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## BROKERAGE AGREEMENT

AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ By and Between Specialty Insurance Agency, Inc. a New Jersey Corporation, with its office and principal place of business located at Brick, New Jersey hereinafter referred to as Specialty, and \_\_\_\_\_ with an office and principal place of business located at \_\_\_\_\_,

hereinafter referred to as the Broker.

WHEREAS, the Broker warrants that Broker holds an insurance broker license issued by the State of \_\_\_\_\_ being Licensed No. \_\_\_\_\_, currently in force; and

WHEREAS, THE Broker wants Specialty to place insurance business with and for acceptance by admitted carriers and/or non-admitted carriers, in compliance with the laws, rules and regulations pertaining thereto regarding the placement of such business, and

WHEREAS, Broker further certifies that any business which Broker shall submit to Specialty for placement involving persons or property situated in a state other than that of Broker's domicile, will, if accepted, be effected only in Accordance with the laws, rules and regulations governing such placement and not otherwise; and

WHEREAS, Specialty agrees to allow Broker a commission on such business, if and when placed, in accordance with a commission schedule as shall be agreed upon by the parties from time to time.

WHEREAS, nothing contained herein shall be construed to create the relationship of employer and employee between Specialty and Broker nor to grant an exclusive brokerage account.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The Broker shall be and remain liable to Specialty for the payment of all premiums. Twenty percent deposit due the date the insurance is effected, and the balance payable, not later than thirty (30) days thereafter except as hereinafter set forth.
2. Broker agrees to ratably refund to Specialty commissions on all business placed with Specialty on cancelled policies, or reduced premiums, at the same rate at which such commissions were originally allowed Broker. Such refund shall be paid to Specialty within 30 days after Broker is advised of the cancellation or reduction adjustment.
3. If the Broker shall extend credit to the assured, it shall be at the Broker's sole risk and premiums shall be paid to Specialty by the Broker when due, whether or not they are collected by the Broker and whether or not the Broker has extended credit to the assured.
4. Anything heretofore or hereafter to the contrary notwithstanding, in the situation where premium for a policy or policies, which have been issued, cannot be fully determined in advance and where an adjustment or determination, after a specific time period, by audit or otherwise, shall have been made, then the amount of such additional premium due shall be paid by the Broker to Specialty within thirty (30) days after such additional amount shall have been determined and billed to the Broker.
5. The parties hereto understand and agree that in no event, nor under any circumstances whatsoever, shall this Agreement ever be interpreted or construed to the effect that the Broker may bind Specialty or any company or underwriter represented by Specialty.
6. All insurance issued by Specialty on behalf of the Broker, to assureds, is not subject to flat cancellation, except prior to inception. All cancellations, however, at the request of underwriters or insurance companies, will be on a pro rata basis.

7. This Agreement shall be interpreted and enforced in accordance with the laws of the State of New Jersey.
8. This Agreement may not be changed or modified except in writing and signed by the parties hereto.
9. The parties hereto agree that this Agreement shall not become effective until accepted by Specialty and, when accepted, shall supersede all previous broker agreements, whether oral or written, between the parties; and the parties agree that this Agreement contains all of the contractual arrangements existing between them relative to the brokerage relationship, and all other written or oral arrangements are deemed to be merged herein.
10. It is specifically understood and agreed that notwithstanding anything to the contrary herein set forth, this Agreement shall not be interpreted or construed so as to:
  - a. Prevent the Broker from executing other or similar agreements with competitive agents:
  - b. Compel Specialty to accept or place all or any of the business offered to it by the Broker.
11. This Agreement may be terminated at any time by either party, upon ten (10) days written notice to the other party sent by Registered or Certified Mail, Return Receipt Requested. Such termination, however, shall in no event affect the respective rights or liabilities of either party occurring up to the date of termination. Irrespective of termination in accordance herewith, any subsequent business placed by the Broker with Specialty shall be deemed to be in accordance with the terms of this Agreement and as though this Agreement were still in full force and effect.
12. The Broker warrants and represents to Specialty that the Broker now has in force and effect a valid and binding contract of liability insurance covering the Broker for damages occasioned by errors or omissions alleged to have been caused by the Broker. Said contract is written with \_\_\_\_\_, which carrier has its home office at \_\_\_\_\_, and said contract or policy was issued on \_\_\_\_\_, and bears NO. \_\_\_\_\_, and expires on \_\_\_\_\_. The Broker further warrants and represents that the premium for said policy has been fully paid and that the Broker shall keep such policy, or one similar thereto, in full force and effect at all times during the continuance of the Agreement, in limits of not less than \$\_\_\_\_\_.
  - a. Specialty agrees to defend, indemnify, protect and hold harmless broker from and against any and all claims, actions, causes of action, losses, damages, costs and expenses (including court costs and reasonable attorneys' fees)("Loss") related to or arising out of (1) any material breach of this agreement by Specialty; and (2) any error or omission on the part of Specialty, its directors, officers, agents or employees in Specialty's performance of this Agreement, except to the extent any loss is caused by or contributed to by broker.
  - b. Broker agrees to defend, indemnify, protect and hold Specialty harmless from and against any and all Loss related to or arising out (1) any material breach of this Agreement by broker; and (2) any error or omission on the part of broker, its directors, officers, agents or employees in broker's performance of this Agreement, except to the extent any Loss is caused by or contributed to by Specialty.

13. Indemnification obligation

IN WITNESS WHEREOF, the parties hereto have set their hands and seal the day and year first above written.

BROKER: \_\_\_\_\_

BY: \_\_\_\_\_

Agreement accepted and effective at Brick, N. J. this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

SPECIALTY INSURANCE AGENCY, INC.

BY: \_\_\_\_\_

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