

# TJ Jerger MGA

## Agency Agreement

THIS AGREEMENT, made this 23<sup>rd</sup> day of February 2016 by and between INDEPENDENT MARKET SOLUTIONS, LLC a Florida Corporation, in the County of Leon in the State of Florida (hereinafter referred to as the "Agent") and TJ Jerger MGA, LLC a limited liability company duly organized and existing under and by virtue of the laws of the State of Florida, and having its executive offices in Pinellas Park, Pinellas County, Florida, (hereinafter referred to as the "Broker").

WITNESSETH:

WHEREAS: the Broker is the Managing General Agent for AMERICAN TRADITIONS INSURANCE COMPANY, and

WHEREAS: the Agent has requested that the underwriting facilities of the Broker be made available to the Agent and its sub-producers, and

WHEREAS: the Broker is prepared to provide such facilities of the Broker and to grant authority to the Agent to receive and accept proposals for such contracts of insurance covering such risks as the Broker has authority lawfully to make, subject, however, to restrictions placed upon such Agent by the laws of Florida and subject also to the terms and conditions hereinafter set forth:

NOW, THEREFORE, IT IS MUTUALLY UNDERSTOOD AND AGREED, as follows:

1. The Broker grants to the Agent full power and authority and the Agent agrees to receive and accept proposals for insurance policies relating to the lines of business as set forth in "Addendum 1", attached hereto and made a part hereof by reference, and to charge the premium for such proposals as set forth by the Broker, approved by the Insurance Department, and in accordance with the rules set forth in the American Traditions Insurance Company Rate and Rule Manual (on-line or hard copy version) and to collect, and receive premiums on insurance and to deliver policies of insurance and to make customary endorsements or cause them to be made by Broker, including changes, assignments, transfers and modifications of existing policies.
2. On compliance by the Agent with the terms of this Agreement, the Broker will pay to the Agent and the Agent agrees to accept as full compensation commission as outlined in Addendum 1 to this Agreement. The Agent will be responsible for any and all compensation to any sub-producers it acquires.
3. The Broker shall pay the Agent the stated commissions in Addendum 1 on net premiums written and retained by the Broker arising out of the policies actually secured by the Agent and accepted by the Broker. Broker shall render to the Agent monthly (electronically or in printed form at Broker's option), not later than the 10<sup>th</sup> business day of the month following that in which the business is written, an account of commissions due the Agent on the business placed by the Agent, and the balance therein shown to be due the Agent shall be paid forthwith to the Agent by the Broker, and in any event, no later than the 15<sup>th</sup> business day of the month in which such commissions are payable. It is a condition of this agreement that the Agent shall refund ratably to the Broker on business heretofore or hereafter written, commissions on cancelled policies and on reductions in premiums at the same rate at which commissions were originally retained. If the Agent has succeeded to and carries on an agency formerly conducted by another, the Agent shall pay return commissions on return premiums of such business as was written by the predecessor Agent (s) in the same manner and to the same extent as upon the Agent's own business unless the parties hereto expressly agree otherwise.
4. Broker reserves the right as of each accounting period to withhold payment of commission until all accounts of money due the Broker have been paid to the Broker. The Agent shall hold all premiums received by the Agent in a fiduciary capacity as trustee for the Broker until delivered to the Broker.
5. The keeping of an account on the Agent's books in the form of a debtor-creditor account is to be deemed merely a record of business transacted. Neither the keeping of an account in such form, nor the rendering of same, nor failure to enforce prompt remittance nor the alteration of the compensation rate, nor compromise of settlement

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shall be held to waive assertion of the trust relationship as to premium collected by Agent.

6. The Agent shall, within 48 hours, forward to Broker all binders (if applicable), daily reports, endorsements and other evidence of agreement to insure or other modifications of existing insurance.
7. The Agent shall report all losses to Broker (or Broker's designated representatives) within 8 business hours after receipt of such losses by Agent or Agent's sub-producer. Broker shall make payment of all losses from its offices or those of its designees. No claim payment authority of any type is given to Agent.
8. Upon termination of this Agreement, the Agent shall deliver all property of the Broker to the authorized representative. In the event of termination, the Agent not being in default and thereafter promptly accounting for and paying over balances not in default for which the Agent may be liable, use and control of expirations shall be deemed the property of the Agent and left in their undisputed possession. Otherwise, the records, use and control of the expirations shall be vested in the Broker and the Broker is hereby granted a security interest in said documents and records, and Broker's possession and use of such records is hereby ratified and confirmed, in the event of a default on the part of Agent.
9. The Agent shall be responsible for all agency expenses, excluding rightful expenses of Broker, of any kind or description whether billed to the Agent or Broker. In the case of impounding or holding in abeyance of premiums, as a result of any court order or ruling of any insurance department, or other lawful authority, commissions shall remain in abeyance in the same manner and to the same extent as the premiums upon which such commissions arise may be in abeyance.
10. The Agent and each of its sub-producers are independent contractors and not an employees of the Broker. The Agent will assume sole and entire responsibility and indemnify and hold harmless the Broker, Broker's officers, Agents representatives and employees from any and all claims, liability, responsibility and damage, attorneys fees, accountant fees, cost or expenses that may be sustained or incurred in connection with the Agent's or its sub-producers acts or claims, except to the extent that the Broker has caused, contributed to, or compounded the injuries, damages, loss of life or liability. The Agent and each sub-producer further agrees to keep in force an errors and omissions policy (in an amount specified in Addendum 1) to insure against liability arising from the Agent's activities regarding business that is subject to the terms of this Agreement.
11. The Broker will assume sole and entire responsibility and indemnify and hold harmless the Agent and any of its sub-producers, Agent's officers, Agent's representatives and employees from any and all claims, liability, responsibility and damage, attorneys' fees, accountant fees, cost or expenses that may be sustained or incurred in connection with the Broker's acts or claims, except to the extent that the Agent or any of its sub-producers has caused, contributed to, or compounded the injuries, damages, loss if life or liability.
12. This Agreement may be terminated at any time by the mutual agreement of the parties, or by either party at any time upon written notice to the other. Each sub-producer may at any time, upon written notice to the Agent, be terminated by the Broker. In the event of termination, the Broker may withhold payment of any commissions earned by the Agent until such Agent shall have certified, in writing, to the Broker that all known claims against the Broker have been duly reported to the Broker. In the event of termination, Agent agrees to Broker promptly on demand any payments due Broker, including unearned commissions on return premiums which may thereafter become due to Broker because of cancellations or reductions of premiums on policies submitted by Agent during the term of the Agreement.
13. The Agent agrees to comply with all the laws of the State of Florida. If any provision of this agreement does not conform to the law of Florida, this agreement is automatically changed to conform to those laws.

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14. In the event of any irreconcilable dispute between Agent and Broker, the dispute shall be submitted for arbitration under the rules of the American Arbitration Association (AAA). The Arbitration panel shall consist of one arbiter chosen by Broker and one by Agent, and a third, the "umpire", chosen by the two arbiters. If the arbiters do not reach agreement, they will call on the umpire and the decision of the majority shall be binding.

Agent and Broker agree to appoint their arbiters within 30 days of date notice of arbitration is given. Further, both parties agree to have their cases ready within 30 days of the appointment of the arbiters. However, if the arbiters so determine, the time to submit cases may be extended.

Agent and Broker will each bear the expense of its own arbiter and shall pay jointly and bear equally the expense of the umpire and the arbitration. The arbitration shall take place in Clearwater, Florida unless otherwise mutually agreed.

15. All binding authority is suspended for new business and endorsements in accordance with the individual companies Underwriting Guidelines as it pertains to hurricanes and tropical storms.

### 16. Direct Billing Provisions

- a. Broker agrees to directly bill the policyholder for all renewal premiums, and to collect and receive such renewal premiums.
- b. As to all billing statements and communication pertaining to same made by Broker and directed to policyholder, the Broker agrees to print thereon the name of the Agent and further agrees to provide to Agent (electronically or in printed form at Broker's option) copies of such statements, notices or communications.
- c. In the event of termination of this agreement, Broker agrees to provide a complete list of policies placed by agent with Broker. Agent must request this in writing.
- d. Unless otherwise agreed in writing, Agent has no right or authority to collect premiums for the Broker. In the event Agent shall receive or collect premiums, the Agent shall promptly account for the premiums and forward them to Broker.
- e. As to all policies subject to direct billing, the Broker agrees to indemnify and hold harmless against the following:
  - i. Any claims, liabilities or costs of defense that the Agent may become obligated to pay as a result of a loss to policyholders caused directly by an error of the broker in the performance of its obligations under this direct billing agreement, except to the extent that the Agent has caused, contributed to or compounded such error or loss.
  - ii. Against any and all civil liability for damages and expenses (including the cost of defense) that the agent may become obligated to pay as a direct result of the failure of Broker to comply with the Fair Credit Reporting Act, Federal Truth in Lending Law and the Fair Credit Billing Act, except to the extent that the Agent has caused, contributed to or compounded such failure and attendant damage or loss.
  - iii. The agreement of Broker to indemnify Agent as described above is conditioned on Agent providing prompt and written notification of all claims made or legal actions brought against the agent.

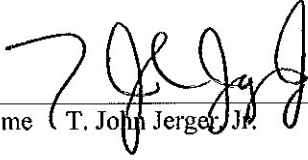
18. In consideration of INDEPENDENT MARKET SOLUTIONS, LLC supplying to MUSA MGA, LLC the names, addresses and other proprietary sub-producer information, MUSA MGA, LLC will not, during the term of this agreement, appoint as filed and recorded with the applicable state regulatory agency any sub-producer of INDEPENDENT MARKET SOLUTIONS, LLC until said sub-producer has written at least (25) pieces of business with MUSA MGA, LLC. It is further understood and agreed to

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that all agents currently contracted with MUSA MGA, LLC are exempt from this provision.

Agreed to by:



Name T. John Jerger, Jr.

**Title: President**  
T.J. Jerger MGA, LLC  
7785 66<sup>th</sup> St  
Pinellas Park, FL 33781



Name David D. Burt

**Title: Agent In Charge**  
**Agency Name: Independent Market Solutions, LLC**  
3159 Shamrock South  
PO Box 16579  
Tallahassee, FL 32317

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### Addendum Commission Schedule

Effective Date: 2/23/16

#### Mobile Homes

New Business: 15%  
Renewal Business: 15%  
No Wind New Business: 15%  
No Wind Renewal Business: 15%

#### Homeowners

New Business: 21%  
Renewal Business: 21%  
No Wind New Business: 21%  
No Wind Renewal Business: 21%

Errors and Omissions Requirement: \$500,000 per occurrence. Renewal Date: 8/1/16

- All Commissions will be paid on Non-Hurricane portion of premium.

**Please provide a copy of the E&O declarations page.**

Agency Code: \_\_\_\_\_ County: Leon

Agency Name: Independent Market Solutions, LLC

Agency Mailing Address PO Box 16579

Tallahassee, FL 32317

Agency Physical Address: 3159 Shamrock Street South

Tallahassee, FL 32309

*\*I understand this Agency Agreement does not satisfy the requirement of an appointment as provided for in Section 626.112 and 626.431, Florida Statutes.*

American Traditions Insurance Company

Name: TJ Jerger, Jr.

Title: President

Agency:

Independent Market Solutions, LLC  
Name: David D. Burt

Title: Agent In Charge

License W011735

Tax ID 47-415501

1. Signed applications/and/or policy forms are to be retained in the agent's office.
2. TJ Jerger MGA reserves the right to audit an agent's files.

## ADDENDUM TO T.J. JERGER AGENCY AGREEMENT

This Addendum dated February 23, 2016 shall serve to provide additional terms, and to amend or modify conflicting terms of the Agency Agreement ("Agreement") dated February 23, 2016 by and between T.J. JERGER MGA, LLC ("Broker") on behalf of American Traditions Insurance Company ("Insurer") and Independent Market Solutions, LLC ("Agent") and to clarify that the Agreement and this Addendum supersede and replace the agreements identified below.

**WHEREAS**, FAIA Member Services, Inc. ("FMS") provides products and services to the members of the Florida Association of Insurance Agents ("FAIA").

WHEREAS, FMS is also an owner/partner of the Agent,

WHEREAS, FAIA, FMS, the Agent, Broker and Insurer are hereinafter collectively referred to as the "Parties."

**WHEREAS**, the Parties desire for the Agreement entered into by Broker and the Agent to supersede and replace any agreements identified below, including any amendments or addendums to those agreements,

**WHEREAS**, Broker and FMS entered into an Agency Agreement dated April 15, 2008;

**WHEREAS**, Insurer and FAIA entered into an Administrative Services Agreement dated April 15, 2008;

**WHEREAS**, Insurer and FMS entered into a Marketing Services Agreement dated April 15, 2008;

**WHEREAS**, Broker and Insurer acknowledge that the Agent is jointly owned by state associations affiliated with the Independent Insurance Agents & Brokers of America, Inc. ("IIABA"), and that the Agent's sole purpose is to provide insurance market access to members of these state associations who serve as Sub-Producers to the Agency Agreement; and

**WHEREAS**, given the nature of the Agent's business, Broker, Insurer and the Agent acknowledge the need for this Addendum to address issues that are not addressed in Broker's/Insurer's standard agency agreement.

**NOW, THEREFORE**, the Parties agree as follows:

1. The Agreement and this Addendum shall supersede and replace all agreements identified above, including any amendments or addendums to those agreements.

2. Reference in the Agreement to "the Agent" shall also include Sub-Producers under contract with the Agent.
3. The relationship of the Agent and Sub-Producers shall be in writing and at a minimum must:
  - a. Require Sub-Producer to adhere to provisions of the Broker's/Insurer's Agency Agreement, and
  - b. Provide Broker/Insurer with Third-Party Beneficiary rights to enforce the terms of the Sub-Producer agreement as if it were a Party to the agreement.
4. State associations affiliated with the Agent will promote the Agent's markets and encourage the submission of high quality, profitable business.
5. Broker/Insurer will pay the Agent commissions as outlined in Broker's/Insurer's Commission Schedule attached to and incorporated in the Agreement, and the Agent will be responsible for paying its Sub-Producers.
6. Reference to any state law, rule, regulation or insurance code shall be the state in which the Sub-Producers are located and appointed to represent Broker/Insurer.
7. Broker/Insurer agrees that it will not enter into an Agency Agreement or any other contract that would create substantially similar terms to this Agreement and Addendum with any state insurance agent membership association in the State of Florida that is not affiliated with IIABA. In no way shall this provision restrict Broker's/Insurer's right to directly appoint agents, brokers, aggregators or other types of associations.
8. Broker/Insurer has the right to terminate the appointment of any Sub-Producer upon prior notification to the Agent. In addition, Broker/Insurer shall terminate the appointment of a Sub-Producer upon request of the Agent when the Agent determines that the Sub-Producer has failed to maintain membership in good standing in its IIABA affiliated state association.
9. Broker/Insurer agrees that during the term of this Agreement, Broker/Insurer shall not provide to any Sub-Producer of the Agent direct access to Broker's/Insurer's lines of business that are the subject of this Agreement. Notwithstanding the foregoing, in the event a Sub-Producer writes a level of business generating at

least \$100,000 net written premium per year, Broker/Insurer, in its sole discretion, may offer a direct agent appointment to such Sub-Producer. Broker/Insurer shall provide notice to the Agent in the event Broker/Insurer elects to offer such an appointment.

10. Broker/Insurer acknowledges that the Agent and its affiliated state associations or their subsidiaries retain override commissions on all policies written by the Agent's Sub-Producers. Any future states may be added and incorporated into this contract via an addendum.

Any policy written in Florida: 2% of net premiums written

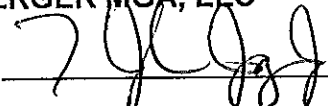
11. Broker/Insurer agrees that during the term of this Agreement and for two years following the termination of this Agreement by Broker/Insurer for any reason, or by Agent for good cause, Sub-Producers of the Agent shall not have direct access to Broker's/Insurer's lines of business that are the subject of this Agreement, unless agreed to in writing by the Agent. However, this two year limitation on Sub-Producers' direct access to Broker's/Insurer's lines of business shall not apply if Broker/Insurer agrees to continue to pay the Agent the override commission as set forth above for a period of two years from termination of this Agreement, unless the policy is canceled, non-renewed or otherwise terminated by Broker/Insurer. Nothing herein prohibits Broker/Insurer from appointing Sub-Producers of the Agent as filed and recorded with the applicable state regulatory agency when required by law.
12. To the extent any of the provisions of the Agreement conflict with the terms and provisions of this Addendum, the Addendum shall control.
13. This Addendum may be amended by Broker/Insurer and the Agent from time to time or replaced by a new amendment or addendum, as long the amendments or addendums are in writing and are signed by Broker/Insurer and the Agent.
14. In the event Broker/Insurer and the Agent agree to enter into any additional Agent agreements, as may be required from time to time by future states, the terms and conditions of this Addendum shall apply and be incorporated into those agreements unless expressly stated otherwise.



IN WITNESS WHEREOF, the Parties have executed this Addendum on the date indicated above.

**BROKER:**

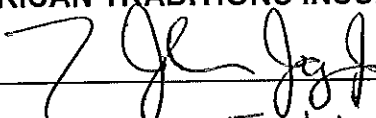
**T.J. JERGER MGA, LLC**

By: 

Printed Name, Title: T John Jerger, Jr. President

**INSURER:**

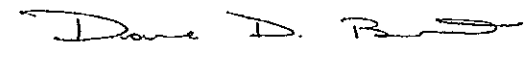
**AMERICAN TRADITIONS INSURANCE COMPANY**

By: 

Printed Name, Title: T John Jerger, Jr. President

**AGENT:**

**INDEPENDENT MARKET SOLUTIONS, LLC**

By: 

Printed Name, Title: David D. Burt, Agent in Charge

**FLORIDA ASSOCIATION OF INSURANCE AGENTS, INC.**

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

Printed Name, Title: Jeffrey W. Grady, Chief Executive Officer

**FAIA MEMBER SERVICES, INC**

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

Printed Name, Title: David D. Burt, President