

THE WARNOCK AGENCY INC

Broker/Agent Agreement

Authorities

1. The Broker / Agent may solicit and submit applications for all classes of Insurance and Surety Bonds for which a commission shall be paid. Broker / Agent must be actively licensed to transact insurance in his/her state.
2. The Broker / Agent will collect and remit premiums and receive commissions as full compensation on business placed with The Warnock Agency Inc., **(Company)** by or through the Broker / Agent. Commissions will be quoted to the Broker / Agent prior to issuance of Bonds or Policies. Company agrees to pay renewal commission to Broker / Agent on surety and insurance carrier direct bill bonds and policies.
3. The Broker / Agent is an independent contractor, not an employee of the Company. No authority is given or assumed by Broker / Agent this is not stated in Broker / Agent Agreement. Broker/ Agent shall have no authority to incur expenses on behalf of the Company.
4. The Broker / Agent is not authorized to bind the Company or to issue any bonds or policies, unless given specific surety or insurance carrier appointment and power of attorney. If Broker/Agent is directly appointed to a surety carrier through the Company, then Broker/Agent cannot exceed authority granted by surety carrier. Broker / Agent agrees to conform and comply with all underwriting guidelines and requests of surety and insurance carriers when provided a direct and/or specific appointment.
5. If fees are charged, either by the Company or by the Broker / Agent or Both, the Broker / Agent must comply with all insurance regulations regarding fees for the appropriate state, including disclosure of said fees. Broker/ Agent may not charge a fee when the fee is in violation of state regulation or surety/ insurance carrier rules.

Duties

1. The Broker / Agent shall comply with all the rules and regulations of the Company. The Broker / Agent shall comply with all underwriting and compliance rules and regulations of surety or insurance carrier.
2. The Broker / Agent must immediately notify the Company if the Broker / Agent has any knowledge of a possible, pending or filed claim.
3. Any unused Company supplies furnished by the Company to the Broker / Agent shall always remain property of the Company.
4. The Broker / Agent shall be responsible for any acts or omissions to include his/her sub-broker / agent or employee. The Broker / Agent must annually submit certificate of professional liability insurance to Company. Professional liability insurance must be maintained with a minimum coverage of \$300,000/\$600,000.
5. The Broker / Agent must annually submit proof of individual and agency insurance license renewal.

6. In the event the Company shall, either during the continuance of this Agreement or after its termination, refund premiums under any policy or bond by reason of cancellation or otherwise, the Broker / Agent shall immediately return to the Company the commission retained by him on the portion of returned premium. All accounting records of the Broker / Agent pertaining to business of the Company shall be subject to inspection at any time by an accredited Company representative.
7. It is the Broker / Agent's responsibility to insure that the bond and or policy is correct and fully fills his/her client's needs, to hold the Company harmless and to defend the Company in all matters relating to the issuance of the policy or bond on behalf of his/her client. No refund may be provided on bond or policy without the Company permission. A refund is only considered if the original bond is returned to the Company and has not been used or presented to the obligee.
8. The Broker / Agent will, during continuance of this Agreement or after its termination, remit all premiums collected.
9. The Broker / Agent agrees to non-circumvent the Company on any accounts submitted to the Company for placement by use of a Broker / Agent of Record letter or any other means and not seek direct appointment to surety or insurance carriers used by Company for two years after termination of broker/agent and Company agreement.

Premium Reporting & Accounting

The balances shown by invoice due to the Company shall be paid normally prior to the issuance of the policy or bond. On renewals, or where credit is extended, The Company reserves the right to collect delinquent premiums directly from the principal, and the Broker / Agent waives their right to any commission thereon. Whenever possible, broker/agent agrees to direct bill by surety or insurance carrier instead of agency bill.

Bond Cancellation

The Company reserves the right to cancel, direct or decline to renew, any policy or bonds, at any time.

Principal's (Insured's) Designation of Broker

1. The Company does not recognize nor accept broker of record letters from principal/insured. Broker / Agent must rewrite any policy or bond to receive commission and renewal.
2. By placing business with Company, broker/ agent confirms that principal/insured is notified that the broker of record is the Company and not the broker/ agent.

Termination

1. Either party may terminate this agreement at any time upon 30-Day written notice to the other.
2. The Broker / Agent's authority under this agreement shall only be effective during such times as the Broker / Agent is duly licensed according to law.
3. Upon termination of this Agreement it is the Broker / Agent's responsibility to render timely accounts and pay all premiums for which he may be liable, otherwise, the Company may contact the Broker / Agent's client to collect any unpaid premium.

4. Upon termination of this agreement, Broker/Agent forfeits any future renewal commission from business placed through Company.

Commissions

1. Commission level is contingent on type of bond or insurance policy issued. In all cases, commission is established prior to the issuance of bond or policy by the Company.
2. Renewal commission is established at time of renewal.
3. Commission on new and renewal commercial surety bonds when issued and underwritten through the surety carrier website is 20%. Agent / Broker agrees to use surety carrier direct bill system and to pay for surety bond at time of issuance directly to the carrier. Gross premium is to be remitted to carrier with Company to return a monthly commission check to Agent / Broker.
4. Commission on new and renewal commercial bonds when issued through the Company will vary between 10% and 20% depending on placement and underwriting requirements. Renewal commission will be between 10% and 20% also whenever a bond is placed on Company (agency) bill.
5. Contract surety commission will vary and be negotiated on a submission basis.
6. Non-standard commercial surety commission will be negotiated on a submission basis.
7. Insurance policy commission will be 5% on property and casualty new business and renewal. Insurance commissions are paid on an as-earned basis.

Conditions

1. Any Policy, Bond, Form, Application or Manual, Powers of Attorney, Seal or other records furnished by the Company for use of the Broker / Agent shall remain property of the Company and shall be returned to the Company on demand or upon termination of this Agreement. All such documents shall be returned to the Company within ten (10) working days.
2. This Agreement supercedes all previous agreements whether written or oral between the Company and the Broker / Agent and shall be effective on the date it is signed, and shall remain in full force and effect until it is suspended, superseded or terminated as provided herein.

Agreed to this _____ day of _____, 20__.

Broker/ Agent: _____

Address: _____

Phone: _____

THE WARNOCK AGENCY INC

Company: _____

Address: _____

Phone: _____