

Brokerage Agreement

Please provide the following documents

- Copy of Producer's License
- Signed Producer Agreement
- Completed and Signed W-9
- Copy of E&O Dec Page (Minimum \$1,000,000 Limit)
- Agent & Contact Information
- New Agency Survey
- Voided Check (Direct Deposit is Mandatory)

This Agreement, made and entered into this _____ day of _____, 2019, by and between _____ (hereinafter referred to as **AGENCY**), and **MidAtlantic Insurance Group, LLC** (hereinafter referred to as **MIDATLANTIC**).

LICENSING

AGENCY warrants it is properly licensed to transact business as an agent or broker in accordance with the provisions of insurance laws of any state in which AGENCY transacts business. AGENCY shall provide to MIDATLANTIC copies of all appropriate licenses upon their renewal.

ERROR & OMISSIONS COVERAGE

AGENCY and MIDATLANTIC agree to maintain Errors & Omission insurance coverage, while this agreement is in force, with minimum policy limits of one million dollars (\$1,000,000). AGENCY shall provide MIDATLANTIC evidence of Errors & Omissions insurance upon each renewal.

STATEMENT OF AGREEMENT

Effective as of the date of this Agreement, MIDATLANTIC agrees to compensate AGENCY through 1099 independent contractor commissions for insurance business referred to, written under or written by the AGENCY as a result of MIDATLANTIC efforts.

AGENCY is an insurance agent, producer or broker and wishes to obtain, through MIDATLANTIC, certain insurance products for and on behalf of its customers and clients. MIDATLANTIC will use its reasonable best efforts to submit and place policies of insurance with insurers it has contracted with, but MIDATLANTIC shall have the unqualified right to reject any risk submitted for any reason.

AGENCY acknowledges that MIDATLANTIC extends no binding authority of any kind to AGENCY. AGENCY agrees that all changes, additions, or deletions to any policy must be confirmed in writing by MIDATLANTIC to be valid.

AGENCY is an independent contractor, and not an agent or employee of MIDATLANTIC, either expressed or implied. AGENCY controls the method of operation and exercises independent judgment in any action taken pursuant to this Agreement. AGENCY acknowledges that it is responsible for providing its customers and clients advice as to the adequacy, amount, and form of insurance coverage, not MIDATLANTIC. Ownership of all business placed by MIDATLANTIC for AGENCY shall remain the property of AGENCY.

COMMISSION PAYMENTS

MIDATLANTIC agrees to pay, and AGENCY agrees to accept, as full compensation for all services rendered and to be rendered by AGENCY under this agreement, as commission, a percentage of gross written premiums received by MIDATLANTIC. AGENCY'S commission will be based on the commission rate in effect on the date the insured is required to pay the premium. MIDATLANTIC reserves the right to determine the rate of commission on any risk and to amend commission schedules without prior notice to the AGENCY.

MIDATLANTIC shall pay AGENCY a commission percentage (varies by carriers and/or insurance lines) when paid by carriers, less any fees required to service cases. Commissions are paid monthly and shall continue to be paid for as long as the AGENCY is receiving commissions for said cases and MIDATLANTIC is legally able to receive those commissions.

AGENCY agrees to be liable for paying RETURNED COMMISSIONS at the same rate as they were paid on all return premiums, including returned premiums arising from policy cancellations, endorsements, or other transactions. Upon being billed by MIDALANTIC, the balance is due from the AGENCY within 14 days. MIDATLANTIC may, at its option, deduct the amount of this commission from any sum of money due to the AGENCY.

CANCELLATION OF INSURANCE POLICIES

MIDATLANTIC has the right, in its sole discretion, to cancel any binder, policy, or insurance contract issued under this Agreement according to the cancellation provisions of such binder, policy, or contract and applicable law. No insurance contract may be returned to MIDATLANTIC by AGENCY for flat cancellation unless it is returned and received by MIDATLANTIC prior to the inception or effective date of the contract. AGENCY is not entitled to any credit for any flat cancellation unless and until the carrier grants such credit to MIDATLANTIC. Earned premium shall be computed and charged on every contract cancelled after inception date in accordance with the cancellation provisions of the contract, rules of the insurer, and applicable law. AGENCY agrees that if MIDATLANTIC binds coverage, a charge shall be made according to the policy terms and that all fees for the full coverage period are fully earned upon binding. If AGENCY does not make timely payment of any sums due MIDATLANTIC, or is not in compliance with insurance regulations, it is understood that MIDATLANTIC, without limitation of its other remedies, reserves the right to cancel policies. AGENCY is responsible for notifying the insured that the return of any policy for cancellation will not be effective until sufficient time has elapsed for proper notice to insured, banks, mortgages, loss payees, certificate holders, public utility commissioners or any other interested parties.

HOLD HARMLESS

AGENCY agrees to hold harmless and indemnify MIDATLANTIC for all liability arising as a result of AGENCY'S acts, errors, or omissions except to the extent MIDATLANTIC has caused same. MIDATLANTIC agrees to hold harmless and indemnify AGENCY for all liability arising as a result of MIDATLANTIC'S acts, errors, or omissions except to the extent AGENCY has caused same.

AGENCY PURCHASE

If the AGENCY has acquired or merged with another agency, the AGENCY is responsible for all financial activity from agency policies bound with MIDATLANTIC prior to the acquisition or merger, including:

- The AGENCY is due any commission revenue from current and prior agency policies bound with MIDATLANTIC.
- The AGENCY assumes financial responsibility for paying RETURNED COMMISSIONS from current and prior agency policies (due to policy cancellations, endorsements, or other transactions).

MidAtlantic

INSURANCE GROUP

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TERMINATION

This Agreement may be terminated by either AGENCY or MIDATLANTIC, with or without cause, by giving 30 days written notice to the other, provided that any such termination shall not relieve AGENCY'S obligation of premium payments or returned commissions, if applicable, before the termination effective date.

ARBITRATION

AGENCY and MIDATLANTIC agree, if any dispute shall arise in connection with the interpretation of this Agreement, that they will negotiate the dispute in good faith informally. If AGENCY and MIDATLANTIC cannot agree on a written settlement to the dispute, the matter in dispute will be submitted to arbitration in Richmond, Virginia, in accordance with the rules of the American Arbitration Association. AGENCY and MIDATLANTIC agree that the prevailing party will be awarded its reasonable attorney's fees and expenses incurred in addition to any other relief to which that party is entitled.

ASSIGNMENT

AGENCY may not assign any rights or obligations under this Agreement without prior written consent of MIDATLANTIC.

GOVERNING JURISDICTION

This Contract shall be deemed to have been made, executed, delivered in, and shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to choice of law provisions or statutes. The AGENCY and MIDATLANTIC agree that any action or suit arising out of or related to this Contract shall be instituted in the courts of the Commonwealth of Virginia, located in the City of Richmond, and the Parties hereto consent to service, jurisdiction and venue of such courts for all purposes. The Parties agree to accept service of process through Certified U.S. Mail on their respective registered agents or an officer of the Party, which shall be deemed proper service of process. AGENCY and MIDATLANTIC agree that the prevailing party will be awarded its reasonable attorney's fees and expenses incurred in addition to any other relief to which that party is entitled.

SUMMARY

This Agreement constitutes the entire agreement between AGENCY and MIDATLANTIC, and supersedes and replaces any previous agreements between MIDATLANTIC and AGENCY. No oral promises or representations are binding, nor can this Agreement be modified except by agreement in writing attached hereto, executed on behalf of MIDATLANTIC.

In Witness Whereof, the parties have caused these terms to be duly executed on the date first above written.

Principal Signature

Date

Principal Name (printed)

Name of AGENCY

Paul B. Bowers – VP of Finance
Mid Atlantic Insurance Group

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