

BROKERAGE AGREEMENT



W-A-Schickedanz Agency, Inc.

Managing General Agents / Surplus Lines Brokers

300 West Main Street • P.O. Box 445 • Belleville, Illinois 62222

(618) 233-0644 • 1-800-869-9976 • Fax: (618) 233-0672

BROKERAGE AGREEMENT

AGREEMENT between _____

of (address) _____
(hereinafter called "Producer") and W. A. Schickedanz Agency, Inc. (hereinafter called "WAS").

WHEREAS: Producer desires to procure, from time to time, for his clients various insurance coverages through the facilities of WAS, and

WHEREAS: WAS desires to make its facilities available to Producer in cases where the terms are mutually agreeable,

NOW, THEREFORE, the parties agree as follows:

A. SCOPE OF AGREEMENT:

The agreement governs the relationship between WAS and Producer, and is binding upon the parties and their respective heirs, successors and assigns. It is further understood that this agreement replaces any prior agreement between the parties, constitutes the entire agreement of the parties, and may not be changed unless in writing and signed by the parties. Nothing contained in this agreement is intended to infer a responsibility on WAS to accept or the Producer to place business with WAS.

B. COMMISSIONS:

- 1) WAS will allow Producer commission at such rates as are agreed from time to time by the parties hereto.
- 2) In the event of return premium becoming due for any reason whatsoever, Producer shall refund any unearned commission to WAS at the same rate at which commission was originally allowed.

C. PAYMENT OF PREMIUMS:

- 1) WAS will render Producer a Statement of Premiums due by the 15th day of each month, showing all transactions for the previous month, and Producer shall make payment to WAS not later than the end of the calendar month in which the statement is received for the balance shown thereon to be due.
- 2) Producer agrees that any extension of credit by Producer to its client or to any other person is solely at its own risk, and Producer shall pay to WAS all sums due WAS when due, whether or not Producer has collected such monies from others who may owe Producer. Furthermore, Producer recognizes that in agreeing to pay WAS, Producer does so as an original undertaking on his/her own part, and not as guarantor or surety of another's obligation.
- 3) Producer agrees that the Producer will be responsible for the payment of any minimum earned premium and policy fees on any policy issued at the direction of the Producer. Should the Producer order a policy without securing payment from its client, the Producer does so at its own risk, and failure to collect same from said client will not relieve the obligation of the Producer to WAS.
- 4) Should any premium become delinquent (more than 30 days past due date), said premiums will accrue interest at the rate of 1½% per month (18% annually) from the original due date.
- 5) Should WAS require the services of an attorney to effect collection of premiums, Producer agrees to pay costs incident thereto, including reasonable attorney's fees incurred by reason of such action or proceeding.

- 6) If Producer is a corporation or limited liability corporation, its principals or authorized representatives, by accepting and executing this agreement, personally guarantee the obligations, if any, that the Producer assumes under this agreement.

D. CANCELLATIONS:

- 1) No policy, binder or cover note will be cancelled flat without specific authorization of an officer of WAS.
- 2) Notwithstanding the return of an original policy for cancellation, cancellation will not be effective until sufficient time has elapsed for proper notification of mortgagees, certificate holders, public utility regulatory bodies, etc., in cases where such notice is required.
- 3) Cancellation, unless requested by WAS, will be computed on standard Short Rate Tables.

E. NOTICE OF EXPIRATION:

Any custom or usage to the contrary notwithstanding, WAS shall be under no obligation to give the Producer advance notice of the expiration of any policies of insurance which the Producer procures through the facilities of WAS. WAS will use its best efforts to give the Producer reasonable advance notice of the expiration of said policies of insurance, but failure to provide such notice will not render WAS liable to Producer, and WAS shall in no way be responsible for the failure to notify Producer of the expiration date of any policy of insurance.

F. PRODUCER NOT AGENT OR REPRESENTATIVE:

- 1) Producer is not the employee, agent or representative of WAS or of any insurer(s) represented by WAS.
- 2) Producer has no authority to accept or bind risks on behalf of WAS or any insurer(s) represented by WAS without specific written consent of WAS.
- 3) Producer has no authority to handle claims other than to notify WAS of their occurrence which the Producer undertakes to do immediately upon Producer's knowledge of same.
- 4) Notice to Producer of change in a risk does not constitute notice to WAS or the insurer(s).
- 5) No act or statement of Producer shall in any way be binding on WAS or any insurer(s) represented by WAS unless Producer shall have first received prior written approval from WAS to so act or state.

G. DUTIES OF PRODUCER:

- 1) Producer acknowledges its duty to fully inform all clients of the terms, conditions, exclusions and limitations of any insurance placed through WAS. Producer further acknowledges its responsibility to request proper coverage for its clients, review all quotes, policies and binders for accuracy and keep Producer's clients fully informed.
- 2) Producer acknowledges its duty to obtain fully completed and signed applications, policy fee notices, surplus lines affidavits and any other documentation necessary to issue policies of insurance. Failure to provide such documentation by the Producer in the time frame prescribed by WAS may result in penalties to the Producer, including, but not limited to, a reduction in commissions or cancellation of policies.

H. OWNERSHIP OF EXPIRATIONS:

- 1) The parties agree that, in the event of termination of the agreement and the Producer having accounted for and paid all premium for which the Producer may be liable, the Producer's records and use and control of expirations shall remain the property of the Producer; otherwise the right and title to the records and the use and control of expirations shall become the property of WAS.
- 2) The Producer will not be considered in default on its obligation to account for and pay to WAS premiums if there is an honest difference of opinion as to the amount due, provided the Producer has promptly accounted for and paid to WAS all items about which there is no dispute.

I. PRODUCER'S WARRANTY:

- 1) Producer warrants that Producer is properly licensed for the classes of business to be conducted and the coverages of insurance to be procured through the facilities of WAS.
- 2) Producer warrants that it will maintain, at all times this agreement is in effect, Errors and Omissions coverage for itself and its producers and employees with a limit of insurance of not less than \$500,000. A copy of the policy or confirmation of coverage will be submitted annually to WAS. This agreement will automatically terminate in the event the Producer fails to provide the required confirmation of coverage.

J. INDEMNIFICATION:

Producer shall indemnify and hold WAS harmless from and against any and all claims, suits, actions, loss or expense, including legal fees which WAS may incur directly or indirectly, as a result of any act, error or omission, or breach of this agreement by the Producer. In addition, WAS shall indemnify and hold Producer harmless from and against any and all claims, suits, actions, loss or expense, including legal fees which the Producer may incur directly or indirectly, as a result of any act, error or omission, or breach of this agreement by WAS.

K. TERMINATION OF AGREEMENT

- 1) This agreement may be terminated by written notice by the Producer at any time.
- 2) WAS agrees to provide thirty (30) days written notice of termination to the last known address of the Producer. However, this agreement is subject to immediate termination by WAS upon Producers breach of any of the provisions of this agreement including, but not limited to, Producer's failure to turn over funds as outlined in C. PAYMENT OF PREMIUMS above, the violation by Producer of any statute or regulation of any regulatory body, or such other reason as determined solely by WAS.

The Parties hereto, intending to be legally bound, have affixed their hands and seals this _____ day of _____ (year) _____.

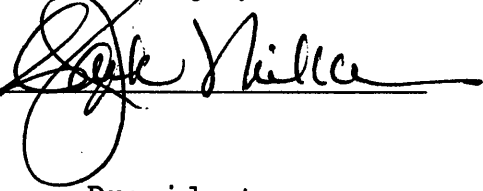
Witness

Producer

By _____

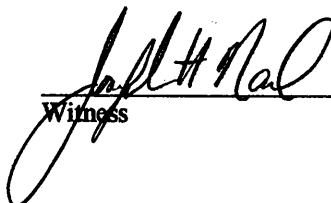
Title

W. A. Schickedanz Agency, Inc.

By  _____

President

Title



Witness



W-A-Schickedanz Agency, Inc.

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PRODUCER INFORMATION FORM

1. AGENCY NAME (Including Trade Name): _____

a) Authorized Producers: _____

2. ADDRESSES:

a) Street _____
(Street) (City)

b) Mailing _____
(P.O. Box) (City)

(County) (State) (Zip)

3. TELEPHONE #: () _____ FAX #: () _____
E-MAIL ADDRESS: _____ WEB SITE: _____

4. TYPE OF ORGANIZATION:

Proprietorship _____ Partnership _____ Corporation _____

5. TAX I.D. #: _____
(Either Federal I.D. # or Social Security #)

6. LICENSING: Please include copy of Illinois "Insurance Firm" License (if applicable)
and all other authorized producers' licenses

7. ERRORS & OMISSIONS INSURANCE:

a) NAME OF INSURER: _____

b) EXPIRATION DATE: _____

PLEASE INCLUDE COPY OF E & O DECLARATION PAGE OR YOUR
INSURER'S CERTIFICATION OF COVERAGE

8. INSURANCE PRODUCER'S BOND:

a) NAME OF INSURER _____

b) BOND # _____

c) BOND PENALTY - \$ _____ (In Illinois your bond must be
equal to 5% of the premiums brokered with markets you do not
represent as an agent.)

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do NOT
send to the IRS.

Please print or type

Name (if a joint account or you changed your name, see Specific Instructions on page 2.)

Business name, if different from above. (See Specific Instructions on page 2.)

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other ▶

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 2.
Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Social security number

--	--	--	--	--	--	--	--	--	--

OR

Employer identification number

--	--	--	--	--	--	--	--	--	--

List account number(s) here (optional)

Part II For Payees Exempt From Backup Withholding (See the instructions on page 2.)

Part III Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here Signature ▶ Date ▶

Purpose of form. A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9, if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are an exempt payee.

If you are a foreign person, IRS prefers you use a Form W-8 (certificate of foreign status). After December 31, 2000, foreign persons must use an appropriate Form W-8.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is backup withholding? Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- You do not certify your TIN when required (see the Part III instructions on page 2 for details), or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate instructions for the Requester of Form W-9.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.