

Legacy Brokers Agent Agreement

I. Parties to the Agreement

Legacy Brokers, LLC, hereinafter called "LEGACY", (the "agency" and/or the "company").

_____, hereinafter called "BROKER", the agent.

_____, _____, date agreement entered into.

II. Recitals

A. LEGACY is a General Agency engaged in the business of supporting licensed insurance agents with transacting and managing employee benefits insurance programs for commercial enterprises. LEGACY is a Kansas corporation in good standing with the state of Kansas.

B. Unless otherwise noted, LEGACY does not own any of BROKER's clients or the policies associated with BROKER's clientele.

C. BROKER owns all accounts, clients and associated policies it generates.

D. LEGACY has, over the years, developed its own internal methods and procedures for the conduct of its business.

E. LEGACY has, over the years, developed personal and professional relationships with individuals and firms for the placement of insurance, such relationships having been developed as a result of ongoing expenditures of time and money by LEGACY.

F. LEGACY desires to engage BROKER in its business, and BROKER desires to be a sub-producer for LEGACY.

G. BROKER is a duly licensed resident insurance agent by the state of _____ and is in good standing and shall provide proof of additional non-resident licensure in each state it desires to perform business with LEGACY.

H. BROKER has and will maintain an appropriate amount of professional liability coverage (e.g. Errors & Omissions) and assumes all liabilities for errors or omissions BROKER makes in the process of writing policies for its clients.

III. Agreements

In consideration of the mutual covenants and agreements contained herein, and until termination of the agreement according to Paragraph E of this agreement, the parties agree as follows:

A. **Engagement**

LEGACY hereby contracts with BROKER, and BROKER hereby agrees to be a sub-producer for LEGACY, upon the terms and conditions herein stated.

B. **Duties**

1. LEGACY shall faithfully perform and discharge all tasks and duties outlined below as a General Agent, using in such performance its best efforts and judgment. LEGACY will perform these functions in accordance with its own established policies and procedures and agrees to abide by such policies and procedures. BROKER will serve as Agent of Record and Writing Agent for all policies it generates, however some carriers do not clearly articulate the relationship between LEGACY and BROKER. In those instances, LEGACY may appear on the policy as Agent of Record or Writing Agent. As such, Addendum "C" to this agreement will serve as acknowledgement and agreement that BROKER is in fact the Agent of Record and Writing Agent for said policy and assumes all rights and responsibilities as the Writing Agent and Agent of Record.

LEGACY's functions will include but not be limited to:

- ◆ Providing BROKER with insurance related product training and education; and
- ◆ Coordinating reporting of proper licensure and insurance carrier appointments with insurance companies on behalf of BROKER; and
- ◆ Providing exclusive services to BROKER as specified below:
 - ◆ BROKER shall have exclusive right to LEGACY's services for a prospect and/or client when BROKER is first to send LEGACY the information to obtain preliminary quotes each policy year. Any subsequent requests for proposals for that same prospect and/or client from other agents will be declined. If a duplicate submission is received from a different agent, LEGACY will notify both agents of the duplication. BROKER retains exclusivity on the case unless the prospect and/or client notifies LEGACY of their desire to work with a different agent. Agent of record notification can be via a formal letter, or an email from the prospect and/or client. The notification must come from an owner or officer of the prospect and/or client that indicates which agent should be considered the agent of record for the insurance plan and must state that the prospect and/or client will no longer be working with BROKER. If LEGACY receives such a notice, LEGACY will immediately notify BROKER of the agent of record letter. At no time will LEGACY disclose the name of the competing agent to BROKER. This process is designed to fairly navigate a competitive business environment while reinforcing LEGACY's utmost transparency and loyalty to its agents; and
- ◆ Provide BROKER with access to core markets, quoting all requested lines of coverage in which BROKER and LEGACY are properly licensed and appointed; and
- ◆ Provide BROKER with proposals for prospects and/or clients on a timely basis; and
- ◆ Provide BROKER with competitive guidance and in-depth quote analysis, when requested; and
- ◆ Provide BROKER with access to employee enrollment assistance using FormFire; and
- ◆ Deliver to BROKER new business submission requirements, including any carrier specific documents needed to complete a sold case submission; and
- ◆ Provide BROKER with general support and guidance with customer claims inquiries; and
- ◆ Provide BROKER with general explanation of rules/guidance as it pertains to plan support and compliance; and
- ◆ Deliver to BROKER all policy renewal information for clients each policy year.

2. BROKER shall faithfully perform and discharge all tasks and duties assigned to him/her as the Agent of Record, Writing Agent and a sub-producer for LEGACY, using in such performance its best efforts and judgment. BROKER will perform the function of producer in accordance with LEGACY's established

policies and procedures and agrees to abide by such policies and procedures. BROKER's functions will include but not be limited to:

- ◆ Gather client information, quote information and proposal information in accordance with agency standards for marketing purposes of new and renewal accounts.
- ◆ Adopt LEGACY's systems and procedures for account sales, service and retention of business, and agency processing of new and renewal accounts.

- ◆ Assist LEGACY's staff in placement of new business and remarketing renewals when necessary.
- ◆ Responsible for handling of accounts, coverages and proposal recommendations.
- ◆ Remain up-to-date on coverage changes, education and technical expertise.

3. BROKER will produce insurance related work as a sub-producer for LEGACY, and LEGACY shall be entitled to all benefits, profit or other issue arising from or incident to any and all insurance related work, services and advice of BROKER. Compensation due to BROKER for services performed by BROKER is addressed in Section III Subsection C, Addendum A and Addendum B to this agreement.

C. Remuneration of BROKER

Unless otherwise specified in a Single Case Agreement, the compensation and other remuneration of BROKER to be provided by LEGACY shall be as specified in the Compensation Agreement (Addendum A and B), attached hereto and made a part hereof. Such remuneration may be changed prospectively from time to time by LEGACY upon 45 days advance written notice to BROKER.

D. Term of Engagement

Engagement under this Agreement shall commence on the effective date designated on the signature page hereof and shall continue thereafter until terminated as provided in Subsection E hereof.

E. Termination of Engagement

Engagement under this Agreement may be terminated by either party upon 30 days written notice to the other party, without cause. In addition, this contract shall terminate under the following conditions:

- ◆ LEGACY may terminate BROKER engagement for cause immediately and without advance notice or financial responsibility if BROKER shall be guilty of dishonesty, substance abuse, breach of any terms of this Agreement, engaging in any act constituting grounds for disciplinary action by the _____ Insurance Department, or if BROKER is convicted of any felony or misdemeanor involving moral turpitude.

F. Confidential Information and Trade Secrets

BROKER will, during the term of this engagement, be working with confidential information and trade secrets belonging to LEGACY, including, for example, internal procedures, programs and forms. In addition, BROKER may have access to lists of insured customers, information regarding habits and insurance needs of customers and prospects, personal information as to customers and prospects, locations and descriptions of insured customers or customers proposed to be insured, expiration data of insurance policies, insurance daily reports, and other information which is not generally or easily obtainable. BROKER acknowledges and agrees that all such information is confidential and is the exclusive property of LEGACY. BROKER covenants and agrees that he/she will not disclose to anyone, either directly or indirectly, during the term of this Agreement or at any time thereafter, any such confidential information, nor will he/she use the same for any purpose other than in the course of this engagement and for the exclusive benefit of LEGACY.

All documents that LEGACY prepares, or confidential information that may be given to him/her in the course of this agreement, are and shall remain the sole property of LEGACY. Under no circumstances shall information be copied or removed from LEGACY's premises without LEGACY's express written consent thereto being first obtained. All copies of any client or proprietary information shall be immediately returned to LEGACY upon LEGACY's demand and without further demand or notice, immediately upon the termination of this agreement for any reason.

Further, LEGACY will, during the term of this engagement, be working with confidential information and trade secrets belonging to BROKER, including, for example, internal procedures, programs and forms. In addition, LEGACY may have access to lists of insured customers, information regarding habits and insurance needs of customers and prospects, personal information as to customers and prospects, locations and descriptions of insured customers or customers proposed to be insured, expiration data of insurance policies, insurance daily reports, and other information which is not generally or easily obtainable. LEGACY acknowledges and agrees that all such information is confidential and is the exclusive property of BROKER. LEGACY covenants and agrees that he/she will not disclose to anyone, either directly or indirectly, during the term of this Agreement or at any time thereafter, any such confidential information, nor will he/she use the same for any purpose other than in the course of this engagement and for the exclusive benefit of BROKER.

All documents that BROKER prepares, or confidential information that may be given to him/her in the course of this agreement, are and shall remain the sole property of BROKER. Under no circumstances shall information be copied or removed from BROKER's premises without BROKER's express written consent thereto being first obtained. All copies of any client or proprietary information shall be immediately returned to BROKER upon BROKER's demand and without further demand or notice, immediately upon the termination of this agreement for any reason.

G. Post-Termination Limitations

Upon termination of this agreement for any reason, it is agreed as follows:

- ◆ Except as provided in Section B paragraph 2 of Addendum A (Compensation Agreement), all rights to commissions of any nature, and all books, records, policies and documents relating to the business of LEGACY shall remain the property of LEGACY.
- ◆ Except as provided in Section B paragraph 2 of Addendum A (Compensation Agreement), for a period of two years after termination of this agreement for any reason including, but not limited to, involuntary termination without cause, BROKER shall not, directly or indirectly, contact the customers, clients, policyholders or prospects of LEGACY regardless of whether BROKER was the agent servicing the customer, client or policyholder during his/her engagement with LEGACY, for the purpose of inducing the LEGACY client to lapse, cancel, fail to renew or replace any policy or otherwise not procure insurance coverage from LEGACY. Also, during the two year period following termination of this agreement for any reason including, but not limited to, involuntary termination without cause, LEGACY shall not, directly or indirectly, contact the customers, clients, policyholders or prospects of BROKER regardless of whether LEGACY was the agent servicing the customer, client or policyholder during his/her engagement with BROKER, for the purpose of inducing the BROKER client to lapse, cancel, fail to renew or replace any policy or otherwise not procure insurance coverage from BROKER. The parties agree that a violation of this covenant shall result in irreparable harm to both BROKER and/or LEGACY so that in addition to monetary damages BROKER and/or LEGACY shall be entitled to injunctive relief.
- ◆ Both parties, by making the foregoing covenants, agree that the limitations within which each shall be restricted from competing with each other are reasonable. In the event a court determines that the scope of this restriction and/or the period of time are unreasonable, then this agreement shall be deemed automatically amended so that the scope and/or period of time will be reduced to a maximum scope and/or period of time which is reasonable.
- ◆ For purposes of this Section III G, a "prospect" is defined as any client or potential client with which either party has had business contact within the preceding two years for the purpose of currently or prospectively securing its insurance business whether or not such client or potential client is currently included in the party's data base.
- ◆ Notwithstanding the foregoing limitations on business activity, nothing in this Section III G shall prohibit LEGACY from continuing to earn applicable commissions from Broker Generated Accounts, as defined in Addendum B.

H. Non-Interference With Employee Relationships

BROKER agrees that during the term of this Agreement, and for a period of 2 years thereafter, he/she will not hire or entice away or attempt to hire or entice away any employee of LEGACY or induce any such employee to terminate employment with LEGACY.

I. INTENTIONALLY BLANK

J. Entire Contract

This Agreement and the Addenda listed herein represent the sole and entire agreement between the parties and supersede any and all other agreements, written or oral, between them. The Addenda to this Agreement is (are):

- ◆ Addendum "A" - Compensation Agreement
- ◆ Addendum "B" – Commission Structure
- ◆ Addendum "C" – Agent of Record Acknowledgement

K. Waiver of Modification

No waiver or modification of any term of this Agreement shall be effective unless in writing and duly executed by the party to be charged therewith. Waiver of any breach hereof shall not operate as a waiver of any subsequent breach, nor may the same be asserted in any proceeding as an estoppel against the party asserting such subsequent breach.

L. Governing Law

This Agreement shall in all respects be governed by the laws of the State of Kansas. Venue of any suit or other proceeding hereunder shall be properly placed in Kansas and both parties waive any objection to venue of any such proceeding therein.

M. Attorney's Fees

If any action be brought by either party to enforce or seek damages for breach of any provision of this Agreement, the prevailing party in such action, if there be a prevailing party, shall be entitled to recover, in addition to costs of suit, such reasonable attorney's fees as the tribunal determining the action may award.

N. Assignment

LEGACY may assign the rights and benefits given to it in this Agreement, and this Agreement shall survive any sale of assets, merger, consolidation, or other change in the business structure of LEGACY. The duties of BROKER hereunder are personal and may not be assigned or delegated, unless otherwise agreed upon.

O. Binding Effect

This Agreement shall be binding upon and enure to the benefit of the successors, assigns, legal representatives and heirs of the parties.

P. Severability

If any term, condition, or provision of this Agreement shall be found to be illegal or unenforceable to any extent for any reason, such provision shall be modified or deleted so as to make the balance of this Agreement, as modified, valid and enforceable to the fullest extent permitted by law.

Q. Notices

All notices called for in this Agreement shall be in writing and shall be served either (a) personally by handing the same to the person to be served or leaving the same with an individual at the person's place or residence; or (b) by mailing the same by certified or registered mail to the party to be served at the address shown below or at such other address as the party may hereafter designate to the other in writing. If notice is personally serviced, the date of such notice shall be deemed the date on which it is served. If notice is served by mail, the date of such notice shall be deemed the second business day following the day on which it is mailed.

R. Addenda

Addendum "A" (Compensation Agreement), Addendum "B" (Commission Structure) and Addendum "C" (Agent of Record Acknowledgement), as from time to time amended, attached hereto, are an integral part of this Agreement.

The addresses of the parties are as follows:

LEGACY: 15301 W 87th St Pkwy, Suite 275, Lenexa KS 66219

BROKER: _____

The Effective Date of This Agreement is _____, _____, and it shall govern all agreements on or after such date.

In Witness Whereof, the parties have executed this Agreement on the dates below indicated.

LEGACY BROKERS, LLC

Date

By _____
Richard Finfera, CEO

Date

, BROKER

* * * * *

Addendum "A"

Compensation Agreement

Section A: General Information

1. Compensation to BROKER by LEGACY shall be made up of commission as set forth in this Addendum "A".

Section B: Compensation

1. Commissions will be paid on a monthly basis for commissions received by company's carriers in the preceding month for the insurance policies that have been assigned to or sold by the BROKER. BROKERS will be paid commissions according to the type of sale, personal production, affiliate or house lead as defined in Addendum B. Commissions are subject to change with 45 days written notice, as stated in Section III C.
2. BROKER will be conducting business with LEGACY and any policies or accounts generated from BROKER are and will remain owned by BROKER throughout the time period in which this agreement is in force. The only exception to this is for Legacy Generated Accounts (LGA) as defined in Addendum "B". LGA's are owned by LEGACY, unless otherwise agreed upon by LEGACY and BROKER. will be transitioning a block of business into LEGACY. BROKER's clients and policies will remain owned by BROKER if engagement is terminated with LEGACY.

The Effective Date of This Addendum "A" is _____, _____ and it shall govern on and after such date.

In Witness Whereof, the parties have executed this Addendum "A" on the dates appearing below.

LEGACY BROKERS, LLC

_____ Date By _____
Richard Finfera, CEO

_____ Date _____, BROKER

* * * * *

Addendum “B”

Commission Structure

The commission structure contained in this Addendum “B” is subject to change on a prospective basis at a minimum of forty-five (45) days advance written notice by Legacy Brokers, LLC (“LEGACY”). The commission structure and percentages set forth in this Addendum “B” shall continue in effect unless and until modified by LEGACY.

Broker Generated Accounts: Standard Broker Compensation – The standard broker compensation for an account that originates from BROKER is situation dependent. As a general rule, the BROKER may receive 100% of the sales commissions on a group when LEGACY is contracted as the General Agent for the carrier and/or the policy. Further, BROKER may receive 80% of the sales commissions on a group when LEGACY is not contracted as the General Agent for the carrier and/or the policy. For example, if LEGACY earns an override directly from the carrier, BROKER may receive 100% of the producer sales commission. If LEGACY does not earn an override directly from the carrier, the producer sales commission could be split between LEGACY and BROKER at an agreed upon amount (often 80/20 but could be setup as a 50/50 split dependent upon the services required of LEGACY).

Any split will be agreed upon prior to issuing the policy. In some cases where additional fees can be added to the proposal (i.e. PEPM’s on self-funded plans), LEGACY may add its service fee directly to the quote and BROKER may receive 100% of the commissions allocated in proposal for BROKER.

Additionally, BROKER shall receive 80% of any account-specific bonus that may be earned by LEGACY from a carrier where BROKER was responsible for the sale of the policy affecting said bonus (e.g. new case bonus). This covenant does not entitle BROKER to receive overrides or other bonus monies earned by LEGACY (e.g. growth or retention bonus).

Legacy Generated Account (LGA) – Wherein an account or prospective account (individual or group policy) generated by LEGACY but produced by BROKER, the BROKER shall receive 50% of the earned commissions for said account, as well as 50% of any account-specific bonus that may be earned by LEGACY from a carrier for the sale of the policy for said LGA. LGA’s are owned by LEGACY.

The Effective Date of This Addendum “B” is _____, _____ and it shall govern on and after such date.

In Witness Whereof the parties have executed this Addendum “B” on the dates appearing below.

LEGACY BROKERS, LLC

Date

By _____
Richard Finfera, CEO

Date

, BROKER

Addendum "C"

Agent of Record Acknowledgement

BROKER will serve as Agent of Record and Writing Agent for all policies it generates, however some carriers do not clearly articulate the relationship between LEGACY and BROKER. In those instances, LEGACY may appear on the policy as Agent of Record or Writing Agent. As such, this Addendum "C" to this agreement will serve as acknowledgement and agreement that BROKER is in fact the Agent of Record and Writing Agent for said policy.

Therefore, it is hereby further agreed to that BROKER assumes duties and responsibilities as Writing Agent and Agent of Record and is liable for any claims made against BROKER resulting from any wrongful act, errors and/or omissions made by BROKER.

As a result of writing a policy through LEGACY, each case will have a Single Case Agent of Record Acknowledgement signed and agreed to by LEGACY and BROKER (see Exhibit A for sample).

The Effective Date of This Addendum "C" is _____, _____ and it shall govern on and after such date.

In Witness Whereof the parties have executed this Addendum "C" on the dates appearing below.

LEGACY BROKERS, LLC

Date

By _____
Richard Finfera, CEO

Date

, BROKER

