



BROKER AGREEMENT
ALPHA SURETY & INSURANCE BROKERAGE LLC

(For questions or service, please e-mail service@alphasurety.com or call 510.435.8425)

Important: This agreement must be properly executed online at www.AlphaSurety.com, or printed and mailed to Alpha Surety & Insurance Brokerage LLC, 5444 Crestridge Terrace, Dublin, CA 94568, or faxed to 510.588.4869 before or with your first submission of business. No business can be processed until you provide a signed agreement along with all required information.

THIS AGREEMENT is entered into this ____ day of _____, 200__ by and between **Alpha Surety & Insurance Brokerage LLC (a Limited Liability Company), 5444 Crestridge Terrace, Dublin, CA 94568** (hereinafter known as "ASIB") and the following broker, agent or agency (check one):

Legal name of broker (and agency, if applicable): _____

Type of Entity (check one): Individual Partnership LLC Corporation

DBA (if applicable): _____

Taxpayer ID # or SSN#: _____

Street address: _____

City, State, Zip Code, County: _____

Mailing address (if different): _____

Phone: (____) _____ Fax: (____) _____ E-Mail: _____

Website address (if any): _____

Number of years in insurance/surety business: _____

Estimated annual surety premium: _____ Estimated annual P&C insurance premium: _____

E&O carrier: _____

E&O limits: _____

Broker/agency trust account at: _____

(Name and city of bank, branch, contact person and phone number)

Type of license(s): Agent Agency Broker Producer Solicitor Surplus Lines
(Attach or fax a copy of licensing for states for which you plan to submit business)

WITNESS the following signatures of the duly authorized parties attesting that we have read, understand and agree, effective on the date first written above, to the terms and conditions as defined on page two of this Agreement. We further understand that this Agreement does not carry any underwriting or binding authority and all applications for bonds or insurance policies must be submitted through Alpha Surety & Insurance Brokerage LLC.

Broker:

Alpha Surety & Insurance Brokerage LLC:

(Signature of authorized Broker, Owner, Managing Partner or Officer)

(Typed or printed name of signer) (Title)

Jason L. Jenkins, President

Terms & Conditions of Alpha Surety & Insurance Brokerage Agreement

WHEREAS, Broker wishes to place business through ASIB for acceptance by surety and insurance companies in connection with surety and insurance programs administered by ASIB, in accordance with applicable laws and regulations; and

WHEREAS, ASIB is willing to offer its facilities to Broker for placement of such surety bonds and insurance, all the foregoing in accordance with the laws and regulations pertaining thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter expressed, the parties hereto, intending to be legally bound, agree as follows:

1. Broker warrants that he/she holds a Broker's license issued by his/her state of domicile and all other licenses required to do business hereunder and intends to place business through ASIB for acceptance by carriers in compliance with the laws and regulations pertaining thereto.

Broker further warrants that any business that he/she shall submit to ASIB will, if accepted, be effected in accordance with the insurance laws and/or similar applicable laws of the state, and Broker will indemnify ASIB for any tax liability and loss arising as a result of ASIB's accepting any application submitted by Broker.

It is Broker's sole responsibility to notify the insured of policy expiration and send legal notice of non-renewal.

Broker shall be entitled to collect a commission on such business at a rate which shall be mutually agreed to by the parties in writing prior to placement of the business.

Broker shall not have authority to appoint other agents or subagents for purposes of this Agreement and shall not do so. Broker shall have no authority to make and shall not make any agency agreements on behalf of ASIB, nor shall Broker make any agreements rendering or purporting to make ASIB liable for the payment and/or repayment of expenses, commissions or any other obligations.

2. It is further agreed by and between the parties that payment of premiums shall be made by Broker to ASIB not later than 15 days after the end of the month in which coverage is effected, unless otherwise agreed in writing. Failure to pay premiums as scheduled may result in cancellation of the subject bond or policy. All premiums collected from insureds and due to be paid to ASIB shall be held by Broker in a fiduciary capacity in accordance with applicable laws.

Payments to Broker under this Agreement shall be made only to the extent permissible under applicable laws, rules and regulations. Broker shall have no right to such payment and ASIB shall have no duty to make such payments in excess of those legally permissible.

ASIB may, at its option, offset Broker's proportional share of any returned premiums from any payments due Broker under this Agreement.

Notwithstanding any provision in this Agreement to the contrary, no compensation shall be payable to Broker subsequent to the termination of this Agreement if Broker commits any act of fraud, malfeasance or non-feasance in the performance of his/her duties hereunder or induces or encourages any of ASIB's clients to obtain insurance brokerage service from a brokerage agency other than ASIB.

3. Broker hereby guarantees the payment of all premiums to ASIB when due on insurance and surety bonds bound or written hereunder, whether or not they are collected by Broker and whether or not they are financed. Any credit extended to the insured or others shall be at the sole risk of the Broker.

4. Insurance issued to insureds under any program administered by ASIB shall not be subject to flat cancellation unless agreed to by the carrier and ASIB. However, ASIB will make a good faith effort to get any such policies flat cancelled. If the carrier agrees to flat cancellation, no premium will be due from the Broker for that policy.

5. Broker agrees to report immediately to ASIB, or the designated claim administrator, any fact, occurrence or incident that may result in a loss or claim, together with full details thereof. Broker shall forward all documents and cooperate fully with ASIB, or the designated claim administrator, in the investigation and adjustment of any claim, if requested.

6. Broker agrees to keep complete records and accounts of all transactions and to permit ASIB to inspect all records pertaining to business transacted under this Agreement.

7. Broker agrees to maintain Errors and Omissions Coverage with coverage limits acceptable to ASIB for himself/herself and for those for whom he/she is responsible.

8. Broker shall not advertise in any way the name of ASIB, nor shall Broker advertise in any way the name of any company or underwriter represented by ASIB without the prior written consent of ASIB.

9. Broker hereby agrees to indemnify and hold ASIB, its parent, affiliated and subsidiary companies and its and their officers, directors, employees, and agents, harmless from any and all claims, losses, costs, expenses, deficiencies, liabilities, obligations or damages, including related court and legal defense costs, arising from or in any manner relating to (i) any inaccurate representation made by broker in this Agreement, (ii) any breach of any of the warranties or any default in the performance of any of the covenants made by Broker under, or which Broker was to perform pursuant to, this Agreement, (iii) any errors and omissions of Broker or of any of his/her agents with respect to any client or insured, and (iv) any negligent acts or omissions, whether intentional or unintentional, and any willful misconduct of Broker or of any of his/her agents in connection with this Agreement. In a like manner, Broker agrees to indemnify and hold ASIB harmless from any action brought by a regulatory body as a result of actions by Broker.

ASIB agrees to indemnify and hold Broker, its parent, affiliated and subsidiary corporations and its and their officers, directors, employees and agents harmless from any and all claims, losses, costs, expenses, deficiencies, liabilities, obligations or damages, including related court and legal defense costs, arising out of the sole negligence of ASIB. Notwithstanding any provisions herein to the contrary, ASIB, at its option, may effect the recovery of damages under this Section 9 by offsetting such amounts against payments of amounts otherwise owing by ASIB to Broker hereunder. Election of this remedy shall not be construed as exclusive, and shall not bar ASIB from seeking any and all other remedies available at law or equity.

10. It is understood that Broker is an independent contractor and this Agreement does not permit Broker to bind ASIB or any company or underwriter represented by ASIB. Broker is not hereby the agent of ASIB or any company or underwriters represented by ASIB.

11. In the event of termination of this Agreement, so long as the Broker has promptly accounted for and paid all premiums for which he/she may be liable, the Broker's records, and use and control of the expirations shall remain the property of the Broker and be left in his/her undisputed possession; otherwise, use of the records and control of the expirations shall be vested exclusively in ASIB.

12. Broker hereby agrees not to seek direct placement of renewal business written with markets used to write such business through ASIB.

13. This Agreement shall become effective when accepted by ASIB and supersedes all previous agreements, whether oral or written. This Agreement may be terminated by either party at any time upon the giving of written notice of termination, but such termination shall not alter in any way the continued application of this Agreement to bonds and policies in effect as of the date of such termination and Broker shall complete the collections of premiums and continue to provide claims support and service on all policies in effect at termination.

14. This Agreement constitutes the entire and exclusive understanding between the parties with respect to its subject matter.

15. All issues under this Agreement, including determination of the obligations and liabilities of the parties, shall be governed by the laws of the State of California.

16. This Agreement may not be assigned by Broker without the written consent of ASIB.

17. This Agreement shall be binding upon and adhere to the benefit of the parties hereto, their respective heirs, successors and assignees.

18. All notices under this Agreement shall be delivered personally, or by pre-paid certified or registered mail, addressed to the address set forth on the first page of this Agreement.

19. No failure of either party to insist on strict compliance with this Agreement or to exercise any right under this Agreement shall be a waiver of such right.

20. This Agreement may be amended, but then only in a written addendum to this Agreement executed by the parties.

21. All exhibits and schedules hereto shall be deemed a part hereof.

22. This Agreement may be executed in counterparts.