

WHOLESALE BROKER AGREEMENT

THIS WHOLESALE BROKER AGREEMENT (this “Agreement”) dated as of the _____ day of _____, 2018, by and among the entities indicated on Schedule A attached hereto and incorporated herein by reference (such entities are collectively called “Company”) and

(“BROKER”), a [check one]:

- business corporation formed under the laws of _____
- limited liability company formed under the laws of _____
- general partnership formed under the laws of _____
- individual
- other [describe: _____]

WITNESSETH

WHEREAS, it is the desire and intention of the parties that they enter into this Wholesale Agreement for their mutual benefit upon the terms and conditions hereinafter set forth, superseding any previous oral or written agreement or understanding between them.

NOW, THEREFORE, in consideration of the mutual promises, covenants and for good and valuable consideration, each party agrees with the other as follows:

AUTHORITY

1. COMPANY shall, in its sole discretion, accept, reject or submit to insurers for acceptance any applications for insurance for risks submitted by BROKER, and COMPANY shall incur no liability for refusal or failure to place any such risk.

2. BROKER shall have no authority to bind any insurers for COMPANY, commit to or issue binders, policies or other written evidence of insurance on behalf of COMPANY or to make representations not strictly in accordance with the provisions of the policies and contracts placed under the terms of this Agreement. BROKER shall not at any time hold itself out as being the agent of COMPANY or having authority to bind any policy or contract of insurance procured through COMPANY. Nothing in this agreement shall make the parties partners or shall make either party the agent of the other for any purpose. This is an independent contractor arrangement.

REPRESENTATIONS AND WARRANTIES

3. COMPANY and BROKER represent and warrant that they are insurance brokers in good standing, licensed by the insurance regulators in all states in which they conduct business including all states in which the parties intend this Agreement to apply.

4. COMPANY and BROKER will remain licensed to act under and pursuant to the insurance laws and regulations of all states in which they conduct their business including all states in which the parties intend this Agreement to apply and are licensed for all classes of insurance business and risk to be produced in accordance with the terms of this Agreement. BROKER will promptly notify COMPANY of any suspension, cancellation or disciplinary action in respect of its license(s).

TERM

5. This Agreement shall become as of the date of this Agreement and continue in force and effect unless and until terminated as provided in Section 21.

COMPENSATION

6. COMPANY shall pay to BROKER a commission to be agreed upon on an individual risk basis for all accounts produced by BROKER and accepted by COMPANY. Each quotation given by COMPANY to BROKER shall set forth the applicable commission. On Agency Bill Accounts, BROKER receives its commission by taking the commission as a discount on the premium due COMPANY while it collects the full premium from its customer. COMPANY shall deduct from each return premium (including any return premium arising from a cancellation ordered by COMPANY) a return commission calculated at the same rate as BROKER's original commission thereon. On Direct Bill Accounts, COMPANY shall pay BROKER its commission when COMPANY is paid its commission from the carrier.

7. No commissions will be paid on audit premiums which are not paid by the insured.

8. All expenses incurred by BROKER shall be the sole responsibility of BROKER.

BILLING AND REFUNDS

9. On accounts billed by COMPANY ("Agency Bill Accounts"), COMPANY's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings. BROKER guarantees the full payment of premiums, including deposit, earned, extension and adjustable premiums, as well as fees and any applicable taxes to COMPANY whether or not BROKER has been paid by sub-brokers and/or the insured. BROKER shall deposit payments of premiums from sub-brokers and/or insured into a segregated trust account which monies shall be disbursed solely as provided in this Agreement. BROKER shall not finance any premium which is not financed by the insured.

10. On accounts billed by the carriers ("Direct Bill Accounts"), premiums are billed by the carriers and are paid directly to carriers.

11. On Agency Bill Accounts, it is the responsibility of BROKER to collect audit premiums on policies of insurance produced by BROKER before or after the date of policy expiration.

12. On both Agency Bill Accounts and Direct Bill Accounts, when COMPANY is obligated to refund a portion of a commission to the carrier, BROKER shall repay COMPANY for a proportionate refund of the commission paid to it when billed by COMPANY. Any fee(s) charged by Company (in addition to premiums and taxes) is fully earned at inception and is not refundable.

13. BROKER may not offset return premiums or commissions earned on one insured from the billing on another unless approved by COMPANY, which shall do so if (a) it has received the refund or commission from the carrier or (b) COMPANY decides, in its discretion, to permit such advance credit.

14. Flat cancellations for policies produced shall not be permitted unless BROKER secures the express written consent of COMPANY. No binder, policy, certificate or cover note may be cancelled without incurring earned premium after the inception date of said document and BROKER assumes full responsibility for the payment of all premiums on binders, policies, certificates or cover notes issued as his or her request.

OWNERSHIP OF BUSINESS AND EXPIRATIONS

15. BROKER shall have the ownership of all insurance business subject to this Agreement, and the use and control of all expirations with respect to insurance obtained through COMPANY. Notwithstanding the foregoing, if BROKER shall at any time be in default in any of its obligations hereunder, then COMPANY shall have the right, so long as such default shall

continue to the exclusive use and control of any or all such expirations and to apply any of the proceeds thereof to the fulfillment of such obligations of BROKER.

SURPLUS LINES INSURANCE

16. BROKER shall not place an order with COMPANY for any excess or surplus lines insurance unless BROKER shall have first complied with any applicable state laws requiring the Producer to attempt to procure such insurance from insurers authorized to do business in the state of residence of the proposed insured. The party responsible for the payment of surplus lines taxes shall also be responsible for full compliance with all relevant surplus lines laws of the relevant state, including but not limited to the collection and payment of surplus lines taxes, filing of affidavits and providing the appropriate statutory and/or regulatory disclosure legends on all documents.

OBLIGATIONS

17. BROKER agrees to indemnify and hold harmless COMPANY for any claim, loss or damage, including COMPANY' attorney's fees, arising from any error, act or omission of BROKER related to BROKER'S performance under this Agreement or from a breach of this Agreement. COMPANY agrees to indemnify and hold harmless BROKER for any claim, loss or damage, including BROKER'S attorney's fees, arising from any error, act or omission of COMPANY related to COMPANY'S performance under this Agreement or from a breach of this Agreement.

18. When BROKER is a partnership or limited liability company, any reference made to BROKER shall be deemed to mean the partners both jointly and severally as applicable. Furthermore, where required by COMPANY in its sole discretion, BROKER's principals may be required to personally guarantee the financial and other obligations addressed in this Agreement.

19. During the term of this Agreement, each party agrees to maintain errors and omissions insurance with limits of at least \$1 million/each occurrence or each claim. Each party shall provide the other party with proof of said insurance simultaneously with the signing of this Agreement and upon each renewal of said insurance. In addition, BROKER agrees to furnish and maintain a satisfactory surety or fidelity bond should one be required by law or should COMPANY require it.

20. All incidents, claims or otherwise which may be subject to indemnification pursuant to the terms and conditions of a policy of insurance issued pursuant to this Agreement must be immediately reported to COMPANY or the issuing carrier directly. BROKER agrees to cooperate with COMPANY regarding the investigation and adjustment of any claim. This provision shall succeed the termination date of this Agreement.

TERMINATION

21. (a) This Agreement may be terminated immediately upon notice from either party upon the happening of any of the following events:

(1) The revocation or suspension by any insurance regulator of the insurance brokerage license of the other party.

(2) Any act or conduct of other party which constitutes fraud or dishonesty or which amounts to gross negligence or willful misconduct by other party.

(3) Any material misrepresentation under this Agreement.

(4) The filing of a petition in bankruptcy or an assignment for the benefit of creditors, or the appointment of a receiver by the other party.

(5) The sale of BROKER. BROKER shall give company notice of the sale within 5 business days of the closing of such sale.

(6) Material breach by the other party of its obligations under this Agreement, including a material misrepresentation, which includes failure to pay any sum due within 10 days after it is due.

(b) This Agreement may be terminated without cause by either party at any time upon thirty (30) days' notice to the other party.

ADVERTISING PROHIBITION

22. It is understood and agreed that this Agreement is private between the parties hereto. BROKER may not and is prohibited from inserting any advertising respecting COMPANY and/or the issuing carrier in any publication and is prohibited from issuing any circular or paper referring to COMPANY and/or the issuing carrier without the expressed written consent of COMPANY.

SURVIVAL OF REPRESENTATIONS, WARRANTIES, DUTIES AND OBLIGATIONS

23. All representations, warranties, duties and obligations made by the parties hereto shall survive the termination of this Agreement.

NOTICES

24. The quotation and binding of insurance policies shall be done in accordance with industry standards by confirmed receipted email or fax. Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and shall be deemed duly given when hand delivered, upon delivery or refusal by a reputable overnight delivery service such as Federal Express or when sent by confirmed receipted fax, together with certified mail, return receipt requested.

MISCELLANEOUS

25. Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach hereof by any party shall be settled by arbitration by reference to the Commercial

Arbitration Rules of the American Arbitration Association in effect on the date of this Agreement except as varied below; provided however, that the parties are not submitting themselves to the jurisdiction of the American Arbitration Association. The sites of any such arbitration shall be Hackensack, New Jersey. The arbitrator shall be a licensed insurance agent, with no less than ten (10) years' experience. If the parties cannot agree upon an arbitrator within ten (10) days of a demand for arbitration, then either party may request the Assignment Judge of Bergen County, New Jersey to appoint the arbitrator. The arbitrator shall render a single, written decision stating the reasons therefore, and shall render an award within three (3) months of the arbitrators' selection by the parties as arbitrator, and such award shall be final and binding upon both parties. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction in any state of the United States. The expense of arbitration shall initially be shared equally by the parties subject to reallocation by the arbitrator. Notwithstanding the foregoing, either party may apply to the State or federal courts in New Jersey for injunctive relief.

26. If either party hereto shall institute an arbitration or an action in court to enforce any provision hereof, the prevailing party shall be entitled to recover from the losing party its court costs and reasonable attorneys' fees and expenses for the services rendered to the prevailing party in such action or proceeding, including appellate proceedings and bankruptcy proceedings. Such attorneys' fees and courts costs shall be in addition to any other costs to which such party shall be legally entitled.

27. This Agreement contains the entire Agreement between the parties, and supersedes any prior or other Agreements, understandings or communications, written or oral.

28. Except as provided in the last sentence of this Section 28, no modification of this Agreement shall be effective unless and then only to the extent expressed in a mutually executed

Agreement. Any purported modification which is not so expressed in a mutually executed Agreement shall be void. Notwithstanding the provisions of the prior two sentences, COMPANY may add entities to Schedule A attached hereto by amending, signing and dating Schedule A and by delivering such Schedule A to BROKER.

29. The inapplicability or unenforceability of any provision of this Agreement shall not limit or impair the operation or validity of any other provision of this Agreement.

30. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

31. This Agreement shall be governed by the laws of the State of New Jersey.

32. This Agreement was drafted by COMPANY as a matter of convenience and shall not be construed for or against either party on that account.

33. This Agreement is personal between the parties and may not be assigned, amended, altered, modified or changed in any way except with the prior written consent of both parties.

34. This Agreement shall be binding upon and it shall ensure to the benefit of the parties thereto, their legal representatives and any permitted assigns.

(remainder of page intentionally left blank; signatures on following page)

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

ON BEHALF OF EACH OF THE COMPANIES LISTED ON SCHEDULE A

By: _____

Robert G. Lull, Matthew Simnor, Jacalyn DeVries
Authorized Signatory-only one signature required (all companies)

Date

By: _____

Brenda B. Watson
Authorized Signatory-TIP National, LLC

Date

BROKER

Name of Broker

By: _____
Signature

Date

Name

Title

SCHEDULE A

_____ **All Trans Risk Solutions LLC**, a New Jersey corporation;

_____ **TIP National, LLC**, a Delaware limited liability company;

_____ **Transportation Insurance Services LLC**, a Florida limited liability company

By: _____

Robert G. Lull, Matthew Simnor, Jacalyn DeVries
Authorized Signatory-only one signature required (all companies)

_____ Date

By: _____

Brenda B. Watson
Authorized Signatory-TIP National, LLC

_____ Date