

Novum Underwriting Partners, LLC

AGENCY AGREEMENT

This Agreement, made this day _____, 20____ by and between Novum Underwriting Partners, LLC (Hereafter designated as Novum) and Agency: _____ (Hereinafter designated as Agent) located at address: _____.

Whereas, Agent desires to obtain from time to time for its clients Property & Casualty Insurance Products.

Now, therefore, Novum and Agent agree as follows:

I. AGENT'S AGREEMENT

- a. Subject to any requirements imposed upon the Agent and Novum by any governmental entity, the terms of this Agreement, and the underwriting rules and regulations of Novum, the Agent is authorized to:
 - i. Solicit, receive and transmit to Novum, account applications for contracts of insurance within the lines of property and casualty insurance products;
- b. Collect and receive premium and, as full compensation, to retain such commission out of said premium collected as specified in the insurance proposal Novum's provided to Agent on each account. In connection therewith, the Agent shall:
 - i. Hold all premiums and other monies collected in trust on behalf of Novum until delivered to Novum, and the authority granted herein by Novum to the Agent to retain commission shall not be construed as changing the fiduciary relationship and duties of the Agent to Novum, all as more fully detailed herein;
 - ii. Return to Novum commission retained on return premium (by reason of cancellation or otherwise) at the same rate previously allowed the Agent upon the premium charged or, at Novum's discretion, the Agent shall add any retained commission to the premium which the Agent returns to an Insured so that the Insured may receive the full gross unearned portion of any premium which it has paid.
- c. Agent understands and agrees that:
 - i. All monies collected for Novum are the property of Novum and shall be held in trust by the Agent, acting in a fiduciary capacity;
 - ii. Agent has no interest in the monies collected except for the commission specified in this Agreement;
 - iii. Agent shall not withhold, deduct or set-off from said monies any amounts resulting from disputed matters;
 - iv. Agent shall not use any of said monies for any personal or operating purpose;
 - v. Agent will maintain an Insurance Agents Errors and Omissions Policy with minimum limits of liability of two million dollars (\$2,000,000) with no greater than a fifty thousand dollar (\$50,000) deductible or self-insured retention covering the Agent and each of the employees. A current copy of the Declaration Page and/or a Certificate of Insurance must be provided to Novum on an annual basis. During the term of this Agreement, Novum agrees to maintain a crime or fidelity policy covering appropriate personnel handling Agent's monies;
 - vi. Agent will reasonably ensure that all submitted account applications will be complete and contain accurate information;
 - vii. Agent will work to ensure that all claims and necessary support information will be immediately reported to Novum or the Insuring Carrier.
 - viii. Agent will not utilize any advertising material relating or pertaining to Novum or its

Insurance Carriers unless it has prior approval in writing by Novum.

II. INDEPENDENT CONTRACTOR

- a. The Agent is an independent contractor and not an employee of Novum.
- b. The Agent shall be considered a Sub Agent of Novum with no extension of authority.
- c. The Agent will not bind insurance coverage unless Novum specifically authorized Agent to do so, in writing.

III. INDEMNIFICATION

- a. Agent shall indemnify and hold Novum harmless for all losses and costs, including legal costs, resulting from Agent's breach of any provision of this Agreement or any unauthorized transactions, illegal, unlawful or criminal acts, or errors or omissions on the part of Agent or person under the Agent's control with respect to actions taken hereunder. Agent shall also be liable for advice and information provided by it or its employees or authorized representatives to any client or potential client of Novum, alleged to arise from or incident to the provision of such information and advice by Agent or its employees or authorized representatives.
- b. Novum shall indemnify and hold Agent harmless for all losses and costs, including legal costs, resulting from Novum's breach of any provision of this Agreement or any unauthorized transactions, illegal, unlawful or criminal acts or errors or omissions on the part of Novum or persons under Novum's control with respect to actions taken hereunder.
- c. In no event does Novum agree to indemnify and hold Agent harmless for actions of its clients, sub-agents or other third parties.

IV. ACCESS TO RECORDS

- a. Novum or the Insuring Carrier shall have access during normal business hours to the Producer's books and records for any purpose relating to any business placed through Novum by the Agent.

V. AMENDMENTS TO THIS AGREEMENT

- a. This Agreement may be supplemented, amended, or revised only in writing by agreement of Novum and the Agent.

VI. TERMINATION

- a. This Agreement shall continue from the date set forth above until the end of the current calendar year and shall be automatically renewed thereafter from year to year unless sooner canceled; provided, however, either Party may terminate this Agreement by providing 180 days advance written notice to the other Party.
- b. Novum may terminate this Agreement in writing without prior notice if one or more of the following conditions exist or occur:
 - i. Agent's license or certificate of authority has been canceled, suspended or declined for renewal by any government authority;
 - ii. the sale, transfer or merger of Agent's business to a successor, unless this Agreement has been assigned to the successor entity with the prior written consent of Novum.
 - iii. Agent becomes the subject of an involuntary or voluntary petition in bankruptcy;
 - iv. Agent fails to remit premiums on an accurate and timely basis in compliance with the provisions of this Agreement; or
 - v. failure of Agent to remedy any other breach of this Agreement and provide evidence thereof within ten (10) days after receipt of written notice from Novum.
- c. Notwithstanding anything above, at any time, Novum may restrict or suspend, in writing, any part or all of Agent's authority provided by this Agreement if, in Novum's sole discretion, Novum

determines that reasonable cause exists for the suspension or restriction in order to protect Novum's interests and deems such action to be necessary. In any such case, Agent shall have fourteen (14) days to cure such cause after it receives notice from Novum of its intention to restrict or suspend Agent's authority hereunder. If such cause is not cured within this period, then the suspension or restriction of authority shall take effect automatically upon the expiration of the fourteen (14) day period.

VII. OWNERSHIP OF EXPIRATIONS

- a. If the Agent is not in default of any financial obligation due Novum or its Insuring Carriers, the use and control of expirations, including those on direct billed business, the records thereof and the Agent's work product, shall remain in the undisputed possession and ownership of the Agent, and Novum shall not use its records of those expirations in any marketing method for the sale, service or renewal of any form of insurance coverage, or other product which shall abridge the Agent's rights of ownership, use and control, nor shall the Novum refer or communicate this expiration information or work product to any other Agent.
- b. In the event of termination of this Agreement, however, if the Agent has not then properly accounted for and paid all premiums for which it is liable, the use and control of such expirations including all rights, title and interest in and to the records thereof shall be vested in Novum until indebtedness is satisfied.

VIII. DIRECT BILLED POLICIES

- a. If existing business of the Agent is changed to Direct Billed, the Insuring Carrier shall assume responsibility for billing and collecting the premium which is earned from the entry date of the change to Direct Bill.
- b. The Insuring Carrier shall be responsible for all premium billing and collection.

IX. GENERAL

- a. Unless specifically authorized by Novum in writing, the Agent shall not commit Novum as to liability in connection with any claim or loss which may occur under any contract of insurance.
- b. Novum shall not be responsible for any Agent's expenses whatsoever, unless specifically authorized by Novum in writing.
- c. Failure of Novum for any reason to insist upon compliance by the Agent with the provisions of this Agreement, or the rules and regulations Novum, shall not be construed as or constitute a waiver thereof.
- d. This Agreement supersedes all previous Producer, Broker, or Agency Agreement, whether written or oral, between the Agent or its predecessors with Novum.
- e. This Agreement shall not inure to the benefit of any successor in interest of Agent nor may any interest in this Agreement be assigned by Agent without the prior written consent of Novum.
- f. Agent shall not broadcast, publish or distribute any advertisements or other matters referring to Novum or its Insuring Carriers without first securing Novum's approval in writing.
- g. In the event the Agent pays premiums on behalf of the Insured, the Agent is deemed to have extended its own credit and not that of Novum and accepts full responsibility for the collection and payments of such premiums.
- h. Agent shall be entitled to a monthly commission based on premium collected (as finally determined by audit) of each policy produced. Such commission shall serve as full compensation for all services rendered under this Agreement. Actual commission percentages paid to Agent will vary as Novum will provide quotes for multiple products from many insurance carriers with varying gross commissions. Novum will clarify the Agents commission on the individual quote proposal.
- i. Agent, its owners, officers, directors, managers and authorized representatives, separately and/or individually, agree to not solicit a direct appointment or submit business directly to an insurance

company introduced to Agent by Novum.

- j. Agent, its owners, officers, directors, managers and authorized representatives, separately and/or individually, agree, that in the event of Agent or such individuals violating any condition set forth in *Section IXi*, Agent agrees it will pay Novum a legal monetary penalty that is equal to two (2) times the commission or fee Novum should have realized in the particular transaction(s).
- k. This Agreement does not offer access to Novum’s specialty binding authority programs. An executed addendum to this agreement is required to access each of these binding authority programs.
- l. The validity and interpretation of this Agreement and the rights and obligations of the parties hereunder shall be governed by the substantive laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives. Agreement effective date executed by agent.

Novum Underwriting Partners, LLC

Agency: _____

Signature: _____

Donald H. Sellars

Print Name: _____

President

Title: _____

Date: _____

Date: _____