

BROKERAGE AGREEMENT

This Agreement is entered into this ___ day of _____, 2005 by and/or between Association Insurance Group, Inc. and its subsidiary offices, herein after referred to as AIGI and _____, an individual, partnership, corporation, registered firm, producer or agency, hereinafter referred to as BROKER.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth, the parties agree as follows:

1) LICENSING

BROKER hereby warrants to AIGI that they are properly licensed to transact business as an agent or broker in accordance with the provisions of the BROKER'S commercial domicile or any state in which the BROKER transacts business.

Upon request, the BROKER agrees to provide evidence to AIGI of such license(s).

2) PAYMENT OF PREMIUMS

BROKER accepts full and entire responsibility for the collection and payment of all premiums (including minimum earned premiums), countersignature fees and resulting charges required by any state, or any other applicable fees and taxes; and BROKER agrees to make full payment to AIGI under the terms and conditions in place at the time of the binding.

To effect the binding of an account with AIGI, BROKER agrees to request same in writing and agree that they are responsible for any earned premiums incurred in absence of furnishing deposit in accordance with the "Guarantee of Payment" provision of this agreement. All premiums will be rendered on a Monthly Statement basis for all items billed within the preceding month and due by the tenth of the month. This provision applies only to companies that bill AIGI on a similar statement basis.

All other payments are due thirty (30) days after invoice date.

3) FINANCING OF PREMIUMS

The BROKER shall forward to AIGI immediately upon receipt, or upon the BROKER'S knowledge thereof, all correspondence or notices with relation to the financing or proposed financing of premiums by any policyholder, and the BROKER agrees to instruct the premium finance company to pay AIGI for all premiums which have been financed. The BROKER shall not accept premium financing on policies for which the premium is short-term or short-term minimum earned.

The BROKER is not and shall not hold itself out as the agent of AIGI or the Insurance Company for the purpose of obtaining premium financing and agrees to hold AIGI harmless from any responsibility for payment to the premium finance company, and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premiums by BROKER to AIGI.

AIGI or any Insurance Company represented by them reserves the right to refund premiums directly to the premium finance company upon cancellation of a policy(ies). The BROKER shall refund applicable commission to the premium finance company or AIGI in the event of cancellation of a policy(ies).

4) GUARANTEE OF PAYMENT

In consideration of AIGI accepting business from BROKER, BROKER guarantees payment to AIGI of all earned premiums including but not limited to deposits, audits, and endorsements on all policies of insurance placed by BROKER with AIGI. Such payment is due AIGI whether or not BROKER has collected the premium. BROKER agrees to pay AIGI a return commission on all returned premium adjustments at the same rate that was originally applied to such coverage. BROKER understands that AIGI, without limitation of its other rights and remedies, reserves the right to cancel any policy for non-payment of premium. BROKER further guarantees that they will be responsible for any extension of credit to broker's client or any other person.

5) UNCOLLECTIBLE ADJUSTABLE PREMIUMS

Additional premiums that have been determined by annual or interim audits and/or retrospective rating adjustments are fully earned on the last date that coverage was in effect.

BROKER can be relieved of responsibility for the collection of such premiums if within twenty (20) days from the date of AIGI's invoice, BROKER notifies AIGI in writing that the BROKER has made diligent efforts to collect such premiums but is unable to do so and AIGI is subsequently relieved of its responsibility to the carrier.

BROKER waives any right to commission payments under this provision if premiums are subsequently collected by AIGI.

6) FIDUCIARY DUTIES

BROKER hereby agrees that any monies they collect, which are due or will fall due to AIGI, shall be held by BROKER in a fiduciary account in accordance with the applicable laws, rules and regulations of the state in which the fiduciary account is located.

7) RESPONSIBILITY OF BROKER

BROKER understands that in providing insurance coverages, AIGI is relying upon the accuracy of information provided by insured through BROKER and submitted to AIGI. It is the responsibility of BROKER to disclose to AIGI the existence of any conditions which they are or reasonably should be aware of that may affect the insurability of the insured.

Further, it is the responsibility of BROKER to inform AIGI as to the type and amount of insurance coverage to be considered for quotation. AIGI assumes no responsibility toward BROKER, insured, sub producer, or any other party with regard to the adequacy, amount or form of coverage obtained through any insurance carrier.

8) CONFIDENTIALITY

In connection only with BROKERS authorized by AIGI as Program Territory Representative, BROKER agrees to treat any proprietary information supplied by AIGI as confidential. AIGI agrees that they shall not use any proprietary information supplied by the BROKER as confidential. Unless otherwise required by law, neither AIGI nor BROKER or their representatives will, without the other's written consent, disclose any proprietary information or other information about the relationship or program.

9) INDEMNIFICATION

AIGI agrees to indemnify and hold harmless BROKER and any affiliated company, their officers, directors, employees and agents, from and against any and all claims, damages, or liabilities, including reasonable attorneys' fees, costs, and other expenses incurred by BROKER arising directly from any acts, omissions, or breach of this Agreement by AIGI. In addition, BROKER agrees to indemnify and hold harmless AIGI and any affiliated company, their officers, directors, employees, and agents, from and against any and all claims, damages, or liabilities, including reasonable attorneys' fees, costs, and other expenses incurred by AIGI arising directly from any acts, omissions, or breach of the Agreement by BROKER.

10) LIMITATIONS OF RIGHTS AND REMEDIES

BROKER will look only to AIGI for satisfaction of any liability, damages or cause of action in contract related to or arising under the terms and conditions of this Agreement. In no event will AIGI's parent or sister companies, directors, officers, employees, contractors or agents be liable to BROKER or any third party for any contractual liabilities, losses, damages or expenses of any nature whatsoever, whether direct or indirect, resulting from the work performed by BROKER under this Agreement, more specifically outlined in the section discussing RESPONSIBILITY OF BROKER.

11) CONTROL OF EXPIRATIONS

The BROKER having accounted for and paid over all premium for which it may be liable, the BROKER's records and the use and control of expirations shall remain the property of the BROKER and left to his undisputed possession and control.

The BROKER, in placing business under this Agreement, recognizes that he is a representative of the insured and not the agent or representative of Association Insurance Group, Inc. and/or any of its subsidiary operating companies.

12) CLAIMS

1. BROKER will report all claims and/or losses directly to AIGI as expeditiously as possible.
2. BROKER has no authority to assign losses to be adjusted not may he negotiate or settle any loss on behalf of Company.

13) EVIDENCE OF INSURANCE

BROKER agrees to maintain Professional Liability insurance coverage with a minimum limit of \$1,000,000 each occurrence/aggregate. BROKER further agrees to attach to this Agreement a certificate of insurance evidencing coverage that is acceptable to AIGI.

14) PRIVACY CLAUSE

Both you and we have obligations to safeguard customer information under Public Law No. 106-102 (the Gramm-Leach-Bliley Act) and other federal and state privacy laws and regulations (herein collectively referred to as "Privacy Laws"). In accordance with those Privacy Laws, you and we agree to the following:

Each party hereto agrees to comply with the Privacy Laws and agrees further not to take any action to cause the other party to violate such Privacy Laws. If the applicable Privacy Laws change, each party shall take action as is necessary to comply. We agree not to disclose of use any non-public personal information as defined in the Privacy Laws ("Confidential Information") except for the purposes contemplated under the Brokerage Agreement or as may be required by law. You agree not to disclose or use any Confidential Information received from us except for the purposes contemplated under the Brokerage Agreement or as may be required by law.

15) COMPLETE AGREEMENT

This signed Agreement incorporates all of the previous and contemporaneous discussions, representations, understandings, and agreements between the parties with respect to the subject matter representations have been made to or relied upon by BROKER. The terms and conditions expressed in this agreement shall not be altered except in writing, signed by an authorized officer of BROKER and an officer of AIGI.

16) WAIVER

No waiver or modification of this Agreement shall be effective unless it be in writing and signed by a duly authorized officer of AIGI. The failure of AIGI to enforce any provision of this Agreement shall not constitute a waiver by AIGI of any such provision. The past waiver of a provision by AIGI or the BROKER shall not constitute a course of conduct or a waiver in the future of that same provision.

IN WITNESS THEREOF, the parties have caused this agreement to be signed as of the date first above written.

Association Insurance Group, Inc.

BROKER

By: _____

By: _____

Title: _____ President _____

Print Name: _____

Date: _____

Title: _____

Date: _____

Witness: _____