



AUTHORIZED INDEPENDENT AGENCY APPLICATION

(PAGE 1)

Name of Brokerage or Agency as Licensed	Date
Address (street, city, state, zip)	Telephone
Mailing Address or "Trade Name" if Different than Above	<input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership

Appointment is for: <input type="checkbox"/> Commercial Only <input type="checkbox"/> Personal Only <input type="checkbox"/> All Lines	Marketing Area is: <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural
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Appointment Date	Code Number
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Commission <input type="checkbox"/> Standard 15% <input type="checkbox"/> Average _____% <input type="checkbox"/> Special	Does the brokerage or agency have a written Marketing Plan? <input type="checkbox"/> Yes <input type="checkbox"/> No Copy Provided? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Briefly describe any special commission/arrangements with any other companies:

Name & Title of all Principals, Partners & Key Personnel	Licensed?	Yrs. Ins. Exp.	D.O.B.	Comments List degrees & designations attained
	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<input type="checkbox"/> Yes <input type="checkbox"/> No			

PERSONNEL COUNTS				
Officers & Partners	Sales (excluding Officers)	Technical	Clerical	Total Office

Does the brokerage or agency have a department for the following:

Personal Lines <input type="checkbox"/> Yes <input type="checkbox"/> No	Commercial <input type="checkbox"/> Yes <input type="checkbox"/> No	Marine <input type="checkbox"/> Yes <input type="checkbox"/> No	Fid & Surety <input type="checkbox"/> Yes <input type="checkbox"/> No	Life/A&H <input type="checkbox"/> Yes <input type="checkbox"/> No	Data Processing <input type="checkbox"/> Yes <input type="checkbox"/> No	Claims <input type="checkbox"/> Yes <input type="checkbox"/> No	Accounting <input type="checkbox"/> Yes <input type="checkbox"/> No
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Briefly describe brokerage or agency structure including who places business & who directs agency sales activity:



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BUSINESS PORTFOLIO		WHOLESALE BUSINESS	Company Name	Annual Volume	3 Year Loss Ratio	
Total Volume	\$ _____ % Standard _____ % Non-Std. _____					
Standard Premium Volume: \$ _____ % Commercial Package _____ % Com. Auto _____ % W/C _____ % Homeowners _____ % Others _____						
AREAS OF SPECIALIZATION List Types of Business Class, Target Market, Programs						
		OTHER LINES	LINES	ANNUAL VOLUME		
			Home Owners			
			Workers' Compensation			
			Commercial Auto			
			Others			
DIRECT LINE BUSINES	Present Company Representation (Provide Company Print Outs for New Appointments Indicating Written/Earned Premiums and Loss Ratios for Prior 3 Years)					
	Insurance Company	# of Years Represented	% Property	% Casualty	Annual Volume	3 Year Loss Ratio
	Subtotal/Average					
Total number of carriers represented? _____						
Does the brokerage or agency have formal underwriting authority with any company? If yes, with whom and in what lines? _____						
Does the brokerage or agency have a financial assistance program with another company? If yes, with whom and what type? _____						
What type of computer system does the brokerage or agency have on the premises? _____						
Is the brokerage or agency interfacing with another carrier? If yes, with whom and for which lines? _____						



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Agency/Broker Legal Name											
Agency/Broker Identification		Tax ID #	-	-	SSN #	-	-				
Mailing Address		Location 1			Location 2						
RESIDENT	Please attach a copy of your agency's or broker's license to transact business in your resident state.										
	Agent License #				State:	Expiration Date:					
	Broker License #										
NON RESIDENT	Please list states, if any, where your agency has a non-resident broker's license (use a separate sheet if necessary) and attach copies of their non-resident licenses if applicable.										
			License Number		State	Expiration Date					
	<input type="checkbox"/> corporate		<input type="checkbox"/> Individual								
	<input type="checkbox"/> corporate		<input type="checkbox"/> Individual								
	<input type="checkbox"/> corporate		<input type="checkbox"/> Individual								
PRESIDENT	Name of Person				CONTACT	Name of Person					
	Phone Number					Phone Number					
	Fax Number					Fax Number					
	E-mail Address					E-Mail Address					
ACCOUNTING	Name of Person				UNDERWRITER	Name of Person					
	Phone Number					Phone Number					
	Fax Number					Fax Number					
	E-mail Address					E-mail Address					
Agency or Broker URL or Website Address											
Number of Licensed Agents Employed											
Number of Agents Handling Commercial Lines											
Annual Expected Volume to KBIC				\$							
Person Completing Application Forms											
Name						E-mail Address					
Phone Number						Fax Number					
Signature					Date						
					_____ / ____ / ____						

Application Check List

<input type="checkbox"/>	Authorized Independent Agency Application is completely filled and signed.
<input type="checkbox"/>	Copies of required resident and non-resident agency or broker licenses are attached with the application.
<input type="checkbox"/>	Copies of all the requested 3 year loss runs are attached with the application.
<input type="checkbox"/>	Copy of Error & Omission coverage required up to U\$1,000,000 limit
<input type="checkbox"/>	Commitment to premium production: <i>KB Insurance imposes the first year commitment of U\$100,000 direct written premium to the newly appointed broker to maintain appointment.</i>
<input type="checkbox"/>	Credit check (by Equifax) may be required. The credit check also includes the background check and interview with the insurers the broker is doing business with, ie. payment history, etc.
<input type="checkbox"/>	Two (2) copies "Commercial Insurance Broker Agreement" are signed and one (1) copy is return to KB Insurance.

KEY AGENCY CONTACTS

(Please provide us with your agency contact information)

	POSITION	NAME	PHONE	EMAIL
1.	PRESIDENT			
2.	MARKETING MANAGER			
3.	COMMERCIAL LINES MGR.			
4.	PERSONAL LINES MGR.			
5.	OPERATIONS & SYSTEMS MGR.			
6.	BILLING & ACCOUNTING MGR.			
7.	CLAIMS & RISK CONTROL MGR.			



Parties to this Agreement

Leading Insurance Services, Inc., United States Manager for KB Insurance Co., Ltd. (United States Branch)

400 Kelby Street, 15th Floor, Fort Lee, NJ 07024

Location: **NY/NJ Regional Office** **CA Regional Office**

AGENT

Name: _____

Address: _____

Effective Date: _____

Corporation **Partnership** **Sole Proprietorship**

Agreement Provisions

I. About This Agreement

This agreement sets forth the terms and conditions under which we permit you to broker commercial insurance contracts through us for the specific types of commercial business shown in the attached schedule. You promise to follow our underwriting rules and regulations and adhere to the provisions of this agreement.

“You,” “your” and “Broker” mean the broker named above. If such is designated above, you are only authorized to place commercial business through the particular division, department, individual, or location named above. “We,” “us” and “our” mean the company or companies indicated, individually.

This agreement takes effect on the date shown unless state law imposes special conditions. If so, the agreement takes effect when those conditions are met.

This agreement does not cover any insurance administered or controlled by any of the various underwriting associations, pools, plans or syndicates we participate in.

This agreement shall be governed by the law of the state of your above-listed address.

II. Legal Relationship – Broker Not Agent

You act as an independent broker, and you shall not waive any of our rights and shall not hold yourself out as having any such rights.

You shall not make any representations on behalf of us. No provision of this agreement shall be construed as permitting you to bind any risk, or to hold yourself out as our agent, employee or employer.

We shall have the absolute right to decline any business offered by broker.

You shall not extend credit on our behalf.

In placing business under this agreement, you represent applicants and insured parties. You are not, and shall not act or represent yourself as, our agent, representative, employee, partner or joint venturer and/or of any of our subsidiary or related companies. You are the representative and agent of insurance applicants, prospective and current insureds and shall exercise your own independent professional judgment regarding transactions conducted pursuant to this agreement. You, and not us, shall control the manner in which your business is conducted so long as such business is conducted in accordance with: a) applicable law; b) this agreement; and c) any other documents executed by you in connection with this agreement.

YOU ARE NOT AUTHORIZED TO ACCEPT OR BIND ANY RISKS ON OUR BEHALF. Risks are bound only upon our express written acceptance. You shall not make or purport to make any representations on our behalf, nor waive, alter, modify or change any of the terms, rates or conditions of any policy of insurance issued by or on our behalf. You are not authorized to use our name, logo, service marks or other intellectual property in any advertising or marketing without our prior written consent.

Nothing contained herein shall be construed as giving you authority or permitting you to accept, adjust,

settle, compromise or pay any claims on our behalf. You shall not appoint, retain or engage any adjuster or attorney to represent us or any insured party regarding insurance claims.

III. Broker Licensing and Compliance with Regulations

You must currently hold valid insurance broker or agent licenses as applicable issued by all states in which any business transacted under this agreement is located. These licenses will be maintained in full force and effect for the duration of this agreement. You shall at all relevant times remain in compliance with the laws of the states in which any business transacted under this agreement is located. If you breach these requirements, you agree to indemnify us for any penalties or legal expenses we incur. Your responsibility as a broker will be the same as that prescribed by the laws of those states in which you conduct business. This will include compliance with all surplus lines laws when dealing with us on a non-admitted basis. A copy of your license(s) must be attached to this agreement and you hereby agree to provide us with a copy of any new and/or replacement licenses within five (5) business days of their issuance.

IV. Changes To This Agreement

Changes in this agreement must be in writing, and unless otherwise indicated in this agreement, must be accepted both by you and us. We may, acting alone, amend or supplement your method of billing, premium collection and policy distribution. If we do, we will give you 90 days written notice or longer if your state law requires.

V. Your Rights and Our Rights

Subject to the condition that you account for and pay to us any and all premiums for which you may be liable, your records and expirations are your property *provided, however*, that if you shall at any time default in any of your obligations hereunder, we shall have the right, so long as such default shall continue, to the exclusive use and control of any such expirations and to apply any proceeds thereof to the fulfillment of your obligations. You shall keep complete records of the business subject to this agreement. Upon reasonable advance notice, we may inspect, access, or audit any information which concerns the business you place with us. We shall also have the right to review your records pertaining to your overall financial condition or strength.

You must obtain our prior written consent to make us responsible for your expenses.

We will not use your records to sell any other insurance to your customers, unless you authorize us.

However, in the event this agreement ends, until you have properly accounted for and paid all premiums you owe us, after thirty (30) days written notice by us to you, you lose the right to the records of the policies written by us for your clients, and these records, including expirations of them, become our property until the indebtedness is paid. You hereby grant us a security interest in these expiration rights and records to secure your performance of your obligations under this agreement. We will have the sole right to use and control them to the extent of your obligations to us unless you provide other security acceptable to us.

If you are in default and we assume control on these expirations, we can:

- Keep all commissions payable on these expirations or their renewals and apply them against what you owe us, and when paid we will have no further right to the records or the said expirations; or



- After giving you ninety (90) days written notice we can sell these expirations to another broker, only to the extent needed to pay said debt.

Either way, if we do not recover enough to payoff what you owe us, you are still responsible for the amount that remains unpaid. If the amount we recover is more than what you owe us, we will deduct our expenses and pay the rest to you.

Any applications, policies, forms or other material we supply you will remain our property.

You must receive our written consent or authorization to use any advertising material using our name or logo that we did not prepare. You will not issue or cause to be issued any newsletter, circular, pamphlet, or other publication, or any statement to the media referring to us without our express written consent.

You are not authorized to act as our agent with respect to applying for or obtaining premium financing for the benefit or account of any insured under this agreement from any person or company other than us.

You are not authorized to place any business with us from any producer, broker or agent not associated with you, unless we expressly agree otherwise. For business placed by you with us which originates with a third-party broker, sub-broker or sub-producer (collectively "sub-brokers"), you shall be solely responsible for overseeing the placement of the insured's business through such sub-brokers. As such, you agree to indemnify and hold us harmless from all claims, actions, liabilities, suits and expenses, including reasonable attorney's fees and costs, in any manner arising or resulting from any error or omission whether known or unknown, committed by any sub-broker, in connection with business placed with us hereunder. You also agree that you have received reasonable assurance that the sub-broker is a licensed property/casualty agent/broker in good standing in each state in which it conducts business.

You must report all claims, losses and notices of bankruptcies to us, as soon as practicable. Unless specifically authorized by us, you shall not commit us as to liability for any claim or loss which may occur under any of our insurance contracts. You shall cooperate with us or any of our representatives to facilitate the investigation and adjustment of any claim.

You may not assign any rights, titles or interests in this agreement including any right to receive any monies or proceeds under it, without our prior written consent.

Confidentiality: Unless otherwise required by law, it is agreed that all information exchanged by you and us in connection with this agreement is confidential information and will not, without the prior written approval of the disclosing party, be disclosed by the receiving party, and/or their employees, agents or representatives, in any manner whatsoever, in whole or in part to any person, and will not be used other than in connection with the activities conducted pursuant to this agreement.

Indemnification: You shall indemnify us and any and all of our affiliated, parent or subsidiary companies and all of their officers, directors, employees and agents (hereafter "INDEMNIFIED PARTIES"), from and against any loss or liability they or any of them may suffer or incur as a direct or indirect result of any of your acts or omissions in violation of this agreement or in violation of any law or regulation applicable to you and intended to protect us. You shall also reimburse INDEMNIFIED PARTIES for any and all legal fees and expenses reasonably incurred by INDEMNIFIED PARTIES, or by any of them, in connection with investigating, avoiding, minimizing, reducing or mitigating any such loss, or defending against any such liability. You shall promptly notify us in writing upon receipt of notice of the commencement of any claim or proceeding that could reasonably lead to any such loss or liability.

Notwithstanding any other provision of this agreement and as special consideration for the execution of this agreement by us, you further agree that you will hold us and our officers, directors and employees free and harmless and indemnify them from each and every claim of alleged errors and omissions, failure to submit documentation, or taxes, or breach of contract caused by, or related to, the acts of you, your agents, servants, principals and employees, including fines, penalties, legal fees or costs that may reasonably be incurred by us in the defense of such claims to the full extent thereof, with interest, until paid.

VI. No Binding Authority

Under this agreement you are acting as an independent insurance broker and not an appointed agent of the Company. No authority is granted by this agreement for you to make any representations or warranties, bind us to any agreement, or act for us in any other manner without our prior written approval.

VII. Your Commissions

We will pay you commissions on insurance produced by you and placed with or through us in an amount to be specified by us from time to time. Presently KBIC disburses 100% of the commissions due upon receipt of the first premium dollar. KBIC reserves the right to change commission payments to a paid basis, i.e. in proportion to the premiums received by it. Thirty (30) days prior written notice will be given before any such change is implemented.

You must refund to us all commissions on return premiums on any business written at the same rate at which such commissions were originally earned, except for return premiums resulting from retro adjustments under retrospectively rated policies.

You acknowledge that insurance placed by, with or through us at your request is not subject to flat cancellation and will be cancelled short rate unless otherwise agreed in writing by us.

Your right to commission is conditioned on your full compliance with this agreement. We shall have the right to set off against all sums owed by it to you the amount of any indebtedness, liability or obligation, whatsoever, of you to us, including without limitation unearned commissions. Any misrepresentation by you to us or violation of law by you shall constitute a waiver by you of any commission otherwise due you.

VIII. Payment and Collection of Premiums

Premiums are billed directly to the insured. You hold all premium payments you receive, including return premiums, as a fiduciary for us. Even though we give you the right to retain commissions out of some premiums you receive, this does not affect your fiduciary status as trustee. You shall maintain all premiums collected on our policies in a premium trust account separate from your general operating account. You may commingle premiums owing other insurance carriers with our premiums in the premium trust account.

We bill the insured directly, on your behalf, for all premiums.

If you receive premiums which we have billed directly, send them to us within five (5) business days, without deducting your commission. You will not earn commission on uncollectible direct billed

policies.

You agree that, if a dispute exists or arises regarding whether or not you or another producer is or was authorized to represent an applicant or insured party, such dispute shall be decided by us based on compliance with our producer authority requirements, or in our discretion, a written broker of record letter(s) signed by the applicant(s) and/or insured party(ies) involved in the dispute, authorizing you or another producer to represent them. We may use our discretion in honoring competing evidence of such authority.

IX. Policy Issuance

We prepare and issue all policies, endorsements, renewals and other insurance forms. You consent to receive and acknowledge that you can access, receive and retain all notices, statements, policies, endorsements and disclosures electronically whether sent by e-mail or other electronic means. In addition,

- a. You shall send all policies, endorsements, renewals, interim reports, requests for audit information and other materials to the insured;
- b. We will send you a copy of the insured's policy via email;
- c. You are responsible for printing and mailing the policy to the insured promptly upon receipt
- d. By signing this agreement, you agree to accept the full responsibility for the delivery of all policy documents to the insured
- e. After transmitting the policy documents to you, we shall not retain any responsibility for delivery of insurance policy documents to the insured
- f. The performance of this section does not create any agency relationship, expressed or implied, between us and you.

X. Termination of This Agreement

a. Loss of License

If either your or our license or authorization to engage in the insurance business lapses or is revoked, suspended or non-renewed, this agreement shall end at once without notice.

b. Failure to Meet Obligations

If you fail to pay premiums to us on time or otherwise violate the terms of this agreement, we may immediately end this agreement.

c. Transfer of Controlling Interest

You shall notify us in writing within seven (7) calendar days after any sale, transfer, or other substantial change of your ownership or management. This agreement is non-assignable by you, and you may not assign or delegate any of your rights, interests, or obligations under this agreement without our express written consent. If you transfer ownership of a controlling interest in your business without our prior written authorization or consent, we may end this agreement at once, with notice.

d. Other Reasons

Either party may end this agreement on ninety (90) days written notice or longer if your state law requires.

XI. What Happens When This Agreement Ends

We may elect to change your billing method upon termination of this agreement.

If the law requires us to continue or renew any contracts of insurance, we will, through you, if the law says so; but otherwise, in any manner the law allows.

If the law requires us to notify the policyholder of our intent not to renew, we will give the required notice. If the law gives certain renewal rights, we will explain them to the policyholder.

XII. Evidence of Errors and Omissions Insurance

You agree to maintain errors and omissions liability insurance with a per claim limit and an aggregate limit each of not less than One Million (\$1,000,000) Dollars, underwritten by an insurer rated not less than A- by the A.M. Best. You further agree to attach to this agreement a certificate of insurance evidencing such insurance that is acceptable to us and to maintain such insurance at all times while You have any obligations to us, under this agreement or otherwise. In the event of cancellation, termination or change in status of such insurance you will immediately give us written notice thereof.

You warrant and represent to us that you now have in force and effect a valid and binding contract or liability insurance covering you for damages occasioned by errors or omissions alleged to have been cause by you. You further warrant and represent that the premium for said policy has been fully paid.

You shall provide a copy of the declarations page of the policy to us annually.

XIII. Additional Provisions**a. Waiver**

No waiver by us of any of our rights under this agreement shall be effective unless it is in writing and signed by our duly authorized representative. Our failure to enforce any of the terms, covenants and provisions of this agreement shall not be deemed a waiver thereof.

b. Severability and Conformance to Law

If any provision hereof is held to be invalid or unenforceable for any reason, at our election the remainder of this agreement shall remain in full force and effect.

If any provision of this agreement is held to be in conflict with applicable law, that provision shall be considered amended to the minimum extent necessary to comply with such law. The remaining provisions shall not be affected.

c. Applicable Law and Jurisdiction

This Agreement shall be governed by the laws of the State of [state], and any legal proceeding in connection with this Agreement shall be brought only in a court of competent jurisdiction in the State of [state].

d. Entire Agreement

This agreement supersedes and replaces all previous and contemporaneous discussions, representations, understandings and agreements between the parties with respect to the subject



matter hereof. The terms and conditions expressed in this agreement shall not be altered or amended except in writing, signed by a duly authorized officer of each of the parties.

e. Notice

Any notice required by this agreement must be given in writing. Whenever notice is required (a) if by us, the sending of a notice via U.S. Postal Service by certified mail, return receipt requested, or by trackable overnight courier with proof of delivery, or by facsimile with proof of successful transmission, addressed to the last known physical address or facsimile number of the broker as shown by our business records, shall constitute effective notice; or (b) if by you, the sending of a notice via U.S. Postal Service by certified mail, return receipt requested, or by trackable overnight courier with proof of delivery, or by facsimile with proof of successful transmission, addressed to the [state] business office of the company shall constitute effective notice.

f. Inspection of Records

During the term of this agreement, and for a period of three (3) years following termination for any reason, we shall have the right to audit and inspect your books and records concerning the business to which this agreement applies.

For Authorized Independent Agency:

For Company:

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date _____

Date: _____