



QUANTUM RISK SOLUTIONS - PRODUCER AGREEMENT

This Agreement, by and between Quantum Risk Solutions, LLC, hereinafter referred to as “Quantum”, having its principal office at 92 E. Main Street, Suite 409, Somerville, NJ 08876 and

hereinafter referred to as “the Producer”, having its principal office at:

As used in this Agreement, Quantum shall refer to any business unit or entity that may be affiliated through common ownership and/or managed by Quantum as agent for maintaining Producer relationships.

Whereas, Producer is desirous of placing contracts of insurance through companies represented by Quantum (those companies referred herein as Insurer) and utilizing the underwriting facilities, knowledge, and services of Quantum, and

In consideration of Quantum placing risks of Producer’s clients (referred herein as Insured) from time to time with an Insurer or Insurers and for mutual promises and covenants set forth in this document it is agreed as follows:

AUTHORITY Producer is an agent for the applicant, and acts on behalf of the applicant for insurance, and is not acting as an agent, subagent or broker for Quantum. This agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between Quantum and Producer. Producer is for all purposes an independent contractor.

Quantum shall be the sole judge of whether to accept, reject, or submit to Insurer for acceptance any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer shall have no authority to bind any Insurer for Quantum, commit to or issue binders, policies, or other written evidence of insurance on behalf of Quantum or to make representations not strictly in accordance with the provisions of the policies and contracts placed under the terms of this Agreement. Producer shall not make, alter or vary any terms of coverage, or modify terms of payment of any premium or deposit, or incur any liability for Quantum.

RESPONSIBILITY Producer warrants and represents that Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this agreement and will furnish proof of such licensing upon request by Quantum. Producer will promptly notify Quantum of any suspension, cancellation or disciplinary action in respect of its license(s).

SURPLUS LINES INSURANCE Producer shall not place an order with Quantum for any excess or surplus lines insurance unless Producer 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 that State(s) and the Producer is properly licensed in that State(s). 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 pertinent State(s), 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. Where Quantum is responsible for filing surplus lines taxes all required forms, documents and paperwork must be provided by Producer to Quantum in a timely manner to allow for the prompt filing of the surplus lines taxes.

PREMIUM AND ACCOUNTS Producer guarantees the full payment due Quantum of all premiums including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission, on every insurance contract bound or written (including endorsements) for Producer pursuant to this Agreement. Producer shall be liable to Quantum for the payment of all premiums, fees and taxes whether or not collected by the Producer. Quantum shall allow Producer, as commission, a percentage of the premium written at the rate agreed upon by Quantum and Producer from time to time. Quantum's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing company. The omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for and pay all amounts due; (2) prejudice the rights of Quantum to collect all amounts due from Producer; and (3) extend the time within which Producer must make payment. Producer's obligation to make payment to Quantum is not contingent upon the issuance of a policy. Any credit extended to the Insured or others shall be at the sole risk and responsibility of the Producer unless agreed to in writing by Quantum.

FUNDS HELD IN TRUST Producer shall hold funds in a fiduciary account for business generated under this Agreement to the extent required by the insurance laws of each state in which Producer conducts business. Provided Producer is in compliance with all terms of this Agreement, Producer shall be entitled to any interest earned on said funds while so held by the Producer.

ADJUSTABLE PREMIUMS Notwithstanding anything to the contrary herein set forth, in the situation where premiums for a policy or policies which have been issued cannot be fully determined in advance and where an adjustment or determination is made by an audit, retrospective rating or by interim reports are fully earned and due at the invoice date as evidenced by a Quantum or insurance company invoice. Producer will make all reasonable efforts to collect amounts due. Producer will be relieved of responsibility for premium, so adjusted or determined, if Producer notifies Quantum in writing within 20 days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums and, provided the Insurer releases Quantum of liability for such premium. A copy of the Producer's invoice to the Insured, as well as copies of correspondence pertaining to the collection, must be sent with this notification. Failure to give Quantum timely notice shall constitute Producer's acceptance of responsibility to pay such premiums. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by Quantum or Insurer under this provision.

OWNERSHIP OF EXPIRATIONS In the event of termination of this Agreement and provided Producer has accounted for and paid to Quantum all premiums and other monies due in accordance with the terms of this Agreement, the use and control of expirations on business written under this Agreement shall remain the property of the Producer. If a proper accounting and payment has not been made, the ownership of the records and the ownership of the right of use and control of the expirations shall vest in Quantum.

DIRECT COLLECTION If, after the expiration of sixty (60) days from the date liability was assumed by the insurance carrier, Quantum has not received payment due for the applicable coverage, Quantum may, at its option, collect from the Insured the premium due. In the event Quantum collects the premium or any part thereof from the Insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by Quantum to collect from the Insured shall not relieve Producer of liability to Quantum except to the extent of amounts actually collected by Quantum from the Insured, less the expense of such collection.

COLLECTION OF AMOUNTS In the event Quantum shall have to bring any action or proceeding to enforce collection of any amount due under the terms of this agreement Producer agrees to pay all costs incident thereto, including reasonable attorney's fees and expenses, incurred by reason of such action or proceeding.

CANCELLATION OF INSURANCE Quantum will not recognize flat cancellations unless: (1) written evidence of coverage prior to the inception date of the contract for insurance is provided; and (2) such credit has been granted Quantum by its Insurer. Earned premium shall be computed and charged on every binder, policy or contract cancelled after the inception date in accordance with the cancellation provision of the applicable contract and/or rules of the Insurer. If Producer does not make timely payment of any sums due Quantum, then Quantum may, without limitation of other remedies, initiate with Insurer to cancel the binder, policy or contract for nonpayment. If coverage is bound by Quantum all additional fees charged by Quantum for the entire policy term shall be fully earned upon binding. Producer hereby acknowledges that Quantum, or its Insurers, is under no duty to reinstate a policy if the policy is cancelled. Producer deposits made directly to Quantum for payment on a delinquent account will not constitute acceptance of these funds by Quantum with regard to reinstating any policy being cancelled. Producer shall not accept from Insured the late payment of premiums with prior knowledge, whether actual or constructive, that the policy for which the late premiums have been collected is cancelled. Quantum will be under no obligation to give Producer advance notice of expiration of any policies which Producer, from time to time, procures through Quantum.

UNEARNED COMMISSIONS Producer shall be liable to Quantum and shall pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or Finance Company. Such return commission shall be paid to Quantum by the due date indicated on the billing document. If a return premium becomes due under any contract of insurance and Quantum has been issued a credit, or payment has been rendered, for such premium by Quantum's Insurer; Quantum will pay to Producer such return premium less the unearned portion of any commission previously retained by the Producer.

FINANCED PREMIUMS On all premiums which have been financed Quantum will remit payment for any return premium, less unearned commission, directly to the Finance Company unless otherwise specified. The ultimate liability of Quantum for payment to a Finance Company, Producer or Insured shall never exceed the amount of return premium less unearned commission developed. Producer agrees to hold Quantum harmless from any responsibility for payment to Finance Company and further agrees that financing arrangements do not diminish the responsibility for the timely payment of premium by the Producer.

ADVERTISING Producer shall not cause any advertisement referring to or using the name of Quantum or Insurer, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of Quantum. In the event Quantum suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for and hereby agrees to indemnify Quantum and hold Quantum harmless from all resulting damages, fines, penalties and costs.

WAIVER OR DEFAULT Failure of Quantum to enforce any provision of this Agreement or to terminate it because of a breach hereof shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer.

SEVERABILITY If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the Agreement shall be enforceable independently of any other provision unless expressed otherwise herein.

NO RESPONSIBILITY OR GUARANTEE Producer understands that Quantum assumes no responsibility toward any policy with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold Quantum harmless from any claim asserted against Quantum in following the instructions of the Producer. Quantum is not an

insurer and does not guarantee the financial condition of the Insurers with whom it may place risks. Quantum shall have no liability for non-payment of claims due to the insolvency of an Insurer, or otherwise, under contracts of insurance placed by Quantum.

PRIVACY POLICY Neither Producer nor Quantum shall disclose or use Nonpublic Personal Information (as that term and similar terms are defined in the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 et. seq. and the applicable state insurance laws and regulations enacted or adopted pursuant to the Gramm-Leach-Bliley Act [individually and collectively, the “Act”]) that is received from or collected on behalf of either party except as necessary to permit the Parties to perform their duties under this Agreement, or as otherwise permitted or authorized by the ACT. Both Parties shall implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of such Nonpublic Personal Information.

TERMINATION OF AGREEMENT This Agreement may be terminated immediately at any time by either party giving written notice to the other by certified mail, return receipt requested. This Agreement will also terminate: (1) automatically, if any public authority cancels or declines to renew the Producer’s license or certificate of authority, (2) automatically, on the effective date of the sale, transfer, or merger of Producer’s business with the provision Quantum may, upon review, appoint the successor as a Producer, or (3) immediately, upon either party giving written notice to the other of termination because of fraud, insolvency, failure to pay balances, or willful or gross misconduct. All representations and obligations of the Producer herein shall survive the termination of this Agreement.

After the date of termination of this Agreement, the Producer shall complete the collection and accounting to Quantum for all premiums, commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding policies of insurance, including but not limited to, return premium and return commissions. Outstanding policies will be permitted to run to expiration.

ERRORS AND OMISSIONS COVERAGE Producer now has and shall maintain insurance agent’s Errors and Omission coverage with a minimum policy limit of one million dollars (\$1,000,000) per occurrence and a general aggregate of two million dollars (\$2,000,000) while this Agreement is in force and will furnish proof of such coverage upon request by Quantum. Producer will provide Quantum with prompt written notice of any change, cancellation or other termination of this Policy.

NO REBROKERING Producer shall not act as an underwriter or rebroker (double broker) for any application or policy underwritten pursuant to this Agreement without the express written consent of Quantum.

MARKETING TERMS Upon execution of this Agreement, Producer hereby consents to Quantum periodically communicating with Producer via faxes and emails for product and service updates and general announcements. These communications will cease upon the termination of this Agreement by either party or upon written notice from Producer to Quantum to opt out of receiving such communications.

HOLD HARMLESS Quantum and Producer shall indemnify, defend and save harmless each other from any loss, claim, liability, damage and expense (including attorney’s fees and expenses of litigation) which each party may incur or suffer by reason of material inaccuracy of any representation or breach of any term, condition, or warranty contained in this Agreement.

GOVERNING LAWS This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Jersey. The rights, duties and obligations of the parties to this agreement to such extent they are not dealt with specifically or by necessary implication in this instrument shall be in accordance with the customs prevailing in the surplus lines and special risks insurance business in the state in which the Producer is domiciled.

ENTIRE AGREEMENT This Agreement constitutes the entire agreement between Quantum and Producer and supersedes and replaces any previous agreements between Quantum and Producer. No oral promises or

representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by Quantum. This Agreement shall apply to current policies already placed through Quantum and in force at the date hereof and all future policies which may be placed by Quantum for Producer.

EXECUTION AND ACCEPTANCE OF AGREEMENT Producer acknowledges that a breach of any of the terms, conditions, or provisions of this Agreement by the Producer may give rise to a cause of action by Quantum against the Producer and/or may result in disciplinary action by Quantum, including but not limited to, the termination of this Agreement, all in the sole discretion of Quantum. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs. If the Producer is an individual, the individual must sign; if the Producer is a partnership, one of the partners must sign; if the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. The parties hereto agree this Agreement shall not become effective until accepted by Quantum.

PRODUCER: _____ DATE: _____

BY: _____

TITLE: _____ (Must be Owner, Partner or Authorized Officer)

Agreement Accepted and Effected by Quantum.

BY: _____ DATE: _____

TITLE: _____

Please complete, sign and return ORIGINAL AGREEMENT along with the following:

Copy of INSURANCE LICENSE issued by your state of residence

Copy of E & O POLICY DEC PAGE.

Completed CONFIDENTIAL PRODUCER PROFILE.