

LEVELFIRST BROKERAGE AGREEMENT

This BROKERAGE AGREEMENT (“**Agreement**”), is made by and between IIAT Services MGA, Inc. dba LevelFirst (“**LevelFirst**”) and _____ (referred to herein as “**Producer**”).

Whereas, Producer desires to place insurance contracts through companies represented by LevelFirst (those companies referred to collectively as “**Insurers**” and each an “**Insurer**”) and utilize, the underwriting facilities, knowledge, and services of LevelFirst; and

In consideration of LevelFirst placing risks of Producer’s clients (referred to herein as “**Insured**”) from time to time with an Insurer or Insurers and for mutual promises and covenants set forth in this document, LevelFirst and Producer do hereby agree as follows:

1. AUTHORITY. Producer is an agent for each applicant for insurance (“**Proposed Insured**”), and acts on behalf of each such Proposed Insured, and is not acting as an agent, subagent or broker for LevelFirst. This agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between LevelFirst and Producer. Producer is for all purposes an independent contractor.

LevelFirst shall be the sole judge of whether to accept, reject, or submit to Insurer for acceptance any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer shall have no authority to bind any Insurer for LevelFirst, commit to or issue binders, policies, or other written evidence of insurance on behalf of LevelFirst or to make representations not strictly in accordance with the provisions of the policies and contracts placed under the terms of this Agreement. Producer shall not make, alter or vary any terms of coverage, or modify terms of payment of any premium or deposit, or incur any liability for LevelFirst.

2. RESPONSIBILITY. Producer warrants and represents that Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this agreement and will furnish proof of such licensing upon request by LevelFirst. Producer will promptly notify LevelFirst of any suspension, cancellation or disciplinary action in respect of its license(s).

3. SURPLUS LINES INSURANCE. Producer shall not place an order with LevelFirst for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring the Producer to attempt to procure such insurance from insurers authorized to do business in the state of residence of the Proposed Insured. The party responsible for the payment of surplus lines taxes shall also be responsible for compliance with laws of the state pertaining to the collection and payment of surplus lines taxes, filing of affidavits, and providing the appropriate statutory and/or regulatory disclosure legends on LevelFirst documents.

4. PREMIUM AND ACCOUNTS. Producer hereby guarantees the full payment due LevelFirst of all premiums including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission, on every insurance contract bound or written for Producer pursuant to this Agreement. *Producer shall be liable to LevelFirst for the payment all premiums, fees and taxes whether or not collected by the Producer.* LevelFirst shall allow Producer to retain, as commission, a percentage of the premium written at the rate agreed upon by LevelFirst and Producer from time to time. However, LevelFirst shall have the right to offset any amounts due to LevelFirst from the Producer against any amounts due to Producer by LevelFirst.

LevelFirst's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing company. The omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for and pay all amounts due; (2) prejudice the rights of LevelFirst to collect all amounts due from Producer; and (3) extend the time within which Producer must make payment. *Producer's obligation to make payment to LevelFirst is not contingent upon the issuance of a policy.* Any credit extended to the Insured or others shall be at the sole risk and responsibility of the Producer unless agreed to in writing by LevelFirst.

5. OWNERSHIP OF EXPIRATIONS. Producer must satisfy its financial obligations to LevelFirst within thirty (30) days of the termination date of this agreement, the use and control of expirations shall remain the property of the Producer. If the Producer does not satisfy its financial obligations to LevelFirst as of or within thirty (30) days of the termination date of this agreement, LevelFirst shall have exclusive use and control of the expirations until such point as Producer has satisfied all of its financial obligations to LevelFirst.

6. FUNDS HELD IN TRUST. Producer shall hold funds in a fiduciary account for business generated under this Agreement to the extent required by the insurance laws of each state in which Producer conducts business. Producer shall be entitled to retain any interest earned on said funds while so held by the Producer, provided that Producer is in compliance with all terms of this Agreement.

7. CLAIMS. Producer shall notify LevelFirst promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with LevelFirst to facilitate the investigation and adjustment of any claim when and as requested by LevelFirst.

8. ADJUSTABLE PREMIUMS. Notwithstanding anything to the contrary herein set forth, in the event that premiums for a policy or policies, which have been issued, cannot be fully determined in advance and where an adjustment or determination is made by an audit, retrospective rating or interim reports are fully earned and due at the invoice date as evidenced by a LevelFirst or Insurer invoice. Producer will make all reasonable efforts to collect amounts due. Producer will be relieved of responsibility for premium, so adjusted or determined, provided that (i) Producer notifies LevelFirst in writing within twenty (20) days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums, and (ii) *the Insurer releases Level First of all liability for such premium.* A copy of the Producer's invoice to the Insured, as well as copies of correspondence pertaining to the collection, must be sent with this notification. Failure to give LevelFirst timely notice shall constitute Producer's acceptance of responsibility to pay such

premiums. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by LevelFirst or Insurer under this provision.

9. DIRECT COLLECTION. If, after the expiration of sixty (60) days from the date liability was assumed by the Insurer, LevelFirst has not received payment due for the applicable coverage, LevelFirst may, at its option, collect from the Insured the premium due. In the event LevelFirst collects the premium or any part thereof from the Insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by LevelFirst to collect from the Insured shall not relieve Producer of liability to LevelFirst except to the extent of amounts actually collected by LevelFirst from the Insured, less the expense of such collection.

10. CANCELLATION OF INSURANCE. LevelFirst will not recognize flat cancellations unless: (1) written evidence of coverage prior to the inception date of the contract for insurance is provided; and (2) *such credit has been granted LevelFirst by its Insurer.* Earned premium shall be computed and charged on every binder, policy or contract canceled after the inception date in accordance with the cancellation provision of the applicable contract and/or rules of the insurer. If Producer does not make timely payment of any sums due LevelFirst, then LevelFirst may, without limitation of other remedies, request that Insurer cancel the binder, policy or contract for non-payment. If coverage is bound by LevelFirst, all additional fees charged by LevelFirst for the entire policy term shall be fully earned upon binding. Producer hereby acknowledges that neither LevelFirst nor any of its Insurers, is under any duty to reinstate a policy if the policy is canceled. Producer deposits made directly to LevelFirst's lock box for payment on a delinquent account will not constitute acceptance of these funds by LevelFirst with regard to reinstating any policy being canceled. Producer shall not accept from Insured the late payment of premiums with prior knowledge, whether actual or constructive, that the policy for which the late premiums have been collected is canceled.

11. UNEARNED COMMISSIONS. Producer shall be liable to LevelFirst and shall pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or the finance company (the "**Finance Company**") if such premium has been financed by the Insured. Such return commission shall be paid to Level First by the due date indicated on the billing document. If a return premium becomes due under any contract of insurance and LevelFirst has been issued a credit or payment has been rendered for such premium by the Insurer, LevelFirst will pay to Producer such return premium less the unearned portion of any commission previously retained by the Producer.

12. FINANCED PREMIUMS. On all premiums which have been financed LevelFirst will remit payment for any return premium, less unearned commission, directly to the Finance Company unless otherwise specified. The ultimate liability of LevelFirst for payment to the Finance Company, Producer or Insured shall never exceed the amount of return premium less unearned commission developed. Producer agrees to indemnify and hold LevelFirst harmless from any responsibility for payment to the Finance Company and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premium by the Producer.

13. RECORDS. Producer shall keep true and complete records and accounts of all transactions with Insured and LevelFirst. Such records shall be available for inspection by duly authorized representatives of LevelFirst at all reasonable business hours, upon reasonable notice.

14. ADVERTISING. Producer shall not cause any advertisement referring to or using the name of LevelFirst or Insurer, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of LevelFirst. In the event LevelFirst suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for and hereby agrees to indemnify LevelFirst and hold LevelFirst harmless from all resulting damages, fines, penalties and costs.

15. WAIVER OR DEFAULT. Failure of LevelFirst to enforce any provision of this Agreement or to terminate it because of a breach hereof shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer.

16. SEVERABILITY. If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the Agreement shall be enforceable independently of any other provision unless expressed otherwise herein.

17. NO RESPONSIBILITY OR GUARANTEE. Producer understands that LevelFirst assumes no responsibility toward any policy with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold LevelFirst harmless from any claim asserted against LevelFirst in following the instructions of the Producer. LevelFirst is not an insurer and does not guarantee the financial condition of the Insurers with whom it may place risks. LevelFirst shall have no liability for non-payment of claims due to the insolvency of an Insurer, or otherwise, under contracts of insurance placed by LevelFirst.

18. PRIVACY POLICY. Producer shall neither disclose nor use Nonpublic Personal Information; as such term is defined in the Gramm-Leach-Briley Act, 15 U.S.C. Section 6801 et. seq. and the applicable state insurance laws and regulations enacted or adopted pursuant to the Gramm-Leach-Briley Act (individually and collectively, the “**Gramm Act**”), that is received from or collected on behalf of LevelFirst, except as necessary to permit the Producer to perform its duties under this Agreement, or as otherwise permitted or authorized by the Gramm Act. The Producer shall also implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of such Nonpublic Personal Information.

19. TERMINATION OF AGREEMENT. This Agreement may be terminated by either party giving thirty (30) days written notice of termination to the other. This Agreement will also terminate: (i) automatically, if any public authority cancels or declines to renew the Producer’s license or certificate of authority, (ii) automatically, on the effective date of the sale, transfer, or merger of Producer’s business with the provision LevelFirst may, upon review, appoint the successor as a Producer, or (iii) immediately, upon either party giving written notice to the other of termination because of fraud, insolvency, failure to pay balances, or willful or gross misconduct. All representations and indemnity obligations of the Producer provided herein shall survive the termination of this Agreement.

After the termination of this Agreement, the Producer shall complete the collection and accounting to LevelFirst for all premiums, commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding policies of insurance, including but not limited to, return premium and return commissions. Outstanding policies will be permitted to run to expiration.

20. ERRORS AND OMISSIONS COVERAGE. Producer has and shall maintain insurance agent's Errors and Omission coverage with a minimum policy limit of one million dollars (\$1,000,000) while this Agreement is in force and will furnish proof of such coverage upon request by LevelFirst. Producer will provide LevelFirst with prompt written notice of any change, cancellation or other termination of such policy.

21. NO REBROKERING. Producer shall not act as an underwriter, rebroker or double broker for any application or policy underwritten pursuant to this Agreement without the express written consent of Level First.

22. MARKETING TERMS. Producer hereby consents to LevelFirst periodically communicating with Producer via faxes and emails for product and service updates and general announcements. These communications will cease upon the termination of this Agreement by either party or upon written notice from Producer to Level First to opt out of receiving such communications.

23. HOLD HARMLESS. Producer agrees to jointly and severally indemnify, defend and hold harmless LevelFirst, its Insurer(s), and any and all of LevelFirst's affiliates (LevelFirst, Insurer(s) and LevelFirst's affiliates referred to herein, individually or collectively, as the "**Indemnified Party**") against any and all claims, demands, losses, expenses, liabilities and damages of whatever nature, including interest, penalties and attorney fees the Indemnified Party shall incur, which result from, arise out of, or relate to Producer's duties, acts, omissions, obligations, representations or performance under this Agreement, or relate to any dispute, including allegations of negligence or other unlawful conduct including violation of insurance regulations or laws alleged by any governmental authority, including but not limited to the state department of insurance having jurisdiction thereof, or consumer protection and privacy laws (including, but not limited to, the Fair Credit Reporting Act and the Gramm Act) on the part of Producer and its' agents, employees or representatives.

LevelFirst agrees to jointly and severally indemnify, defense and hold harmless Producer, its agents, and any and of producer's affiliates (producer, agents, and producer's affiliates referred to herein, individually or collectively as the "**Indemnified Party**") against any and all claims, demands, losses, expenses, liabilities and damages of whatever nature, including interest, penalties and attorney fees the Indemnified Party shall incur, which results from, arise out of, or relate to LevelFirst's duties, acts, omissions, obligations, representations or performance under the agreement, or relate to any dispute including allegations of negligence or other unlawful conduct including violation of insurance regulations or laws alleged by governmental authority, including but not limited to the state department of insurance having jurisdiction thereof, or consumer protection and privacy laws (including, but not limited to, the Fair Credit Reporting Act and Gramm Act) on the part of LevelFirst and its agents, employees, or representatives.

24. ALTERNATIVE DISPUTE RESOLUTION. THE PARTIES TO THIS AGREEMENT HEREBY EXPRESS THAT ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN THE PARTIES HERETO, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ITS INTERPRETATION, PERFORMANCE OR BREACH, SHALL BE, RESOLVED EXCLUSIVELY BY THE FOLLOWING DISPUTE RESOLUTION MECHANISMS:

a) Negotiation. The parties hereto shall first engage in a good faith effort to negotiate any such controversy or claim by communications between them. Said negotiations may be oral or written. To the extent they are oral, they must be confirmed in writing.

b) Mediation. Should the above-stated negotiations be unsuccessful, the parties shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules, or such other mediation rule as the parties may otherwise agree to choose.

c) Arbitration. Should the above-stated mediation be unsuccessful, the parties shall agree to arbitrate any such controversy or claim with the express understanding that this Agreement is affected by interstate commerce in that the goods and services which are the subject matter of this Agreement pass through interstate commerce. Said arbitration shall be conducted pursuant to the American Arbitration Association Commercial Arbitration Rules or such other arbitration rule as the parties may otherwise mutually agree to choose.

d) Injunctive Relief. Notwithstanding anything to the contrary herein, either party shall have the right to apply at any time to a court of competent jurisdiction to enjoin any breach of this Agreement that would be deemed material and would result in immediate and irreparable injury to the other party, which is, not properly or completely compensable by damages in an action at law, and to recover all costs of such action, including reasonable attorney's fees. All of the rights and remedies of either party hereunder shall be cumulative and not alternative.

THE PARTIES UNDERSTAND AND AGREE: (i) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (ii) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; AND (iii) THAT THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING, AND (iv) EITHER PARTY'S RIGHT OF APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS, IS STRICTLY LIMITED.

THE VENUE FOR MEDIATION AND/OR ARBITRATION UNDER THIS PARAGRAPH SHALL BE IN THE CITY OF DALLAS, STATE OF TEXAS.

25. GOVERNING LAWS. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Texas. The rights, duties and obligations of the parties to this agreement to such extent they are not dealt with specifically or by necessary implication in this instrument shall be in accordance with the customs prevailing, in the surplus lines and special risks insurance business in the state in which the Producer is domiciled.

26. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between LevelFirst and Producer and supersedes and replaces any previous agreements between LevelFirst

and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by LevelFirst. This Agreement shall apply to current policies already placed through LevelFirst and in force at the date hereof and all future policies which may be placed by LevelFirst for Producer.

27. EXECUTION AND ACCEPTANCE OF AGREEMENT. Producer acknowledges that a breach of any of the terms, conditions, or provisions of this Agreement by the Producer may give rise to a cause of action by LevelFirst against the Producer and/or may result in disciplinary action by LevelFirst, including but not limited to, the termination of this Agreement, all in the sole discretion of LevelFirst. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs. If the Producer is an individual, the individual must sign; if the Producer is a partnership, one of the partners must sign; if the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. The parties hereto agree this Agreement shall not become effective until accepted by LevelFirst.

IN WITNESS WHEREOF, this Agreement is executed by the parties hereto on the last date set forth below.

PRODUCER: _____

BY: _____

TITLE: _____

(Must be Owner, Partner or Authorized Officer)

DATE: _____

Agreement Accepted and Effected by LevelFirst.

BY: _____

TITLE: _____

DATE: _____

Please complete, sign and return **ORIGINAL AGREEMENT** along with the following:

Copy of your **INSURANCE LICENSE** issued by your state of residence

Copy of your **E & O POLICY DEC PAGE**.

Completed **CONFIDENTIAL PRODUCER PROFILE**.

Please check one: Corporation [] Partnership [] Sole Proprietorship []

Federal Tax I.D. Number: _____ (SS Number if Individual)

Surplus Lines License Number: _____ (If applicable)