

**Jewelers unBLOCKed™**  
17-17 Route 208 North  
Fair Lawn, NJ 07410  
(201) 794-7705 (Phone)  
(201) 794-6834 (Fax)

## **BROKER AGREEMENT**

**THIS BROKER AGREEMENT** (the “Agreement”) is made as of \_\_\_\_\_ by and between CED 1976, LLC Insurance Agency, Inc. (hereinafter referred to as “CED 1976, LLC”) and \_\_\_\_\_ (hereinafter referred to as “Broker”).

**WHEREAS**, CED 1976, LLC is engaged in the business of selling, procuring, and placing Jewelers Block insurance on a wholesale basis; and

**WHEREAS**, CED 1976, LLC represents certain insurance companies from whom and on whose behalf it procures, sells and places Jewelers Block insurance; and

**WHEREAS**, CED 1976, LLC agrees to receive and accept submissions for Jewelers Block insurance from Broker and, where authorized, to bind coverage for and on behalf of companies that CED 1976, LLC represents subject to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth in this Agreement, and for other good, valuable and legal consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### **Article I - Authority and Agency**

Section 1.1 - CED 1976, LLC grants Broker authority to solicit and submit applications and other materials to CED 1976, LLC for the purpose of obtaining quotes and binders for insurance coverage from insurers that CED 1976, LLC represents.

Section 1.2 - Broker is not authorized to bind CED 1976, LLC or any insurer that CED 1976, LLC represents to any quote, binder, policy or endorsement or amend, modify or alter the terms of any policy placed with CED 1976, LLC by Broker under this Agreement. Broker acknowledges and agrees that in conducting business under this Agreement Broker is acting as a representative of the applicant for insurance or the policyholder. Broker further acknowledges and agrees that Broker is not an agent or representative of CED 1976, LLC or any insurer that CED 1976, LLC represents, in fact or by operation of law.

Section 1.3 – Except as otherwise agreed, any contact and/or communication with insurers with respect to business transacted under this Agreement shall be conducted exclusively through CED 1976, LLC.

## **Article II - Payment of Premium and Taxes.**

Section 2.1 - Broker is responsible for payment of all "Premium" due on binders and policies issued at the request of Broker. Premium shall be paid to CED 1976, LLC by Broker, net of agreed-to commission, no later than seven (7) days after the date a policy becomes effective. As used herein, Premium means policy premium, additional premium on audits and inspections, retroactive premium adjustments and other forms of premium for coverage issued, and includes unearned commission on cancelled binders and policies.

Section 2.2 – Broker is obligated to pay all Premium, including earned Premium on cancelled policies and binders when due, whether or not such Premium has been collected by Broker or whether Broker has extended credit to a policyholder.

Section 2.3 - All Premium and return Premium received by Broker shall be held by Broker in a fiduciary capacity and in trust for the insurer that issued the coverage until such time as the Premium is paid to CED 1976, LLC, or, in case of unearned Premium, returned to the policyholder. Broker shall deposit all Premium into an account (commonly referred to as a premium trust account) maintained by Broker in accordance with applicable law. Broker may use the premium trust account as permitted by law but in no event shall Broker have any ownership interest in Premium or use Premium for any purpose other than as payment for policies placed with CED 1976, LLC under this Agreement.

Section 2.4 – Except as otherwise agreed, Broker is responsible for remitting taxes, surplus lines fees and other charges collected by Broker on surplus lines policies placed with CED 1976, LLC under this Agreement.

## **Article III – Ownership of Expirations**

Section 3.1 – During the term of this Agreement or upon the expiration or early termination thereof, provided that Producer has fully complied with all of the provisions relating to the payment of Premium, the ownership, use and control of expirations, and the records of Broker pertaining thereto, shall be vested in Broker.

Section 3.2 - If Broker fails to pay Premium when due and CED 1976, LLC terminates this Agreement the ownership, use and control of all expirations shall be vested in CED 1976, LLC as of the effective date of termination.

## **Article IV – Commission and Expenses**

Section 4.1 - Broker will be paid commissions on policies placed by CED 1976, LLC under this Agreement as mutually agreed by the parties. Commissions may be modified from time to time in the sole discretion of CED 1976, LLC or its insurers. Commissions paid shall constitute full and complete compensation to Broker for services performed under this Agreement. Commissions are payable only on Premium remitted to CED 1976, LLC.

Section 4.2 - Broker will refund unearned commission on a cancelled binder or policy to CED 1976, LLC within thirty (30) days after notice of cancellation is received by Broker. Unearned commission shall be refunded by Broker at the same percentage rate at which the commission was originally paid.

Section 4.3 - Unless otherwise agreed in writing, Broker is solely responsible for any and all expenses associated with the transaction of business under this Agreement, including but not limited to, rent, transportation, travel, clerical personnel, legal fees, filing fees, postage, printing, licensing fees and costs of compliance with laws and regulations applicable to the transaction of business under this Agreement.

### **Article V - Reporting**

Section 5.1 - Broker shall promptly report to CED 1976, LLC all requests from policyholders for changes or modifications to policies including, but not limited to, requests to cancel policies or binders.

Section 5.2 - Broker shall promptly report all claims and losses on policies placed with CED 1976, LLC by Broker with CED 1976, LLC directly to CED 1976, LLC. Broker has no authority to refer claims and losses to third-parties for investigation or adjustment or to negotiate settlement of any claims and losses on behalf of insurers that CED 1976, LLC represents. Broker will cooperate fully with CED 1976, LLC, its insurers, adjusters, attorneys, or other others in the investigation, adjustment, settlement, or payment of any claim or loss on policies placed by CED 1976, LLC by Broker under this Agreement.

### **Article VI - Compliance**

Section 6.1 - Broker represents that it is a duly licensed insurance agent and/or broker and that its employees, agents and contractors engaged in the solicitation, negotiation and placement of insurance are duly licensed as required by law in all applicable jurisdictions. Broker, its employees, agents and contractors warrant that they will maintain all such licenses in good standing during the term of this Agreement. Copies of applicable licenses shall be attached to this Agreement.

### **Article VII – Suspension and Termination**

Section 7.1 - CED 1976, LLC may, by written notice to Broker at any time, without terminating this Agreement, suspend the authority of Broker to exercise any or all of the rights granted to Broker under this Agreement. Upon receipt of such notice, Broker shall cease exercising such rights until Broker receives written notice from CED 1976, LLC that Broker may resume the exercise of such rights.

Section 7.2 - This Agreement may be terminated immediately by CED 1976, LLC at any time without prior written notice upon the occurrence of any of the following: (1) Broker has committed a material breach of this Agreement, including but not limited to failure to pay Premium when due; (2) Broker’s license has been suspended or revoked by a regulatory authority; (3) Broker has violated the law(s) or regulation(s) in the state(s) where the risk is located; or (4) Broker has become insolvent or declared bankruptcy.

Section 7.3 – At its sole option, CED 1976, LLC may terminate this Agreement with ten (10) days prior written notice if Broker is acquired by or merges with another person or entity regardless of whether Broker is the surviving party, or upon the sale of more than fifty percent (50%) of the assets or voting interests of Broker.

Section 7.4 – This Agreement may be terminated by either party without cause, by either party, with not less than sixty (60) days prior written notice to the other party stating the effective date on which this Agreement shall be terminated.

## **Article VIII – Service Marks and Advertisements**

Section 8.1 - Broker may not use, in any form, any trade mark, trade name or service mark owned by CED 1976, LLC or its insurers without the prior written consent of its owner.

Section 8.2 - Broker shall not name CED 1976, LLC or any of its insurers in any advertisements, marketing materials or similar publications without obtaining the prior written consent of the named party.

## **Article IX – Insurance**

Section 9.1 - During the term of this Agreement, Broker shall maintain errors and omissions insurance coverage with limits of liability no less than One Million Dollars (\$1,000,000) each claim and in the aggregate with defense costs outside of policy limits. A copy of a certificate of insurance or policy declaration page evidencing such coverage shall be attached to this Agreement.

Section 9.2 - During the term of this Agreement, Broker shall maintain fidelity insurance with a limit of liability no less than \$50,000.00. Copies of a current certificate of insurance or policy declaration page evidencing such coverage shall be attached to this Agreement.

## **Article X – Indemnification**

Section 10.1 - Broker shall defend, hold harmless and indemnify CED 1976, LLC against all loss, claims, attorney's fees, liabilities, fines, costs, damages or expenses that result from a breach of this Agreement by Broker, or from the negligent or willful acts or omissions of Broker, its officers, employees, agents or brokers in the performance of any of Broker's duties under this Agreement, or from any violation by Broker (or any broker or agent utilized by Broker in placing insurance under this Agreement) of any federal, state or local law, regulation or administrative order or directive applicable to the transaction of business under this Agreement but only to the extent that CED 1976, LLC is held liable for such violation. Broker's obligations under this Section shall survive termination of this Agreement. Broker shall pay all of CED 1976, LLC's reasonable attorneys' fees and costs in enforcing any provision of this Agreement.

Section 10.2 - CED 1976, LLC shall defend, hold harmless and indemnify Broker against all loss, claims, attorney's fees, liabilities, fines, costs, damages or expenses that result from a breach of this Agreement by CED 1976, LLC, or from the negligent or willful acts or omissions of CED 1976, LLC, its officers, employees, agents or brokers in the performance of any of CED 1976, LLC's duties under this Agreement, or from any violation by CED 1976, LLC of any federal, state or local law, regulation or administrative order or directive applicable to the transaction of business under this Agreement but only to the extent that Broker is held liable for such violation. CED 1976, LLC's obligations under this Section shall survive termination of this Agreement. CED 1976, LLC shall pay all of Broker's reasonable attorneys' fees and costs in enforcing any provision of this Agreement.

## **Article XI – Miscellaneous**

Section 11.1 – Amendments: This Agreement may only be amended by a written instrument, signed by both of the parties hereto, which expresses by its terms an intention to modify this Agreement.

Section 11.2 – Notices: All notices, demands and other communications which may or are required to be given hereunder or with respect hereto shall be in writing, shall be given either by personal delivery, United States registered or certified mail, return receipt requested, and shall be addressed to the respective parties as follows:

### **If to CED 1976, LLC:**

CED 1976, LLC  
17-17 Route 208 North  
Fair Lawn, NJ 07410

or to such other address as CED 1976, LLC may from time to time designate by prior written notice to Broker.

### **If to Broker**

*Company name*

*Address*

*Attention: Name, Title*

or to such other address as Broker may from time to time designate by prior written notice to CED 1976, LLC.

Section 11.3 - Entire Agreement: Except as otherwise provided herein, this Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings, negotiations and discussions, both written and oral, between CED 1976, LLC and Broker and relating to the subject matter herein.

Section 11.4 - No Waiver or Consent: No waiver of or consent given under any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of or consent given under any other provision or with respect to any other matter, whether or not similar, nor shall any waiver or consent constitute a continuing waiver or consent. No waiver or consent shall be binding unless executed in writing by the party giving such waiver or consent.

Section 11.5 - Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to the principles of conflicts of law thereof.

Section 11.6 – Severability: Should any section, paragraph or provision of this Agreement be ruled or determined as contrary to law, or unauthorized, or unenforceable, because of the effect of any law, or for any other reason, the remaining provisions herein shall remain unaffected and shall remain fully binding and enforceable.

Section 11.7 – Assignment: Except as otherwise provided herein, Broker may not sell or assign any rights or delegate any duties provided for in this Agreement. Neither this Agreement nor any rights hereunder may be assigned by any party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

Section 11.8 - Independent Contractors: As an independent contractor, Broker has the right and duty to exercise independent judgment as to the time, place and manner of soliciting insurance policies. Except as otherwise provided herein, neither this Agreement nor any rule or regulation of CED 1976, LLC shall be construed to abridge this right and duty or to create the relationship of employer and employee between the parties.

Section 11.9 - Binding Effect: This Agreement shall be binding upon, and inure to the benefit of CED 1976, LLC and Broker and their respective representatives, successors and assigns.

Section 11.10 Counterparts: This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed as originals.

Section 11.11 - Confidential Information: In connection with this Agreement, CED 1976, LLC and Broker may exchange (orally, in writing, in electronic format and/by electronic means) with each other certain financial and other information belonging to CED 1976, LLC, its insurers, Broker or policyholders (herein referred to as “Confidential Information”). The term “Confidential Information” includes all information and documents provided by a party which contains, reflects or is based upon Confidential Information. The term “Confidential Information” DOES NOT INCLUDE information which (i) was or becomes generally available to the public, or (ii) became available to a party from a source other than the disclosing party.

CED 1976, LLC and Broker will use any Confidential Information only as required to perform their duties under this Agreement. The parties will not use or disclose Confidential Information except as necessary to satisfy their obligations under this Agreement. It is understood that CED 1976, LLC and Broker will inform all persons or entities to which Confidential Information is disclosed of the confidential nature of the Confidential Information and shall obtain the agreement of the receiving party to treat the Confidential Information confidentially.

In the event that CED 1976, LLC or Broker are legally compelled to disclose any of the Confidential Information in response to proper legal process, the responding party shall provide the other party with prompt written notice of any such requirement, before making any such disclosure.

Money damages would not be sufficient remedy for any breach of this section of the Agreement by CED 1976, LLC or Broker or its directors, officers, employees or agents and that, in addition to all other remedies, the non-breaching party shall be entitled to specific performance and injunctive or other equitable relief against the breaching party as a remedy for any such breach and the breaching party further waives, and shall use its best

efforts to cause its directors, officers, employees and agents to waive, any requirement for the securing or posting of any bond in connection with such remedy.

Section 11.12 – Communication: By executing this Agreement, Broker grants CED 1976, LLC the right to communicate with Broker via telephone, facsimile transmission, e-mail and/or regular mail for the purposes of transacting business under this Agreement. Such communication may include but is not limited to unsolicited advertising material. It is agreed that the rights granted by Broker to CED 1976, LLC under this section shall be binding on and inure to the benefit of the parties' respective representatives, agents, successors and assigns, including the insurers that CED 1976, LLC represents. It is further agreed that such rights shall remain in effect for the term of this Agreement and any period of runoff as applicable. The enactment of any Federal or state law or regulation not inconsistent with this paragraph shall not affect the rights of the parties as provided herein.

**IN WITNESS WHEREOF**, the parties hereto, each acting under due and proper authority, and intending to be legally bound, have executed this Agreement as of the day, month, and year first above written.

**CED 1976, LLC INSURANCE AGENCY, INC.**

By: \_\_\_\_\_

Alfred L. Merusi, Jr.  
COO / Sr. Vice President

Date: \_\_\_\_\_

**<Broker Name>**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENTS  
(All Are Required)

Property and Casualty License(s)

Surplus Lines License(s)

Errors & Omissions Certificate of Insurance or Policy Declaration Page

Fidelity Policy Certificate of Insurance or Declaration Page.

Completed W-9 Form.