

TERMS OF BUSINESS AGREEMENT

As used in this Agreement, Denali Specialty Group LLC. (Company) shall refer to any business unit or entity that may be affiliated through common ownership and/or managed by Denali or its affiliates as an instrument for maintaining Producer relationships.

Agreement between Denali Specialty Group LLC

And

(Producer)

WHEREAS, Company represents insurance companies in the placement and writing of insurance generally; and Producer may desire the services of the Company to place insurance for its customers commonly referred to as insureds; and Company and Producer desire to enter into an agreement to utilize other services in the placement of insurance for Producer's customers.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

Producer's Authority and Duties

- The Producer is an independent contractor and is not an agent of the Company.
- The Producer represents and warrants that they are properly licensed as required by their activities under this Agreement and are qualified to transact insurance business and shall maintain all such licenses during the term of this Agreement. The Producer shall immediately notify the Company concerning any change in the matters warranted in this Section.
- The Producer shall provide acceptable evidence of current licensing at the request of the Company. In the event the Producer fails to provide acceptable evidence of current licensing to the Company, the Company shall be entitled to all right, title and interest in any commissions or fees otherwise due to Producer.
- The Producer may, from time to time, submit proposals on behalf of its customers for the purpose of obtaining quotes for insurance coverage from insurance companies represented by the Company, or for the contracting of ancillary services.
- The Producer acknowledges and agrees that the Company has the right to decline to work on any insurance proposals submitted by the Producer.
- The Producer has no authority to act on behalf of or bind on behalf of the Company or any insurance company represented by the Company.
- For insurance business placed through the Company under this Agreement the Producer shall:
 - a. Not alter or amend any insurance coverage placed through the Company under this Agreement;
 - b. To the best of Producer's knowledge, provide accurate and complete insurance proposals;
 - c. Review the accuracy of all insurance policies placed through the Company under this Agreement and will promptly notify the Company of any discrepancy in writing;
 - d. Assist customers' compliance with loss control recommendations;
 - e. Obtain any information from its customers that may be reasonably requested by the Company or by any insurance company represented by the Company;
 - f. Assist customers' compliance with the claims reporting requirements of any insurance policies;
- The Producer acknowledges that they have no authority to pay, settle, adjust, or compromise any claims made against any insurance policies placed through the Company under this Agreement.
- Producer shall not be authorized to affect any cancellation of policies placed under this Agreement without consent of Company

Premium Collection and Remittance

- Unless specifically agreed to in writing between both parties prior to placement, the Producer shall be responsible for the collection of all premiums on business placed or bound with the Company, by or through the Producer.
- In the event a discrepancy should exist in the accounting between the Company and the Producer, the Producer's shall notify the Company in writing, within fifteen (15) days from the end of the billing. The Producer shall pay all undisputed premiums to the Company in accordance with the terms of this Agreement.
- Notwithstanding any written understanding mutually agreed to in advance, the Producer shall remit any balance due to the Company no later than twenty (20) days from the effective date of coverage.
- Policies billed directly by any insurance company represented by the Company shall be handled as follows:
 - a. The Producer shall remit the gross premiums for such policies where the insured has paid the Producer instead of paying the insurance provider directly.
 - b. The Producer shall remit a Producer check (payable to the insurance company) for the gross down payment premium if required by Company or the provider at the time Producer has been authorized to bind coverage through Company.
 - c. The Producer acknowledges and agrees that the Insurance company shall bill (installments) to the insured on the Producer's behalf, subject to the insurance company's billing plan as accepted by all parties before binding.
 - d. The Company shall bill the Producer or return to the Producer any premium difference created by an audit. If the insured fails to pay the Producer, the Producer agrees to notify Company.
- The Producer agrees to immediately notify the Company in writing when premium under any policy is financed by a premium finance company other than any insurance carrier's direct bill program. The Producer will provide to the Company the full name of the premium finance company and copy of any written contract with the finance company to Company.
- In the event the Company receives payment of premiums from or through a finance company agreement on any insurance policy, upon cancellation or modification of such policy, the return premium, if any, less unearned commission, will be remitted by Company to the finance company or the Producer as required by applicable state laws.
- The Company will send copies of all final audit worksheet statements to Producer for collection and which shall be accounted and paid.
- The Producer may request to return uncollectible audits within twenty (20) days of the Producer's receipt of the final audit worksheet statement. However, if request is granted, the Producer forfeits all rights to any commission on such audits that would normally be due and payable. The Company reserves the right to collect such premiums from the insured in any manner deemed necessary.
- The Company will not unilaterally withhold return audit provisions if the insurance provider grants such terms to the Company, and the Producer has given notice of their intent to return the audit within the twenty (20) day allowance window.
- All premiums collected or received by the Producer shall be held by the Producer as trustee for the Company until paid to the Company. The privilege of retaining commissions shall not be construed as changing such fiduciary relationship.
- The Producer's financial and accounting records pertaining to any business placed by the Company shall be subject to inspection as mutually agreed upon by the parties.
- The Producer will establish written escheat procedures outlining the appropriate steps to be taken in the reporting of any and all unclaimed funds by their insured's, as outlined in the state statutes in which the refund was issued.

Commissions

- Company agrees to pay to the Producer commissions on insurance policies and designated ancillary services produced through Company in accordance with a commission schedule to be negotiated between Company and the Producer at the time the insurance is initially placed, and when renewed.
- In the event of policy cancellation, reduction of premium or for premiums not collected, commissions paid to the Producer shall be refunded to Company by Producer at the same rates at which such commissions were originally earned by the Producer.
- Commissions due from policies billed and collected by insurance providers will be paid to the Producer by the Company following the close of each month.

Amendment and Termination of Agreement

- This agreement may be supplemented, amended, or revised only by the written agreement of the Producer and the Company.
- This agreement shall terminate automatically, upon written notice, in the event the Producer's license or authorization to engage in an insurance business is terminated or suspended by any public authority with appropriate jurisdiction.
- The Producer and the Company mutually agree that unless the Producer has failed to perform as required by this agreement, this agreement may terminate as follows:
 - a. The Company may terminate this agreement upon written notice to the Producer mailed or delivered not less than thirty (30) days in advance of the effective termination date.
 - b. The Producer may terminate this agreement upon written notice to the Company mailed or delivered not less than thirty (30) days in advance of the effective termination date.
- Upon termination of this agreement, outstanding and unexpired insurance policies shall be continued in force to permit the orderly servicing of such insurance policies until their expiration or termination.
- Following termination of this agreement, the Company shall, upon demand of the Producer, supply the Producer with a list of all policies by expiration date showing the name of the insured as such data appears on the Company records.

Ownership of Expirations

- The Producer's records and use and control of expirations shall remain the Producer's absolute property and be left in the Producer's undisputed possession.
- The use and control of expirations is vested in the Producer and the following shall apply:
 - a. The Company shall not use or appropriate any of the Producer's customer records which are entrusted to the Company, or information about the customer which the Company acquires in the normal course of business dealings between the Company and the Producer under this agreement, to solicit the Producer's customers for other insurance policies or for other products and services unless the Company first obtains the Producer's written authorization; and,
 - b. No marketing methods used by the Company in the sale, service, or renewal of any form of insurance shall abridge the Producer's ownership of records or use and control of any expirations which arise as consequence thereof.

Indemnification

- The Producer agrees to indemnify and hold harmless Company for all loss, damage, and/or other expenses incurred or sustained by the Company in case of breach by the Producer of this agreement.

- The Company agrees to indemnify and hold harmless the Producer for all loss, damage, and/or other expenses incurred or sustained by the Producer in case of breach by the Company of this agreement.
- The Producer warrants and agrees that it has and will continuously maintain errors and omissions insurance that protects against the Producer liability arising from the business conducted under this agreement. Such coverage shall have the following minimum limits of liability:
 - a. \$1,000,000 each claim/loss and
 - b. \$1,000,000 annual aggregate
- The Producer shall, upon request from the Company, submit to the Company a certificate of insurance detailing the Producer's current errors and omissions coverage.

Conditions

- The Producer, by accepting this agreement, hereby agrees for the Producer and its assigns and successors in interest, to faithfully perform all terms and conditions hereunder.
- This agreement supersedes any and all previous agreements, including any amendments thereto, whether oral or written, between the Company and the Producer. Upon execution of this Agreement, the terms hereof shall apply to all coverages then in effect or which may thereafter be affected by the Company for the Producer.
- This agreement shall not inure to the benefit of any successor in interest of the Producer nor may any interest under this agreement be assigned by the Producer without the prior written consent of the Company.
- Expenses incurred by either party in the performance of its duties under this agreement shall be paid by the party incurring the same.
- Each party agrees not to disseminate and not cause to be disseminated any advertising or promotional material, or using the name, or service mark of the other party, except with the prior written approval of the other party.
- The Company assumes no responsibility or liability for any rehabilitation proceedings or insolvency proceeding of any insurance carrier or carriers with which the Company may have placed the Producer's business.
- Rehabilitation or insolvency proceedings shall not relieve or alter the Producer's obligation under this agreement or under any applicable law.
- Any unused forms, applications and other unused Company supplies furnished to the Producer shall always remain the Company's property and shall be accounted for and returned by the Producer to the Company upon demand.
- This Agreement shall be interpreted and enforced in accordance with the laws of the State of Missouri.
- The failure of either party to enforce the terms, covenants and provisions of this Agreement shall not be deemed a waiver thereof.
- In the event any provision of this Agreement is ruled void or unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect.

Arbitration

- In the event of any unresolved disagreement between the Company and the Producer under this agreement, the disagreement shall be submitted to arbitration at the request of either party, in the following manner:

- a. The party requesting arbitration shall so notify the other party in writing and shall specify the question to be arbitrated.
- b. Within fifteen (15) days after receipt of such notification, each party shall, at its own expense, select an arbitrator and give the name and address thereof to the other party.
- c. The two (2) arbitrators shall promptly select a competent and disinterested party as a third arbitrator.
- d. The decision of any two- (2) of the three- (3) arbitrators so chosen shall be final and conclusive on the Company and the Producer. The decision shall be in writing and a copy thereof given to both the Company and the Producer with sixty (60) days after the date of the request for arbitration.
- e. The expenses of the third arbitrator shall be borne equally by the Company and the Producer.

- Arbitration under these provisions shall be governed by the laws of the State of Missouri.

This Agreement, executed as of the date shown below, by and between the under-signed Producer, and Denali Specialty Group LLC and its affiliates.

WITNESSETH

For the term of this Agreement, Company hereby appoints Producer, subject to the terms and conditions set forth herein, without exclusive territorial rights, and subject to restrictions placed upon the Producer by the laws of the state or states in which Producer is authorized to write insurance. Company markets insurance programs through various insurance providers. In any transaction or business arising under this Agreement, Company shall have the legal status of agent for the insurance providers and Producer shall have the legal status of broker representing the insured.

Name of Producer Firm

Address

City State Zip

Telephone

Email Address of Executing Representative

Signed for Company:

Signed for the Producer:

Name / Title: Michael J. Eichhorn, CPCU
President - CEO

Name / Title:

Signature:

Michael J. Eichhorn

Signature:

Date:

Date:

