



## Broker Agreement

This Agreement is made on the \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_ by and between **Sterling & Sterling, Inc.** hereinafter referred to as "*Sterling & Sterling, Inc.*" and \_\_\_\_\_, licensed by the State of \_\_\_\_\_, as a Broker under License Number \_\_\_\_\_, hereinafter referred to as "*Broker*".

Whereas the *Broker* desires to place business with *Sterling & Sterling, Inc.*, and *Sterling & Sterling, Inc.* desires to make its facilities available to the *Broker* in cases where the terms are mutually agreeable.

The parties are now, therefore, bound by the following:

A. PAYMENT OF PREMIUMS:

1. The *Insured* will be billed on a per Insured basis. The scheduled premium will be due and payable fifteen [15] days after the effective date.
2. Financing is available to each Insured through First Insurance Funding Corp. If the Insured elects to finance the premium, a Finance Agreement must be signed and executed prior to fifteen [15] days after the effective date. The Finance Agreement must be accompanied by the *Insured* down payment check, in the amount as indicated in the finance agreement, payable to *Sterling & Sterling, Inc.* The insured will be billed directly by the Finance Company for the balance of the premiums due, on a monthly basis, or as otherwise indicated on the Agreement.
3. All premiums, including advance, deposit, estimated, minimum, developed or otherwise; received by or paid to the *Broker* by the Insured shall be segregated, held apart by, chargeable to the *Broker* in a fiduciary capacity as trustee for *Sterling & Sterling, Inc.* until paid to *Sterling & Sterling, Inc.*; however, nothing herein shall be deemed a waiver or release of Insured's obligation to pay for the insurance coverage placed by the *Broker* on behalf of the Insured.
4. Notwithstanding anything contained in this Agreement, the *Broker* shall not be responsible for the collection or payment of any interim or final additional premiums developed by audit or any interim installment if the *Broker* notifies *Sterling & Sterling, Inc.* in writing within 20 days of *Sterling & Sterling, Inc.*'s initial date of billing *Broker* for such premiums that they cannot be collected by the *Broker*.

B. CANCELLATIONS:

1. No policy, certificate, binder or cover note will be cancelled flat, unless returned prior to the effective date or as otherwise agreed.
2. Cancellation, unless requested by *Sterling & Sterling, Inc.*, or otherwise agreed to, will be computed on Standard Pro Rate basis.

C. NOTICE OF EXPIRATION:

1. *Sterling & Sterling, Inc.* shall be under no obligation to give *Broker* advance notice of the expiration of any policies of insurance, which *Broker* procures from time to time through the facilities of *Sterling & Sterling, Inc.* *Sterling & Sterling, Inc.* will use its best efforts to give *Broker* reasonable advance notice of the expiration of said policies of insurance, but the failure of *Sterling & Sterling, Inc.* to provide such notice shall not render *Sterling & Sterling, Inc.* liable to *Broker* and *Sterling & Sterling, Inc.* shall in no way be responsible for the failure to notify *Broker* of the expiration date of any policy.

D. BROKER NOT AGENT REPRESENTATIVE:

1. *Broker* is not an employee, agent or authorized representative of *Sterling & Sterling, Inc.* or of any insurer(s) represented by *Sterling & Sterling, Inc.*
2. *Broker* has no authority to accept or bind risks on behalf of *Sterling & Sterling, Inc.* or any insurer represented by *Sterling & Sterling, Inc.*
3. *Broker* has no authority to handle claims, occurrence or circumstance other than to notify *Sterling & Sterling, Inc.* of their occurrence, which *Broker* undertakes to do immediately and in writing upon his knowledge of same.
4. Notice to *Broker* of change in a risk does not constitute notice to *Sterling & Sterling, Inc.* or the insurer(s). *Broker* is not authorized to alter policies or endorsements issued by *Sterling & Sterling, Inc.*. *Broker* agrees to immediately notify *Sterling & Sterling, Inc.* in writing of any material change in risk.
5. No act or statement of the *Broker* shall in any way be binding on *Sterling & Sterling, Inc.* or any insurer represented by *Sterling & Sterling, Inc.* unless *Broker* shall have first received prior written approval from *Sterling & Sterling, Inc.* to so act or state.

E. WARRANTIES:

1. *Broker* warrants that he is properly licensed for the classes of business to be conducted and the coverages of insurance to be procured through the facilities of *Sterling & Sterling, Inc.*

2. *Broker* shall maintain proper and adequate licensing under the laws of all states where it does business for the sale and servicing of insurance sold through the broker on behalf of *Sterling & Sterling, Inc.* *Broker* agrees to make copies of all such licenses available within 7 days notice of a written request by *Sterling & Sterling, Inc.* *Sterling & Sterling, Inc.* shall maintain proper and adequate licensing under the laws of all states where it does business for the sale and servicing of insurance sold by *Broker* through *Sterling & Sterling, Inc.* Failure to maintain all such licenses shall result in an obligation on behalf of *Sterling & Sterling, Inc.* to indemnify *Broker* for all fines, penalties and/or costs or damages resulting from such lack of proper licenses.
3. The Parties shall at all times maintain errors and omissions insurance with admitted insurers rated not less than "A" by A.M. Best Company's, and with limits of liability not less than \$1,000,000 Per Claim. *Broker* agrees to make copies of all errors and omissions certificates and policies available within 7 days notice of a written request by *Sterling & Sterling, Inc.*

#### F. APPLICABLE LAW

It is understood and agreed that the law to be applied to this agreement shall be the law of the State of New York, and the venue for the resolution of any dispute between the Parties shall be in the Supreme Court, State of New York, County of Nassau.

#### G. INDEMNITY

1. To the fullest extent permitted by law, *Broker*, and on behalf of its employees, agents, SubBrokers, vendors and suppliers, agrees to indemnify and hold harmless *Sterling & Sterling, Inc.*, *Sterling & Sterling, Inc.*' respective Affiliates, Officers, Partners, Agents, Employees, Servants and Assignees, ("*Sterling & Sterling, Inc.*") from and against all liability, claims and demands, or liability arising out of the performance, or lack of performance, by *Broker*, its Brokers and *Broker's* Sub-Brokers, ("*Brokers*") their respective Employees and Agents, from and against all claims, obligations, fines, liens, penalties, actions, damages, liabilities, costs, charges and expenses in connection with and/or arising from or out of performance of *Broker*, under this Agreement or due to any fraudulent, wrongful, negligent, willful act, error, omission, breach of contract, by *Brokers*. It is understood that this Indemnity shall not apply to claims caused solely by *Sterling & Sterling, Inc.*'s negligence. *Broker* shall, at its own expense, defend any and all actions brought against *Sterling & Sterling, Inc.* based thereon and shall pay all attorney's fees and all other expenses, including *Sterling & Sterling,*

*Inc.*' expenses, and promptly discharge any judgments arising therefrom.

2. To the fullest extent permitted by law, *Sterling & Sterling, Inc.*, and on behalf of its employees, agents, SubBrokers, vendors and suppliers, agrees to indemnify and hold harmless Broker, Broker's respective Affiliates, Officers, Partners, Agents, Employees, Servants and Assignees, ("Broker") from and against all liability, claims and demands, or liability arising out of the performance, or lack of performance, by *Sterling & Sterling, Inc.*, their respective Employees and Agents, from and against all claims, obligations, fines, liens, penalties, actions, damages, liabilities, costs, charges and expenses in connection with and/or arising from or out of performance of *Sterling & Sterling, Inc.*, under this Agreement or due to any fraudulent, wrongful, negligent, willful act, error, omission, breach of contract, by *Sterling & Sterling, Inc.* It is understood that this Indemnity shall not apply to claims caused solely by Broker's negligence. *Sterling & Sterling, Inc.* shall, at its own expense, defend any and all actions brought against Broker based thereon and shall pay all attorney's fees and all other expenses, including Broker's expenses, and promptly discharge any judgments arising therefrom.

H. Ownership of Business:

The expirations and business which *Broker* places or submits to the *Sterling & Sterling, Inc.* are the property of *Sterling & Sterling, Inc.*

I. TERMINATION OF AGREEMENT:

This agreement may be terminated at any time by mutual consent. It may also be terminated by either party at any time with or without cause upon written notice sent by "certified" or "registered" mail to the other party.

All commissions earned during the policy term will be paid.

Broker's email address: \_\_\_\_\_

Broker's phone number: \_\_\_\_\_

The parties hereto intending to be legally bound hereby have affixed their hands this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
Witness

BY: \_\_\_\_\_  
Broker

Please attach copy of Broker's License and Certificate of Insurance Evidencing E&O Limits of no less than \$1,000,000.

\_\_\_\_\_  
Witness

Sterling & Sterling, Inc.  
By: \_\_\_\_\_