

11221 Roe Ave., Ste. 100 ǀ Leawood, KS 66211

Phone: 913.333.3380 ǀ www.broker-source.com

**BROKER'S AGREEMENT**

**THIS AGREEMENT**, executed this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ between Broker Source, Inc., a Kansas corporation, hereinafter called the "Company"; and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter called the "BROKER". Wherein it is mutually agreed as follows:

1. **APPOINTMENT AND RELATIONSHIP**. The Broker is hereby appointed an Broker of the Company and is authorized to solicit in person (or through his employees or Sub-Brokers), applications for insurance for the Company, to forward same to the Company for approval or rejection, and to collect the initial premium payments due on such applications. The Broker shall be free to exercise his own judgment as to the persons from whom he will solicit applications, and the time and place of solicitation, subject to the provisions as contained herein; it being expressly agreed that the relationship of the Broker with the Company shall be that of an Independent Contractor only, and that nothing contained herein shall be construed to create the relationship of employer and employee. The Company may from time to time prescribe rules respecting the requirements for eligibility for applicants for insurance, not interfering with freedom of action of the Broker, which rules shall be observed and conformed to by said Broker. The general transactions of business will be governed by the Company rules which may be changed, altered or amended from time to time by the Company.
2. **COMMISSIONS**.
   1. Broker's Commissions. Subject to the conditions of this Agreement, as full compensation for all services rendered and expenses incurred by Broker, the Company will pay Broker first year and renewal commissions at the rates provided and subject to the terms and conditions contained in the Schedule of Commissions provided to Broker from time-to-time. The Schedule of Commissions in affect as of the date hereof, is attached as Schedule A and may be changed, affective upon mailing written notice to Broker by the Company, and any subsequent applications solicited by Broker shall be affected by such changes. These commissions will accrue on premiums paid in cash to us for policies issued from applications procured by Broker while this Agreement is in affect and shall be subject to repayment in the event of policy cancellations prior to the expiration date thereof.
   2. Sub-Broker's Commissions. The Company will directly pay commissions to Broker's Sub-Brokers (as hereinafter defined) according to the Schedule of Commissions attached to each Sub‑Broker's Agreement with the Company. By making such payments the Company will discharge the Company's obligations to Broker and Broker's Sub-Brokers to the extent of such payments. To the extent commissions vest under this Agreement and the Broker Agreement of Broker's Sub‑Brokers, there will be no remittance to Broker of commissions due your Sub-Brokers.
   3. Regular Statements. On a prompt and timely basis, Company will make available to Broker statements of Broker and its Sub-Brokers' earnings, commissions, charges and reductions of repayment of indebtedness, in written or electronic format at the Company's discretion. The Company must be notified in writing of any disputed amounts or transactions within sixty (60) of the transaction date. No amounts or transactions may be disputed by the Broker more than sixty (60) days after the transaction date.
3. **TERRITORY**. Broker shall have no exclusive territories. The Broker's territory is any state in which both Broker and the Company are authorized to do business.
4. **RECRUITING AND CONTRACTING SUB-BROKERS**. The Broker is authorized to recruit and recommend to the Company soliciting Brokers, herein called "Sub-Brokers." As a "General Broker" you have additional rights and responsibilities to solicit applications for policies described in the Schedule of Commissions through your Sub-Brokers appointed with Company's approval, recruit Sub-Brokers to solicit applications for policies, and provide training and support to your Sub-Brokers. All Sub-Brokers shall be required to execute an Broker's Agreement prior to commencing soliciting clients. The General Broker shall exercise proper supervision to assure the faithful performance by your Sub-Brokers of their Broker Agreements and repay in full amounts owed the Company by their Sub-Brokers upon demand by the Company.
5. **BROKER'S APPOINTMENT AND LICENSE**. The Broker shall be responsible for securing a license to sell insurance from the State in which said Broker solicit insurance and shall renew such license from year to year. The Broker shall maintain an Broker's appointment for himself with the Company to solicit insurance while this Agreement is in effect and shall pay all Broker's licenses, fees or taxes, required by any state or municipal laws upon the Broker's right to solicit or sell insurance in the territory covered by this Agreement. Upon request, Broker shall provide the Company with a copy of all of Broker's licenses.
6. **LIMITATION OF AUTHORITY**. The Broker shall have no authority other than expressly granted herein, and no forbearance or neglect on the part of either the Broker or the Company shall be construed as a waiver of any of the terms of this Agreement or imply the existence of any authority not expressly granted herein. The Broker is not authorized to make any agreement or incur any debt in the name of the Company, nor to make, modify or amend any application for insurance or any policy of insurance; nor extend the time for making any payment which may become due on any policy; nor to waive any of the rights or privileges under any policies or applications; nor to collect for premiums other than the initial premiums with applications for insurance.
7. **INDEBTEDNESS**. In order to secure the full and prompt payment of any and all indebtedness of Broker or Broker's Sub-Brokers to the Company or guaranteed by either of them, the Company is hereby granted a security interest in first lien on any monies due at any time under the Schedule of Commissions or any applicable addendum. In addition to any statutory or other legal basis, the Company will have the right of offset and, at any time, may deduct from any monies, or other rights due Broker, such indebtedness together with interest at the maximum rate allowed by law and any attorney's fees and collection costs incurred by the Company.
8. **TERMINATION WITHOUT CAUSE**. Subject to the applicable state law, either party may terminate this Agreement without cause, upon written notice to the other party at such party's address as set forth in this Agreement. The termination shall be effective upon the date stated for such termination in the written notice unless the applicable state law provides otherwise. In addition, this Agreement shall automatically terminate: in the event of the death of the Broker; upon the Broker's failure to acquire or continually maintain all licenses required by law; in the event of Broker's bankruptcy or the assignment by Broker for the benefit of Broker's creditors; or upon the termination of the Broker Agreement of Broker's General Broker if Broker is a Sub-Broker. Termination under this paragraph will not impair Broker's contractual rights to commissions under the term of the Schedule of Commissions.
9. **TERMINATION FOR CAUSE**. This Agreement may be terminated by the Company for cause if the Broker: withholds any funds, commissions or any other compensation payable that should have been transmitted to the Company; withholds any premium, receipts, documents, correspondence or any other funds that should have been transferred to the Company; fails to comply with the material terms of this Agreement or Company's stated rules and regulations, fails to comply with state insurance laws or regulations where Broker is licensed; causes or attempts to cause any of Company's employees or other Brokers to discontinue their association with the Company; falsifies or alters material information provided to the Company or fails to provide any material information to the Company upon request. Upon termination with cause Broker will have no further rights under this Agreement to any commissions, or other compensation otherwise payable under the terms of this Agreement and the Schedule of Commissions. The termination for cause will be effective upon us sending Broker a written notice of termination specifying the reason therefore under the provisions of this paragraph.
10. **REFUNDS**. The Broker shall make prompt refund of all money collected on any application by him on which the Company declines and on any application on which a policy is accepted by the applicant. The Company shall at all times have the right to reject applications for insurance without specifying cause If any premiums shall be refunded by the Company for any reason or cause either before or after termination of this Agreement, the Broker shall repay to the Company on demand all commissions previously paid on that premium.
11. **COMPANY'S RESERVATION OF RIGHTS**. With reasonable notice to Broker, we specifically reserve the right, among other rights, to: discontinue brokering policies of insurance for any carrier; implement and modify rules and regulations of the Company; cease doing business in any state or geographic defined area; modify any Schedule of Commissions; or make periodic revisions to this Broker Agreement and addendum or addendum thereto, provided such periodic revisions are made to all existing Broker's Agreement in force at the time of such revision.
12. **INDEMNIFICATION**. Broker shall be responsible for its acts of omissions and the acts and omissions of its employees and Sub-Brokers. Broker will indemnify and hold the Company harmless from any loss or expense (including attorney's fees and collection costs) resulting from any acts or omissions of Broker's employees or Sub-Brokers. This indemnification shall include any monetary fines or forfeitures and associated administrative costs imposed by any federal or state regulatory body by way of administrative order or consent order or decree. Since the Company will be entering into Broker Agreements with Broker's Sub-Brokers, Broker is responsible for and will indemnify the Company for any acts or omissions of Broker's Sub-Brokers to the same extent as for Brokers personal acts. The Company reserves the right to withhold any amounts due from Broker under this paragraph from commissions payable to Broker.
13. **ASSIGNMENTS**. The Agreement is not transferable. No assignment of commissions or renewal commissions hereunder shall be valid unless authorized in advance in writing by the Company. Any assignment so authorized shall be subject to any and all indebtedness of the Broker to the Company then existing or thereafter accruing.
14. **MISCONDUCT**. After termination of this Agreement, if the Broker at any time thereafter: wrongfully withholds any funds belonging to an applicant for insurance, or a policy holder, or the Company; induces any policy holder to lapse, relinquish or surrender a policy brokered through the Company; induces an Broker of the Company to terminate its Broker's Agreement; fails to comply with the State Insurance Laws or Regulations under which he is licensed; maintain Broker's state insurance licenses; or fails to provide, at least quarterly (and upon request), the Company with evidence that Broker has policies of insurance in force for Broker's errors or omissions in compliance with appropriate state laws and in amounts satisfactory to the Company, then no renewal commissions, whether vested or otherwise, shall thereafter be payable to the Broker under this Agreement.
15. **SUPPLIES AND ADVERTISING**. All printed matter or other supplies furnished the Broker by the Company are the property of the Company and shall be promptly returned to the Company upon termination of this Agreement. No circulars, advertisements or other matter shall be published, printed, distributed or used in any way by the Broker until the same shall first have been approved in writing by the Company.
16. **SOLE AGREEMENT**. This Agreement shall take effect as of the date first above written and covers and includes all agreements between the parties hereto, and supersedes any and all previous contracts and agreements between the parties hereto, it being understood however that any commissions or renewal commissions due or to become due the Broker under any previous contracts or agreements shall not be affected hereby, and that any indebtedness by said Broker to the Company and any liens created in connection therewith shall continue in full force.
17. **AMENDMENTS**. Except for the Company's right to amend this Agreement as provided in paragraph 11 hereof, this Agreement may only be amended in writing executed by the Company and the Broker.
18. **GOVERNING LAW**. This Agreement shall be governed in accordance with the laws of the State of Kansas.

IN WITNESS WHEREOF, this Agreement has been signed by the parties hereto.

**BROKER COMPANY**

BROKER SOURCE, INC.

Broker Printed Name

By By

Broker Signature Company Signature

Cell / Business Phone No.

E-mail Address

**PERSONAL GUARANTY**

(Personal Guaranty required by principal or Broker)

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged and to induce the Company to execute this Broker's Agreement, the undersigned for his/her self, heirs, executors, representatives, successors and assigns ("Guarantor") unconditionally guarantees the performance and the obligations of the Broker pursuant to the terms and conditions of this Broker's Agreement. Guarantor agrees, without notice or the consent of Grantor and without affecting or impairing the obligation of Guarantor hereunder, that the Company may modify this Broker's Agreement as provided therein, and no waiver or failure to enforce any of the terms, covenants or conditions contained in this Broker's Agreement shall release Guarantor's obligations hereunder.

Individual Guarantor

Print Name

Address

Cell / Business Phone No.

E-mail Address