." Said Producer Profile must be completed and returned along with copies of your license and Errors and Omissions Policy covering your obligations under this agreement.

Broker warrants that he holds a valid Resident or Nonresident 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 as set forth in Exhibit "A" are accurate. Broker further acknowledges that Patriot is relying upon these warranties in entering this Agreement and that should the breach of either warranty result in costs or fees that Broker will pay such fees or costs.

Broker agrees that his responsibilities will be governed by the law of the states in which Broker conducts business including compliance with all laws dealing with Patriot.

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

Broker agrees to refund to Patriot commissions on all business placed the Patriot 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 collection and payment of all premiums to Patriot when due on business placed with Patriot whether or not they are collected by Broker.

Patriot, at its sole discretion, may relieve Broker of responsibility for the collection and payment of flat cancellations provided Patriot receives written notification within thirty days of the effective date of this policy.

Patriot, at its sole discretion, may relieve Broker of responsibility for the collection and payment of additional premiums resulting from audit or reporting from policies provided written notification is received by Patriot within 30 days of the billing date for additional or adjusted premiums 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 , and 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 Patriot as soon as practical. Broker agrees not to commit Patriot or any Company or Underwriters represented by Patriot to liability for any claim or loss, which may be claimed under any insurance contract.

Broker agrees that he is not permitted to bind Patriot or any Company or Underwriters represented by Patriot, or to make any representation 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 by authorized by Patriot in advance in writing. At Patriot's option binding of a risk shall be contingent upon either:

(1)   payments of the premium, or

(2)   receipt of premium by Patriot within 30days of the effective date of the policy or within a specified number of days of the effective sate of the policy as indicated on the billing instruction on Patriot's invoice.

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

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

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

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

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

Patriot 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 Patriot, the records and expiration become property of Patriot.

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

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

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

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

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

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

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

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

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

Broker agrees that if any provisions of this agreement are 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 Patriot at the following address:

Patriot Underwriting Managers, Inc.
919 Conestoga Rd.
Building 3   Suite 213
Rosemont, PA 19010

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

_____
_____
_____
_____

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

This Agreement shall be constructed in accordance with and be governed by the Laws of the State to be determined

Signed on this _____ day of _____, 200__.

Witness:
_____   By: _____

                             Title:_____

ACCEPTED AND EFFECTIVE ON THIS_____ DAY OF _____ 200__.

Producer Profile

NAME: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

Your Firm is a:

Corporation ___ Partnership ___

Sole Proprietor ___ Other ___

Date your firm was established: _____

Tax ID # or Social Security #: _____

Brokers License #: _____

PRINCIPALS, PARTNERS, or CORPORATE OFFICERS

Name_____ Title_____

Name_____ Title_____

Name_____ Title_____

Name_____ Title_____

Total number of Employees _____

 # Of Licensed Producers _____

Accounting Contact: _____

Licensing Contact: _____

List your three leading property & casualty companies.

COMPLETE COMPANY NAME YEARS REPRESENTED

1._____ _____

2._____ _____

3._____ _____

Does your agency specialize in any class of business?

PLEASE ATTACH A COPY OF AGENCY'S ERRORS & OMISSIONS COVERAGE, APPLICABLE AGENCY LICENSES, AND FINANCIAL STATEMENTS.