

# BROKER APPOINTMENT INSTRUCTIONS

**NOTE:** An executed Broker Agreement is required prior to quoting an account.



## PLEASE COMPLETE AND SIGN THE FOLLOWING ATTACHMENTS:

- Form W-9
- Broker Agreement – TO BE SIGNED BY DULY AUTHORIZED REPRESENTATIVE

## PLEASE ATTACH COPIES OF THE FOLLOWING:

- Evidence of Current E&O Insurance
  - *Proof of insurer, effective dates, and limits*
- Copy of Agency License(s)
  - *Resident and Non-resident*
- Copy of Individual license(s) for employees intending to work with NSU
  - *Resident and Non-resident*

## CONTACT INFORMATION:

**Affiliate Contact Name/Email:** \_\_\_\_\_

**Agreement Contact Name/Email:** \_\_\_\_\_

**Accounting Contact Name/Email:** \_\_\_\_\_

**Agency Name:** \_\_\_\_\_

**Website Address:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Parent Company:** \_\_\_\_\_

## PLEASE SELECT WHICH DIVISION(S) YOU PLAN TO DO BUSINESS WITH:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Hospitality</b> <ul style="list-style-type: none"><li>• Hotels</li><li>• Resorts</li><li>• Gaming</li></ul>                            | <input type="checkbox"/> <b>Healthcare – Medical Professional Liability</b> <ul style="list-style-type: none"><li>• Hospitals / Facilities</li><li>• Physicians</li><li>• Long Term Care</li><li>• Allied Healthcare</li></ul> |
| <input type="checkbox"/> <b>Casualty Umbrella Excess</b> <ul style="list-style-type: none"><li>• Commercial Real Estate</li><li>• Limited Service Hotels</li></ul> | <input type="checkbox"/> <b>Catastrophic Exposed Property – Wind/Flood</b>   |

**Name of Sales Executive that referred you** \_\_\_\_\_

## RETURN ALL ABOVE REQUIREMENTS TO:

**William D. Thompson, CPCU**  
Director of Compliance  
**National Specialty Underwriters, Inc.**  
10900 NE 4th Street, Suite 1100  
Bellevue, WA 98004  
**P:** (425) 213-5145 **F:** (425) 450-1026  
bthompson@nsui.com

## Request for Taxpayer Identification Number and Certification

**Give form to the  
requester. Do not  
send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

**Limited liability company (LLC).** Check the “Limited liability company” box only and enter the appropriate code for the tax classification (“D” for disregarded entity, “C” for corporation, “P” for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line.

For an LLC classified as a partnership or a corporation, enter the LLC’s name on the “Name” line and any business, trade, or DBA name on the “Business name” line.

**Other entities.** Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

### Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the “Exempt payee” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 7

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

### Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft) or 1-877-IDTHEFT(438-4338).

Visit the IRS website at [www.irs.gov](http://www.irs.gov) to learn more about identity theft and how to reduce your risk.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



## **BROKER AGREEMENT**

**between**

**National Specialty Underwriters, Inc.  
Including all Affiliates & Subsidiaries  
10900 NE 4<sup>th</sup> Street, Suite 1100  
Bellevue, WA 98004-5886**

**(herein referred to as "Manager")**

**and**

---

**(herein referred to as "Broker")**

### **Effective Date:**

WHEREAS Manager has authority from various Insurers to underwrite risks of insurance; and

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

NOW, THEREFORE, it is mutually agreed as follows:

### **1. BROKER'S STATUS**

Broker represents the prospective buyer of insurance. Insofar as transactions under this Agreement are concerned, Broker is an independent contractor and not the agent of Manager or any Insurer with which Manager may place coverage. Broker may not bind any risks nor make any representations on behalf of Manager (or on behalf of any Insurer represented by Manager), nor waive, alter, modify, or change any of the terms, rates, or conditions of any policy issued by Manager.

Without the prior written authorization of Manager, Broker is not authorized to issue any certificates of insurance relating to any policy issued by any Insurer Manager represents. Neither Manager nor the Insurer(s) represented by Manager will be liable for claims arising out of Broker's issuance of certificates of insurance in breach of this provision.

## **2. PREMIUM COLLECTIONS AND REMITTANCE**

- a. Broker shall pay to Manager all premiums and monies due on coverage bound or written hereunder, whether new or renewal or by endorsement, in accordance with Paragraph 4. Broker hereby guarantees the payment of all premiums and monies due Manager on coverages bound or written hereunder, whether or not they are collected by Broker. Any credit extended to an insured shall be at the sole risk of Broker.
- b. Manager shall return to Broker all unearned net premiums and monies due for coverage written and bound hereunder. Broker shall be responsible for return of unearned commissions.
- c. Manager shall have the right to offset any amounts due from Broker against any commissions owed by Manager to Broker.
- d. In the situation where premiums and/or monies for a policy or policies which have been issued cannot be fully determined in advance, or where an adjustment or determination of premiums and/or monies after a specific time period by audit or otherwise shall have been made, then any additional premiums and/or monies due shall be paid by Broker to Manager by the due date indicated on the billing invoice. Manager shall extend to Broker the same turnback privileges, if any, as are granted to Manager by the Insurer.

## **3. COMMISSIONS**

Commissions shall be agreed to in writing on a policy-by-policy basis between Manager and Broker.

## **4. ACCOUNTS AND SETTLEMENTS**

Broker agrees to pay Manager, in accordance with statements of accounts rendered by Manager, the net premium within twenty (20) days after the effective date of the contract of insurance to which the premium relates, or the billing date, whichever is sooner.

## **5. CANCELLATION OF COVERAGES**

Nothing in this Agreement shall be construed as limiting or restricting the right of Manager 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.

Manager will not consider request for flat cancellation of contracts of insurance unless such request is made to Manager from Broker or by surrender to Manager of the policy or other written evidence of coverage within thirty (30) days after the effective date of such contract of insurance. Manager will endeavor to notify Broker, prior to the effective date, of those contracts which contain minimum earned premium requirements that cannot be canceled flat. Broker acknowledges minimum earned premium requirements are imposed (if provided with such prior advice) on certain policies and agrees to be fully responsible for payment thereof in accordance with paragraphs 2 and 4. Broker shall not be entitled to credit for any flat cancellation unless expressly agreed to by Manager.

## **6. CLAIMS**

The insured and/or Broker shall be solely responsible for submitting notices of claims to the Insurer, and Manager shall have no responsibility or obligation to do so.

## **7. OWNERSHIP OF THE BUSINESS**

Manager recognizes the independent ownership by Broker of the business subject to this Agreement. In the event of termination of this Agreement, the use and control of expirations shall remain the property of Broker if Broker has paid all premiums for which Broker is liable under this Agreement; otherwise use and control of expirations shall be vested in Manager.

## **8. INSTRUCTIONS OF MANAGER**

Broker shall promptly comply with all of Manager's written instructions relating to underwriting procedures, engineering requirements, claims procedures, and acceptance or cancellation of insurance.

## **9. FORMS AND SUPPLIES**

Any forms and supplies furnished to Broker by Manager shall remain the property of Manager and shall be returned to Manager upon demand.

## **10. ADVERTISING**

Broker shall not insert any advertisement referring to Manager or any Insurer represented by Manager or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement or reference, without the express written consent of Manager. In the event Manager shall be subjected to loss or expense arising out of any unauthorized advertisement, publication, or statement of Broker, Broker shall defend Manager against, and be liable and hold Manager harmless for all resulting damages, cost, fines, and penalties suffered by Manager or the Insurers represented by Manager.

## **11. INSPECTIONS AND AUDITS**

Manager or its duly authorized representatives may inspect or audit any coverages bound hereunder, or the subject matter thereof, in accordance with the terms of the policy. Broker shall be responsible for the prompt notification of any known changes in coverage or exposures and for reporting to Manager any additional and/or return premium which may become due as a result of such changes.

## **12. COMPLIANCE WITH APPLICABLE LAWS**

Broker shall comply with all applicable insurance laws governing the conduct of business under this Agreement. With respect to excess and surplus lines risks submitted by Broker under this Agreement, Broker agrees that it will obtain all required declinations from licensed Insurers. Manager, unless it otherwise specifically agrees in writing, will pay all excess and surplus lines taxes, and submit all reports required by the laws of the state(s) in which the risk is located.

## **13. MEDIATION OF DISPUTES**

If any dispute arises between Broker and Manager under this Agreement, each party agrees to first seek resolution through direct discussions. Failing that, each party agrees to attempt amicable resolution through mediation with an independent mediator at an agreed location convenient to both parties. Failing that, either party may commence litigation. All fees and costs of the mediator shall be borne equally by the parties.

## **14. INDEMNITY**

Broker agrees to indemnify Manager for, and hold it harmless from, any and all claims, suits, damages, costs, losses, expenses, fines, penalties, and attorney's fees suffered or incurred by Manager in any manner resulting from or arising directly or indirectly out of any breach of the obligations undertaken herein or out of Broker's negligence.

Manager agrees to indemnify Broker for, and hold it harmless from, any and all claims, suits, damages, costs, losses, expenses, fines, penalties, and attorney's fees suffered or incurred by Broker in any manner resulting from or arising directly or indirectly out of any breach of the obligations undertaken herein or out of Manager's negligence.

**15. TERMINATION OF THIS AGREEMENT**

This Agreement may be canceled at any time by either party giving thirty (30) days written notice to the other. Notwithstanding the immediately preceding sentence, Manager may terminate this Agreement immediately, by giving to Broker a written notice of cancellation, if Broker (i) is grossly negligent in performing any of its duties to Manager; (ii) engages in any fraudulent or dishonest acts, or (iii) engages in any criminal act (whether or not Broker is convicted) or act of moral turpitude, if Manager determines, in its sole discretion, that Broker's continued association with Manager is likely to have a negative impact on Manager's business or reputation with its business associates or in the business community. After the date of cancellation of this Agreement, unless otherwise stipulated at the option of Manager, Broker shall complete the collection and account to Manager for all premiums, commissions, and other transactions unaccounted for on the date of cancellation or arising thereafter in respects to outstanding insurance. In case Manager shall find it necessary to perform any duty otherwise required of Broker under this Agreement, Broker shall be liable for all costs incident thereto. Termination of this Agreement shall not affect the obligations of the parties under paragraphs 7, 9, 10, 13, 14, 15 and 17 hereof.

**16. ERRORS AND OMISSIONS**

Manager requires that Errors and Omissions Insurance coverage be maintained by Broker. Broker hereby attests that such coverage exists and is in good standing and is maintained to a limit of liability not less than \$1,000,000 (one million dollars) with an Insurer having an A.M. Best Rating of A- VIII or better. It is further understood that evidence of such coverage is required. A certificate of insurance or other evidence of insurance stating these limits must be provided to Manager within thirty (30) days after signing this Broker Agreement, and within thirty (30) days after the renewal date of such coverage.

**17. CONSTRUCTION**

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

**18. ENTIRE AGREEMENT AND AMENDMENT**

This Agreement represents the entire agreement of the parties. It supersedes all previous agreements, whether oral or written, between Manager and Broker and it may not be altered, changed or amended by either party, except as authorized by Manager. This Agreement shall be binding upon the parties and their respective and permitted successors and assigns.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement by a duly authorized representative. By executing below, each signatory represents and warrants that he/she is fully authorized and empowered to do so on behalf of his respective party.

**FOR BROKER:**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title

**FOR MANAGER:**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

William D. Thompson, VP of Underwriting Operations  
Print Name and Title