



LANCET INDEMNITY

"THE INSURANCE COMPANY PHYSICIANS TRUST"

("Company")

BROKER/AGENCY AGREEMENT

This Agency Agreement (the "Agreement") is hereby entered into and made effective as of the 1 day of _____ ("Effective Date"), by and between _____ (hereinafter referred to as the "Broker"), and **LANCET INDEMNITY (RRG)** (hereinafter collectively referred to as the "Company")

In consideration of the mutual covenants and benefits set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the Broker and the Company agree as follows:

1. APPOINTMENT AND AUTHORITY OF THE BROKER

The Broker's authority under this Agreement shall extend only to the states specifically authorized by the Company and in which the Broker has the required license to transact business with the Company.

The Company hereby appoints and provides limited authority to the Broker to solicit and secure applications for the Company and the Broker has no underwriting or binding authority.

The Broker shall have no authority, nor shall the Broker represent itself as having any authority, other than as specifically provided for this Agreement.

2. INDEPENDENT CONTRACTOR

The Broker is an independent contractor. Subject to the terms and conditions of this Agreement, the Broker shall be free to exercise its own judgment and discretion with regard to the conduct of its business and as to the persons from whom the Broker will solicit insurance business. Nothing contained in this Agreement shall be construed to create between the Company and the Broker the relationship of employer and employee, joint venture, or partnership. The Company may, from time to time, prescribe rules and regulations relating to the conduct of business covered by this Agreement, which rules and regulations shall be observed and conformed to by the Broker.

3. BROKER EXPENSES

The Company shall not be responsible for the Broker's expenses in connection with the Solicitation of insurance or performance of any duties or obligations of the Broker under This Agreement, unless previously agreed to in writing by the Broker and the Company.

4. DUTIES AND RESPONSIBILITIES OF THE BROKER

The Broker will perform all of its duties under this Agreement to the satisfaction of the Company, which duties and responsibilities shall include, but not limited to, the following:

- a. The Broker agrees to timely comply with all licensing, countersignature or other similar requirements of any jurisdiction in which insurance is written or risks are located;
- b. The Broker will comply with all instructions, rules, bulletins, manuals, forms, underwriting guidelines and rates issued by the Company, which may be amended from time to time by the Company. Also, the Company reserves the right to establish and change any procedures from time to time;
- c. The Broker will forward to the Company all applications, binders or requests for the policy changes and report all insurance accepted and bound no later than ten (10) days following the effective date of the insurance coverage. Failure to comply may result in the immediate suspension.
- d. The Broker will promptly deliver, and as directed by the Company, insurance policies, binders, certificates of insurance and endorsements as directed by the Company;
- e. The Broker will retain complete and accurate records pertaining to business transacted on behalf of the Company. The Broker shall retain all underwriting information that is required by law and copies of any other relevant documents for audit and review by the Company;
- f. The Broker agrees to assume full responsibility for the acts or omissions of any employees of the Broker, to the extent that such acts or omissions affect the Company. The Broker agrees to advise each employee of the limitations of authority placed upon the Broker by the Company under this Agreement;
- g. The Broker represents and warrants to the Company that the Broker and its employees, if any, are properly licensed to solicit and service any business they submit to the Company. The Broker shall provide the Company with copies of all licenses required of the Broker by all regulatory authorities having jurisdiction over the Broker and its employees. The Broker shall maintain all such licenses throughout the term of this Agreement. In the event the Broker, or any of its employees, shall have their licenses terminated, revoked, suspended, lapsed or otherwise not remain in good standing for any reason, the Broker shall advise the Company in writing of such event within five (5) days from the date the Broker is provided notice of such event;
- h. The Broker is responsible to perform the duties assumed under this Agreement in accordance with the standards of performance of such duties that exist in the insurance industry. The Broker agrees that it will maintain or, if needed, add sufficient personnel with the required expertise and capabilities to fulfill its

obligations under this Agreement and will maintain or, if needed, add equipment to meet the duties it assumes under this Agreement;

- i. Where applicable, the Broker agrees to be available and make their personnel available for education and training in the use of any of the Company's applicable systems;
- j. The Broker assumes responsibility to promptly notify the Company of any insured claim of which the Broker has any direct or indirect knowledge; and
- k. The Broker assumes responsibility to notify the Company to cancel any policy for non-payment of premium within 30 days of notice or knowledge to Broker. .

5. LIMITATIONS ON BROKER'S AUTHORITY

The Broker shall have no authority, nor shall it represent itself to have any authority other than as specifically provided for in this Agreement. Broker shall not perform any of the following acts:

- a. Make, waive, alter, or change any term, rate or condition stated in any policy of insurance or Company approved form or rate, without the prior written consent of the Company;
- b. Extend the time for payment of premiums of any premium amounts or other monies due to the Company (at a minimum such payments will be forwarded within 30 days of receipt);
- c. Transact business contrary to the rules and regulations of any insurance department and/or other governmental authorities having jurisdiction over any actions performed under this Agreement;
- d. Make, accept or endorse notes or checks payable to the Company, or otherwise incur any expense or liability on behalf of the Company, unless authorized in writing by the Company;
- e. Enter into a sub-agent, broker, or other agreement that authorizes the sub-agent, broker, or other party to perform any act, affecting any term or condition of this Agreement; or
- f. Back date the effective date of coverage of any binder or policy.

6. BROKER'S COMPENSATION

The Broker's sole compensation from the Company shall be limited to a commission calculated as a percentage of the base premiums and audit premiums written and received by the Company under this Agreement. Premium taxes and surcharges are not included as premium and therefore, are not subject to commission. The Company shall charge, and the Broker shall pay, a return commission at the same rate on any return premium and return premiums on cancellations effectuated by the Company or the policyholder.

7. OWNERSHIP OF EXPIRATIONS

In the event this Agreement is terminated and the Broker has paid to the Company all premiums due before the effective date of termination, the Broker's expirations, records, files, related information and the use and control of the expirations shall remain the property of the Broker and be left in its undisputed possession. If such premium has not been fully accounted for and paid by the Broker to the Company prior to the effective date of termination, then the records, expirations, files, related information and use and control thereof shall be owned and controlled by the Company.

8. PREMIUM BILLING

The Broker and Company agree to account for and pay all premium balances in accordance with regulatory requirements and the following procedure:

Premiums received (collected) by the Broker will be segregated and cleared through a premium trust account with disbursement from such account limited to commissions and premium payments.

The total premium shall be received by the Company prior to the issuance of a certificate of insurance and/or binding coverage.

All premium payments and Audit Forms must be sent to:

**LANCET INDEMNITY RRG
2810 W. St. Isabel, Suite 100
Tampa, Fl. 33607**

9. TERM

This Agreement shall remain in effect unless terminated pursuant to Section 14 of this Agreement.

10. ERRORS AND OMISSIONS INSURANCE AND FIDELITY INSURANCE

The Broker agrees to maintain an Errors and Omissions insurance policy during the term of this Agreement and for a period of twenty-four (24) months thereafter, in an amount not less than One Million Dollars (\$1,000,000) per claim and One Million Dollars (\$1,000,000.00) per aggregate. If the Broker is insured by a claims-made coverage form, the retroactive date of the policy must be the same as or earlier than the Effective Date of this Agreement.

The Broker agrees to provide the Company with a Certificate of Insurance verifying the existence of Errors and Omissions coverage upon inception of the Agreement and every anniversary thereafter. Further, the Broker agrees to provide the Company with ten (10) days' advance written notice of termination, cancellation, or change in such policy by either the insurance carrier or the Broker.

11. ADVERTISING

Except as otherwise provided herein, any use of the Company's name or any of its Trademarks or Service Marks (the "Marks"), by the Broker for advertising purposes, is prohibited without the prior written consent of the Company for such use. The Broker shall not make, publish, issue or insert, or cause to have made, published, issued or inserted into any advertisement, letter, circular, pamphlet, or other publication or statement, whether written or through electronic media, that makes reference to the Company or any of its policies or services, or that refers to the insurance written under this Agreement (collectively, the "Materials"), without the prior written approval of the Company. If at any time during the term of this Agreement, the Broker, its employees, or its representatives shall commit any act that brings those parties into public disrepute, contempt, scandal or ridicule or that shocks or offends the community or that reflects unfavorably upon the Company, or such parties have so acted in the past and information in regard thereto becomes public while this Agreement is in effect, then the Company shall have the right to immediately terminate this Agreement and the Broker shall immediately remove from use or display, all such Marks and Materials.

12. NAME, LOGO, TRADEMARK OR SERVICE MARK

Solely in connection with the activities set forth herein and subject to the terms and conditions set forth in this Agreement, the Company hereby grants the Broker a non-exclusive right to use the Company's Marks on such contracts, applications, and stationery utilized in relation to this Agreement. This grant is expressly subject to the provisions of this Agreement, is non-transferable, and may be revoked at any time by the Company. The Broker shall not acquire any right or license in or to any of the Company's Marks.

The Broker agrees not to use any of the Company's Marks as part of its own marks or for any other purpose, unless the Company consents to such use in advance and in writing.

If this Agreement is terminated, no Company Marks or Materials shall be used by Broker.

13. COMPANY PROPERTY

The Broker will safeguard, maintain confidentiality and account for all forms, manuals, equipment, and other like Company property and supplies furnished to the Broker by the Company. The Broker's agreement to safeguard the confidentiality of such information will survive the termination of this Agreement.

All such property and supplies shall always remain the exclusive property of the Company and shall be returned to the Company or its representative before the date of termination of this Agreement.

14. TERMINATION

This Agreement may be terminated as follows:

- a. This Agreement may be terminated by either party by giving the other party a minimum of thirty (30) days' written notice, prior to the effective date of termination, or more if required by state law, of its intent to terminate this Agreement;
- b. This Agreement may be terminated immediately by mutual agreement, where permitted by law
- c. This Agreement shall terminate immediately upon the occurrence of one or more of the following:
 - i. Any willful misconduct, violation of law, or any act of fraud or dishonesty relating to this Agreement, by either party or any of its officers, directors or employees; or
 - ii. Receivership, liquidation, insolvency, bankruptcy, admission in writing by a party of its inability to pay debts as they become due, or assignment for the benefit of creditors; or
 - iii. Suspension, probation, revocation or termination of Broker's license;

The Broker shall have no authority to quote or bind any new business on or after the date that notice of termination is sent by the Company. The Broker will have no authority to quote or bind any renewal business, pursuant to this Agreement, with a policy effective date on or after the effective date of termination, unless required by law or regulation. The Broker will use its best efforts to place all such business elsewhere.

15. COMPLIANCE WITH LAW

The Broker acknowledges that it may receive personal and private information about a policyholder or applicant for insurance. The Broker agrees to maintain such information in confidence and to maintain adequate safeguards to insure the confidentiality of such information in accordance with the applicable federal and state law.

Also, the Broker represents that it is compliant, or will become compliant within six (6) months of the Effective Date of this Agreement, with the Violent Crime Control Act of 1994 and the USA Patriot Act of 2002.

16. COMPANY'S RIGHT OF OFFSET

The Company may offset any money owed Broker under this Agreement or any other agreement against any outstanding balances or other monies owed by the Broker to the Company under this Agreement or any other agreement between the Company and the Broker.

17. INSPECTION AND AUDIT OF BROKER

The Broker, upon reasonable notice and during normal business hours will permit duly authorized representative(s) of the Company, at the Company's expense, to visit, inspect, examine, copy, audit, and verify, at Brokers' offices or elsewhere, all documents, files, books, reports, work papers, accounting records or bank statements relating to the insurance written under this Agreement. Any inspection or audit by the Company will take place no later than thirty (30) days' from the Company's written request to the Broker.

18. NO THIRD PARTY BENEFICIARIES

This Agreement is for the exclusive benefit of the parties identified hereto, and no third party, including without limitation any policyholder, is intended or shall be a beneficiary of any provisions hereof.

19. ASSIGNMENT

This Agreement shall inure to the benefit of any successor of the Company. The Broker shall not assign any of its rights, or delegate any of its duties, obligations or responsibilities under this Agreement without the prior written consent of the Company. The Broker agrees to provide ninety (90) days' advance written notice to the Company of any sale or transfer of its business or consolidation with another company. The Company may consent to an assignment of this Agreement or elect to terminate this Agreement in accordance with Section 15 of this Agreement. Any purported assignment by the Broker, in the absence of such written consent by the Company, shall be void.

20. WAIVER

The failure of either party at any time to enforce any provision of this Agreement, or any right or remedy hereunder at law or in equity, or to exercise any election herein provided, shall not constitute a waiver of any provision, right, remedy, or election or, in any way, affect the validity of this Agreement, nor act as a waiver of any subsequent breach or waiver of that same provision or any other provision of this Agreement.

21. NOTICE

All notices, demands, and requests required or permitted to be given under this Agreement shall be in writing and shall be directed to the addresses indicated below, or such other address as indicated by the parties, from time to time. Such notices or other communications shall be deemed given (a) when personally delivered or sent by facsimile transmission or electronic mail to the party to be given the notice or other communication at the address indicated below, or (b) on the business day following the business day that such notice or other communication is sent by overnight courier or next day delivery, to the address indicated below:

If to Company:

Address of Company: 2810 W. St. Isabel, Suite 100
Tampa, Florida 33607
Telephone: (813)290-8282
Email: amaniscalco@lancetindemnity.com
Facsimile: (813) 290-7070
Attention: Anthony F. Maniscalco, COO

If to Broker:

Name of Broker
Address of Broker:

Telephone:
Email:
Facsimile:
Attention:

22. APPLICABLE LAW

This Agreement and the rights and responsibilities of the parties hereunder shall be construed in accordance with and governed by the laws of the State of Michigan without regard to its conflict of law provisions. Any action arising out of or relating to this Agreement or any act of the Broker or the Company taken pursuant to this Agreement, or the enforcement or any breach thereof shall be litigated in the Circuit Court for the County of Hillsborough, State of Florida.

23. ACCORD AND SATISFACTION

The acceptance by the Company of any sums from the Broker in amounts that are less than the amounts due and payable hereunder are neither intended, nor shall they be construed, to constitute an accord and satisfaction of any dispute between the Company and the Broker regarding sums due and payable by the Broker, unless the Company specifically agrees to the same in a document executed by both the Broker and the Company.

24. SEVERABILITY

If any term or provision, or any portion thereof, of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to such persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall continue to be valid and be enforced to the fullest extent permitted by law.

25. ENTIRE AGREEMENT

This Agreement supersedes all previous agency agreements, whether oral or written, and may be changed or modified in writing, signed by the parties. This Agreement is intended by the parties, as a final expression of their understanding and as a complete and exclusive statement of the terms hereof. All negotiations, considerations, and representations between the parties have been incorporated herein. No course of prior dealing between the parties or their directors, officers, employees, brokers or affiliates shall be relevant or admissible to supplement, explain, or vary any of the terms of this Agreement. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior Agreement between the parties or their affiliates shall not be relevant nor admissible to determine the meaning of any of the terms of this Agreement.

26. JOINT AND SEVERAL LIABILITY.

If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Agreement as the Broker, the liability of each such individual, corporation, partnership, or other business association to perform all such obligations hereunder shall be deemed to be joint and several, and all actions taken, or notices, payments and agreements given, or made by, with or to any of them, shall be deemed to be taken, given or made by all of them. In like manner, if the Broker shall be a partnership or other business association, the members of which are, by virtue of statute or federal law, subject to personal liability, the liability of each such member shall be joint and several.

27. REQUISITE AUTHORITY

The undersigned(s) hereby represents that they are authorized to execute this Agreement on behalf of the Broker and the Company.

	_____ BROKER
_____ WITNESS	_____ SIGNATURE
_____ PRINT NAME	_____ PRINT NAME
_____ DATE	_____ TITLE
	_____ <u>Lancet Indemnity RRG</u> COMPANY
_____ WITNESS	_____ SIGNATURE
_____ PRINT NAME	_____ PRINT NAME
_____ DATE	_____ TITLE