

IAAC, Inc. Broker's Agreement

Agreement made this _____ day of _____ between IAAC, Inc., a New York Corporation with offices at 5784 Widewaters Parkway, 1st Floor, Dewitt, New York 13214, representatives, successors and assigns (and their heirs, if individuals) ("IAAC") and _____ of _____ ("Broker") in the County of _____, state of New York ("Licensing State").

WITNESSETH THAT:

IAAC hereby grants authority to the Broker to submit for insurance coverage, risks located in Licensing State under insurance programs available through IAAC and the insurance companies set forth in Schedule "A" hereof ("Companies"). This authority is subject to laws of the Licensing State in which such Broker is authorized to write insurance business and to the terms and conditions hereinafter set forth.

IT IS HEREBY AGREED Between IAAC and the Broker as follows:

1. BROKER'S RESPONSIBILITIES

The Broker agrees to maintain a Resident Broker's insurance license in the Licensing State for property and casualty insurance and to adhere to the laws and responsibilities that apply. A copy of said license is annexed to this Agreement, as Schedule "B". Subsequent renewals of said license will be submitted to IAAC in a timely manner.

1.2 Broker shall maintain, at Broker's own expense, Errors & Omissions insurance with minimum limits of \$1,000,000 each claim, \$1,000,000 aggregate. In the event the Broker purchases a combined single limit (CSL) policy, the minimum limit shall be \$1,000,000. A copy of the policy will be submitted with this agreement. Renewal of said policy will be submitted to IAAC in a timely manner.

1.3 Broker will be a member in good standing with the Independent Insurance Agents and Brokers of New York, Inc.

2. PREMIUM REMITTANCE

2.1 It is agreed and understood that all premiums collected by the Broker are held in trust and that such premiums are the property of IAAC and the Companies. The Broker recognizes that Broker has no interest in the premiums collected by Broker, and shall make no deductions there from before paying same to IAAC, except for commissions which have been duly authorized in writing by IAAC.

2.2 New business applications must include a check, made payable to IAAC, for the annual premium less applicable commission.

2.3 Should the Broker fail to pay IAAC any premiums when due, including those incurred as a result of audits or interim reports, then the Broker agrees to bear solely any collection or other expenses, including reasonable attorney fees and costs, expended by IAAC to enforce collection from the Broker to the extent allowed by law. Interest will be charged to the Broker on unpaid premiums at a rate of fifteen percent

(15%) per annum or at the highest rate permitted by law. Any earned premium owed by the Broker to IAAC may, be offset by a withholding or a deduction from, and earned commissions owed to the Broker by IAAC.

2.4 If the Broker has failed to account for and pay to IAAC immediately upon demand, all premiums for which Broker, may be liable, all records and use of control of expirations shall be immediately vested in IAAC and the Broker agrees to execute any documents necessary to formally place the title thereto in IAAC. IAAC shall have the immediate right thereafter, at its sole discretion to sell, transfer, assign or otherwise handle and control the business and expirations covered by this Agreement to satisfy in whole or in part the obligations of the Broker to IAAC.

3. COMMISSIONS

3.1 Commission shall be payable as indicated in Schedule "C" attached to this Agreement. Commissions payable to Broker may be changed at any time by IAAC upon written notice to the Broker.

3.2 IAAC shall deduct from each return premium (including cancellations ordered by IAAC) a return commission calculated at the same rate as the original commission thereon.

4. BINDING AUTHORITY

In no event may the Broker bind IAAC or any of the Companies on any risk or endorsement thereto.

5. EXPENSES

IAAC shall not be responsible for any expenses of the Broker.

6. NOTIFICATION OF CLAIMS

The Broker shall immediately report to IAAC all claims on policies issued pursuant to this Agreement. The Broker agrees to cooperate fully with IAAC and the Companies to facilitate the investigation and adjustment of any claim when requested and in the manner requested by IAAC/the Companies and under any such rules and regulations as may be agreed upon from time to time. The Broker shall not appoint an adjuster or attorney to represent IAAC or the relevant Insurance Company(ies) on any claim without the prior written consent of IAAC and the relevant Insurance Company(ies).

7. TERMINATION

7.1 This agreement may be terminated by IAAC or by Broker upon seven (7) days' written notice to the other party upon: (a) a breach by the other party of any of the covenants or obligations set forth in this Agreement; (b) a violation by the other party of any fiduciary obligation owed to the non-breaching party; (c) the other party's insolvency, filing for bankruptcy, protection or by a Receiver being appointed for the business of that party; (d) the other party committing fraud, abandonment, willful

misconduct, and gross reckless or negligent misconduct, as any of those actions relate to this Agreement; (e) the termination or suspension of either IAAC's or the Broker's license or ability to conduct business.

7.2 Notwithstanding anything contained in this agreement to the contrary, this agreement, may be terminated by either party at any time upon thirty (30) days' written notice given to the other party, Such notice shall be by email, telefax or by certified mail, return receipt requested. Except as provided in Section 2 of this Agreement in the event of termination for any reason under Section 7.1 or 7.2 of this Agreement, the Broker's records, use and control of expiration shall remain the property of the Broker and shall be left in his possession.

8. OWNERSHIP OF EXPIRATIONS

The use and control of expirations, and the records thereof, shall remain in the undisputed possession and ownership of the Broker, except as provided under Section 2 hereof.

9. INDEMNIFICATION

9.1.1 It is agreed that Broker is not an employee of IAAC, but rather operates as an independent contractor under this Agreement. Neither Broker nor any employee or representative of the Broker shall indicate to any third party that Broker is an employee of IAAC.

9.1.2 Broker shall indemnify and hold harmless IAAC for any fines or penalties assessed against IAAC by any governmental authority arising solely as a result of the actions, inactions or transactions of Broker, Broker's employees, representatives or agents, or parties affiliated with or under the direction of the Broker. In the event IAAC becomes obligated to pay any fines or penalties as a result of the actions or inactions of Broker as set forth in this Section, the Broker shall provide immediate repayment to IAAC for any such liability.

9.2 IAAC shall indemnify the Broker for any fines or penalties assessed against the Broker by any governmental authorities arising solely as a result of the actions, inactions or transactions of IAAC. IAAC's employees, representatives or agents, or parties affiliated with or acting under the direction of IAAC. In the event Broker becomes obligated to pay any fines or penalties as a result of the actions or inactions of IAAC as set forth in this Section, IAAC shall provide immediate repayment to Broker for any such liability.

10. ARBRITRATION CLAUSE

The following procedures will be followed in the event of a disagreement or dispute involving the interpretation of this Agreement or the performance or non-performance of IAAC or of the Broker.

10.1 The parties will make a good faith effort to amicably resolve any such dispute.

10.2 If IAAC and the Broker are unable to resolve any conflict or dispute within thirty (30) days from the date one party gives notice of the dispute to the other party, the matter will be submitted to arbitration in accordance with the commercial rules then and there prevailing by the American Arbitration Association and in accordance with the procedures set forth below. Such arbitration shall be conducted in New York, or at such other location as the parties may agree.

10.3 The arbitration panel will consist of three (3) disinterested arbitrators. The party first demanding arbitration will appoint one (1) disinterested arbitrator and will furnish written notice of the appointment to the other party. Within ten (10) days thereafter the other party will appoint one (1) arbitrator. The two (2) appointed arbitrators will, within fifteen (15) days thereafter, together select a third arbitrator who will be designed as the presiding officer of the panel. If the appointed arbitrators fail or refuse to choose a third arbitrator with thirty (30) days after having been appointed, the third arbitrator will be chosen by the American Arbitration Association.

10.4 The decision of a majority of the panel will be binding on IAAC and the Broker without right of appeal, and may be enforced by a court having jurisdiction over this Agreement. The determination of the panel must be in writing and bear the signatures of a majority of the arbitrators.

10.5 Expenses of arbitration will be shared on an equal basis by IAAC and the Broker. Arbitrators shall have the right to select one (1) party for a greater amount of the expenses should it be found by the arbitration panel that the party did not initially make a good faith effort to resolve the dispute on an informal basis.

10.6 Arbitration under this Section shall be the sole and exclusive remedy for resolving disputes between the parties. Notwithstanding the exclusivity of arbitration herein, a party may seek equitable relief in the form of seeking an injunction from a court of competent jurisdiction if the complaining party has suffered or is threatened with suffering irreparable harm as a result of the actions of the other party, provided however that (a) such action shall be brought in the Supreme Court of the State of New York, Onondaga County; and (b) the prevailing party shall be entitled to receive an award of costs and a reasonable attorney's fee for the institution or defense of such action as the case may be.

11. PROHIBITION AGAINST UNPERMITTED ACCESS TO THE PROGRAM

11.1 It is hereby agreed and understood by Broker that pursuant to this Agreement only Broker is intended to place insurance coverage through IAAC. Broker is prohibited from allowing another insurance agent or broker who is not a party to this Agreement to access the "Companies" insurance set forth in Schedule "A" hereto.

11.2 If the Broker breaches the terms of Section 11.1 above, then this Agreement shall immediately and automatically terminate without the need for any notice from IAAC or IIABNY, and all rights of the Broker or obligations of IAAC shall cease

and this Agreement shall be deemed null and void, subject to the provisions of Section 11.3 below.

11.3 Notwithstanding the provisions of Section 11.2 , in the event of such automatic termination of this Agreement, the Broker shall remain responsible for payments due to IAAC and the Company(ies) for transactions occurring prior to the termination date. The provisions of this Section 11 shall survive any termination of this Agreement.

12. MODIFICATION; AMENDMENTS

The terms of this Agreement may be modified or amended only in writing signed by the parties hereto.

13. GOVERNING LAW

This Agreement shall be interpreted and construed in accordance with the laws of the State of New York.

14. JURISDICTION AND CONSENT

Broker hereby consents to jurisdiction in the State of New York for the resolution of any dispute arising hereunder, and specifically waives any claim of lack of subject matter jurisdiction, lack of person jurisdiction, improper venue or forum non conveniens.

15. COUNTERPARTS

This Agreement may be executed in any number of counterparts, any of which may be deemed an original documents.

16. MISCELLANEOUS

This Agreement supersedes and voids all previous agreements, written or oral, existing between IAAC and the Broker.

DATED AND EFFECTIVE THIS _____ DAY OF _____, 20__.

Broker _____

IAAC, Inc.

By: _____

By: _____

(Brenda Strong)

(Title)

Secretary/Treasurer

(Title)

Schedule A
IAAC, Inc. Insurance Carriers Schedule

- | | |
|---------------------------------------|--------------|
| 1. RLI Insurance Company | NAIC # 13056 |
| 2. Hudson Insurance Company | NAIC # 25054 |
| 3. Hudson Specialty Insurance Company | NAIC# 37079 |
| 4. Hudson Excess Insurance Company | NAIC# 14484 |

Schedule C

IAAC, Inc. Insurance Products Commission Schedule

RLI Insurance Co

Personal Umbrella

New Business Regular Program	10%
New Business PUP Special	10%
Renewal Business Regular Program	10%
Renewal Business PUP Special	10%

Hudson Insurance Company, Hudson Specialty Insurance Company, Hudson Excess Insurance Company

Personal Umbrella

New Business	10%
Renewal Business	10%

Comprehensive Personal Liability

New Business	10%
Renewal Business	10%

Excess Personal Liability

New Business	10%
Renewal Business	10%

Excess Comprehensive Personal Liability

New Business	10%
Renewal Business	10%

Comprehensive Personal Liability Farm Owners

New Business	10%
Renewal Business	10%

Checks submitted to IAAC, Inc. should be for the net amount and payable to IAAC, Inc.