



**BROKER AGREEMENT**

THIS BROKER AGREEMENT (the “Agreement” is made as of (date) \_\_\_\_\_ by and between WestMass Professional Insurance LLC (hereinafter referred to as “WPRO”) and \_\_\_\_\_ (hereinafter referred to as the “Broker”).

**RECITALS**

WHEREAS, WPRO is engaged in the business of selling, procuring, and placing property, casualty and other insurance on a wholesale and retail basis; and

WHEREAS, WPRO is an agent for certain insurance companies from whom and on whose behalf it procures, sells and places liability and property and casualty insurance; and

WHEREAS, Broker has requested that from time to time, WPRO place with the carriers it represents property and casualty insurance for Broker’s customers, and WPRO has agreed to do so subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, and for other good, valuable and legal consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Policy Premiums and Miscellaneous Charges. Broker shall be responsible to WPRO for the payment of all premiums due on any and all binders and policies issued as WPRO billed at the request of Broker. The term “Premiums Due” as used herein shall include: the binder or policy premium; applicable state taxes; all tax filing fees; policy and inspection fees; earned premiums and/or commissions on any and all binders or policies issued at the request of the Broker; and unearned commissions due WPRO on binders or policies that have been canceled.

2. Payment of Policy Premiums. Premiums Due shall be paid by Broker to, and received by, WPRO no later than fifteen (15) days from the effective date of a policy. Broker shall remit all premiums to WPRO on a net of commission basis. Notwithstanding anything to the contrary in this section, all deposit premiums or special billed items, as may be from time to time required by WPRO’s insurers, shall be paid by Broker at the time and in the manner specified by WPRO.

3. Binding. No risk shall be bound by Broker without the express written authorization of WPRO and further subject to the acceptance and consent of WPRO’s insurers. Nothing in this Agreement shall entitle Broker to bind WPRO or any of WPRO’s insurers.

4. Ownership of Business. WPRO expressly recognizes and acknowledges Broker’s ownership of all business placed under this Agreement by Broker. Notwithstanding such ownership,

the parties hereto agree that in the event there are any Premiums Due to WPRO at the termination for any reason of this Agreement, WPRO shall have the exclusive use and control of all expirations and renewals of such business unless and until the Premiums Due have been paid in full to WPRO.

5. Cancellations of Binders or Policies. Broker shall promptly notify WPRO if it receives notice of any kind that a policy is to be canceled. No cancellation of a policy or binder will be backdated. Broker shall be responsible for any premium earned on a binder or policy even where the premium has not been collected from the insured. In the event a financed premium is canceled and the premium has not been refunded to the premium finance company, the Broker shall promptly refund any premiums and unearned commissions due WPRO.

6. Claims. Broker shall promptly report to WPRO all claims and/or losses, and such notices shall be provided as expeditiously as possible. Broker has no authority to assign losses to be adjusted nor may Broker negotiate settlement of any loss on behalf of WPRO or WPRO's insurers, without the prior express written consent of WPRO. Broker agrees to cooperate fully at the request of WPRO, its insurers, adjusting firms, attorneys, or other agents in the investigation, adjustment, settlement or payment of any loss or claim.

7. Renewals. WPRO and Broker hereby acknowledge and agree that there shall be no automatic renewal by WPRO of binders or policies. While WPRO agrees to endeavor to give Broker reasonable advance notice of expiring binders and policies, it shall be under no legal or other obligation to do so and WPRO's failure for any reason to provide notice of expiring binders and policies shall not relieve Broker of its obligations with regard to Premiums Due. Furthermore, it is expressly agreed that WPRO is under no obligation to furnish renewal binders or policies.

8. Unearned Commissions. The Broker agrees to refund to WPRO any unearned Premiums Due to WPRO for canceled binders or policies or reduced premiums, within ninety days after Broker is advised of the cancellation or reduction in premium.

9. Financed Policies. If Broker extends credit to an insured it shall be at Broker's sole risk, and all Premiums Due shall be paid WPRO when due, regardless of whether such Premiums Due have been collected by Broker. WPRO shall not refund any premium to a premium finance company, unless such premium was received by WPRO. In the event a financed premium is canceled and the premium is refunded to a premium company, Broker shall promptly refund to WPRO any unearned Premiums Due.

10. Audited Premiums. Whenever a premium for an issued policy cannot be fully determined in advance and where a subsequent adjustment is necessary by audit or otherwise, the amount of any additional Premiums Due shall be paid to WPRO within fifteen (15) days after such additional amount is billed to Broker. If, within twenty (20) days after any additional Premiums Due are billed to Broker and Broker is unable to collect the additional premium due from the insured, WPRO will allow Broker to return uncollected audited Premiums Due under the same terms and conditions provided in WPRO's agency agreements with its insurers.

11. Agency. In placing business under this Agreement, Broker acknowledges that Broker is a representative of the insured and not an agent or representative of WPRO or WPRO's insurers. Broker further acknowledges and agrees that all contact and/or communication with the carrier shall be through WPRO.

12. Broker Commission. WPRO shall pay Broker commissions based on the Schedule(s) designated Schedule A and, if applicable and attached, Schedule A-1.

13. Hold Harmless. (a) Notwithstanding any other provision of this Agreement and as special consideration for the execution of this Agreement by WPRO, Broker agrees that it shall save, defend, indemnify and hold harmless WPRO from any and all claims, demands, liabilities, actions, proceedings, judgments, fines or other expenses including without limitation, reasonable attorneys' fees, incurred by WPRO arising from or related to any claim of alleged errors and omissions caused by or related to the acts of Broker, its agents, servants, principals and employees. (b) WPRO agrees that it shall save, defend, indemnify and hold harmless Broker from any and all claims, demands, liabilities, actions, proceedings, judgments, fines or other expenses including without limitation, reasonable attorneys' fees, incurred by Broker arising from or related to any claim of alleged errors and omissions caused by or related to the acts of WPRO, its agents, servants, principals and employees.

14. Broker's Breach of Agreement. In the event Broker violates this Agreement, Broker shall be liable for all costs and damages incurred by WPRO, including court costs and attorney's fees.

15. Cancellation of this Agreement. This Agreement may be canceled at any time by either party giving thirty (30) days notice. In the event of cancellation, Broker will continue to be paid commissions on all binders and policies until they expire or are placed elsewhere.

16. Notices. Any notices which may be given under this Agreement shall be in writing, and shall be given: (a) by hand delivery; (b) by commercial overnight courier; or (c) registered or certified mail with return receipt requested. Such notices shall be addressed as follows:

If to WPRO:

WestMass Professional Insurance Agency LLC  
Attention: David W. Griffin  
President  
101 University Drive A6  
Amherst, MA 01004

If to Broker (please print):

Agency Name \_\_\_\_\_

Attention: \_\_\_\_\_

Street/Mailing Address \_\_\_\_\_

City \_\_\_\_\_, State \_\_\_\_\_, Zip Code \_\_\_\_\_

17. Governing Law. The laws of the Commonwealth of Massachusetts shall govern the validity and construction of this Agreement.

18. Errors & Omissions Insurance. Broker hereby agrees to furnish a copy of its E & O Declarations page showing an amount of insurance of at least \$1,000,000. It is agreed that broker will keep E & O coverage in effect for this amount during the term of and while this agreement is in effect.

19. Dispute Resolution. In the event of a dispute between the parties arising out of this Agreement that cannot be satisfactorily settled by them, such dispute shall be settled by arbitration pursuant to the rules of the American Arbitration Association to be held in Hampden County, Massachusetts. The decision of the arbitrator shall be binding upon the parties, and judgment may be entered thereon by any court having jurisdiction. The arbitrator shall include in the award the assessment of the expenses of arbitration to and between the parties, and shall award costs and legal fees to the prevailing party.

WestMass Professional Insurance Agency, Inc.

By: \_\_\_\_\_  
David W. Griffin  
President

BROKER NAME:  
(Print) \_\_\_\_\_

By: \_\_\_\_\_ (signature)

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

BROKER'S FEDERAL IDENTIFICATION # (FEIN):

\_\_\_\_\_

Attachments:  
Certificate of Insurance for E&O  
W-9 Form  
Copy of License  
Schedule A  
Schedule A-1 (if applicable)  
Rider(s) (if applicable)

## Schedule A

### Broker Commission Schedule

Commission payable to the Broker varies based on line of coverage, size of client, and the insurance carrier coverage is placed with. Each proposal for new or renewal insurance will contain the specific commission for that particular account. The Pro Mutual Insurance Company split of commission will be \_\_\_\_\_% Broker and \_\_\_\_\_% WPRO unless agreed upon in writing otherwise.