



BROKER AGREEMENT

between

SOUTHWEST RISK SERVICES
14902 North 73rd Street
Scottsdale, AZ 85260

(hereinafter referred to as "ADMINISTRATOR")

and

Name: _____

(hereinafter referred to as "BROKER")

Address: _____

City/State/Zip: _____

Telephone: _____ Fax: _____

E-mail: _____

Effective Date: _____, 20 ____

WHEREAS the ADMINISTRATOR has authority from the Social Service Contractors Indemnity Pool (hereinafter referred to as "SSCIP") to underwrite risks of insurance; and

WHEREAS the BROKER, subject to the requirements imposed upon the BROKER by law in the jurisdiction(s) within which the BROKER is authorized to write, is desirous of placing contracts of insurance with SSCIP represented by the ADMINISTRATOR and utilizing, generally, the underwriting facilities, knowledge, and services of ADMINISTRATOR;

NOW, THEREFORE, it is mutually agreed as follows:

I. BROKER'S STATUS

THIS AGREEMENT is subject to the provisions of Article I, Chapter 3.1, Title 41, Arizona Revised Statutes.

BROKER represents the prospective buyer of the insurance. Insofar as transactions under this Agreement are concerned, BROKER is an independent contractor and not the exclusive agent of ADMINISTRATOR or SSCIP. BROKER MAY NOT AND SHALL NOT BIND ANY RISKS ON BEHALF OF ADMINISTRATOR, specifically, the BROKER may not make any other representations on behalf of ADMINISTRATOR, nor waive, alter, modify, or change any of the terms, rates, or conditions of any policy issued by ADMINISTRATOR.

II. COMPLIANCE WITH LAWS

- A. **COMPLIANCE.** BROKER shall comply with the laws of the governmental jurisdiction(s) within which it operates pursuant to this Agreement, and with the rules and regulations of the insurance regulating authorities thereof.
- B. **LICENSE AND APPOINTMENT.** BROKER, BROKER's agents and subagents shall be properly licensed and appointed as required by those jurisdictions before the solicitation of any insurance covered by this Agreement and shall continue to be licensed and appointed while servicing such insurance. BROKER shall be responsible for assuring licensing and appointment requirements are met.

III. PREMIUM/CONTRIBUTION COLLECTION

- A. **INITIAL PREMIUM/CONTRIBUTION.** BROKER shall pay to ADMINISTRATOR all premiums/contributions collected on coverages bound or written hereunder as authorized by ADMINISTRATOR, whether new, renewal, or by endorsement. The ADMINISTRATOR at its option and with approval of the SSCIP represented by ADMINISTRATOR may waive the provisions of the paragraph.
- B. The extension of credit to any insured shall be at the sole risk of the BROKER and shall not relay any premium/ contribution due to ADMINISTRATOR.

IV. COMMISSION EXCLUSIVE OF BENEFIT SCHEDULE

ADMINISTRATOR shall pay to BROKER commission on all premiums paid and received on all insurance contracts written under this Agreement. Such commission shall be computed with respect to each such insurance contract, shall be the sole compensation paid to Broker and shall be computed based on the formulas set forth below.

- A. For the first year of any insurance contract between SSCIP and an insured, the BROKER'S commission shall be the product of 14% times the amount of all SSCIP premiums paid by such insured under such contract and received by SSCIP for such year.
- B. For all other years after the first year of any insurance contract between SSCIP and an insured, for each such year the BROKER'S commission shall be the product of 8% times the amount of all SSCIP premiums paid by the insured under such contract and received by SSCIP for such year.

V. ACCOUNTS AND SETTLEMENT

ADMINISTRATOR will invoice and collect directly from the insured and apply its normal credit procedures. In the event the BROKER collects any premium from an insured, the BROKER shall immediately turn over such funds to SSCIP.

VI. INSTRUCTIONS OF ADMINISTRATOR

BROKER shall promptly comply with all ADMINISTRATOR's instructions relating to underwriting procedures, engineering requirements, claims procedures, acceptance or cancellation of insurance and coordinate the completion of SSCIP agreements and appendices as requested.

VII. CANCELLATION OF COVERAGES

- A. Nothing in the Agreement shall be construed as limiting or restricting the rights of ADMINISTRATOR to cancel any binder, policy or contract of insurance issued under this Agreement in accordance with the cancellation provisions of such binder, policy or contract of insurance.
- B. Coverage for the insured may otherwise be suspended or terminated subject to the Agreement between the Department of Administration and the insured.

VIII. TERMINATION

- A. **VOLUNTARY TERMINATION.** This Agreement may be terminated by either party upon not less than thirty (30) days advance written notice to the other party.
- B. **TERMINATION FOR CAUSE.**
 - (1) This Agreement shall terminate immediately and automatically if BROKER's license to do business is suspended or revoked by any insurance regulatory authority.
 - (2) This Agreement shall terminate immediately upon written notice from ADMINISTRATOR:
 - (a) If BROKER shall fail, neglect or refuse to account for or pay promptly to ADMINISTRATOR when due all premiums/contributions or return commissions due on policies written pursuant to this Agreement;
 - (b) If BROKER shall be in default with respect to any obligations under this Agreement and shall fail to cure such default within thirty (30) days after written notice has been given BROKER by ADMINISTRATOR specifying the nature or default.
- C. **DUTIES UPON TERMINATION.** Within thirty (30) days of effective date of termination, unless otherwise stipulated at the option of ADMINISTRATOR, BROKER shall complete the collection and account to ADMINISTRATOR for all premiums, contributions, commissions, and other transactions unaccounted for on the date of termination or arising thereafter with respect to outstanding insurance/benefits. In case the ADMINISTRATOR shall find it necessary to perform any duty otherwise required of BROKER under this agreement, the BROKER shall be liable for all costs incident thereto.
- D. **FORMS AND SUPPLIES.** Upon termination of this Agreement, all forms and other supplies furnished by ADMINISTRATOR shall be surrendered to ADMINISTRATOR by BROKER immediately upon demand.

XI. INDEMNIFICATION

BROKER shall indemnify and hold ADMINISTRATOR and SSCIP harmless against liability for damages and expenses, including legal or other reasonable expenses, which ADMINISTRATOR may incur as a result of the negligent or wrongful acts of BROKER or any act of BROKER in violation of the Agreement.

X. ADVERTISEMENT

BROKER may advertise and distribute supplemental material on the insurance provided by policy schedule referring to the SSCIP represented by ADMINISTRATOR provided, however, BROKER has the express written consent of ADMINISTRATOR. No material may be used without this express written approval of ADMINISTRATOR. In the event the ADMINISTRATOR shall be subjected to loss or expense arising out of any unauthorized advertisement, publication of statement of BROKER, BROKER shall be liable and hold ADMINISTRATOR and SSCIP harmless for all resulting damages, costs, fines, and penalties suffered by ADMINISTRATOR or SSCIP.

XI. NOTICE

Whenever notice is to be given pursuant to this Agreement, it shall be done by written notice, and personally delivered or sent to the part by certified mail, postage prepaid, to the address listed below, and such notice shall be deemed to have been given on the date deposited in the mail. Unless otherwise instructed, notice shall be addressed to:

SSCIP
c/o Southwest Risk Services
14902 North 73rd Street
Scottsdale, AZ 85260

XII. NONWAIVER

No waiver by ADMINISTRATOR or by BROKER of any breach of this Agreement by the other party shall be deemed to be a waiver of any other breach of the same or any other provision.

XIII. ENTIRE AGREEMENT AND AMENDMENT

This written document expresses the entire agreement between the parties and supersedes any prior agreements or understandings concerning the subject of this Agreement. No amendment to this Agreement shall be valid unless it is in writing and signed by both of the parties.

XIV. MISCELLANEOUS

- A.** This Agreement shall be governed by the laws of the State of Arizona.
- B.** The headings of each paragraph of this Agreement are not to be construed in the interpretation of this Agreement.

Broker shall keep confidential all documents, materials and information relating to SSCIP regardless of how such documents, materials or information are acquired by BROKER and will not disclose any of the aforesaid, or any information derived therefrom without the prior consent of ADMINISTRATOR.

This Agreement may be assigned by ADMINISTRATOR but may not be assigned by BROKER without the express written consent of ADMINISTRATOR, which consent shall not be unreasonably withheld.

Executed this _____ day of _____, 20_____.

WITNESS:

By: _____
For: SSCIP/SOUTHWEST RISK SERVICES

WITNESS:

By: _____
For: (Agency)

AGENCY'S FEDERAL IDENTIFICATION NUMBER: _____ - _____

IS THE AGENCY A CORPORATION? YES NO

For SSCIP Use Only:

Agent Number: _____

Date Received: _____

Date Processed: _____