



## BROKERAGE AGREEMENT

AGREEMENT between \_\_\_\_\_  
of \_\_\_\_\_  
thereinafter called "**Broker**" and **ALLEGHENY SURETY  
COMPANY/ALLEGHENY SURETY AGENCY** of Pittsburgh, Pennsylvania,  
hereinafter called "**ALLEGHENY**".

WHEREAS, **Broker** desires to procure from time to time for his clients various Fidelity and/or Surety bond coverage's through the facilities of **ALLEGHENY**, and Whereas, **ALLEGHENY** desires to make its facilities available to **Broker** in cases where the terms are mutually agreeable, NOW, THEREFORE, the parties hereto agree as Follows:

### A. BROKER AUTHORIZATION

1. **Broker** specifically understands and agrees that **Broker** shall have no authority to neither authorize bonds nor extend a bond credit line unless advised of such line or authorization by **ALLEGHENY**.
2. **Broker** is not the employee or authorized representative of **ALLEGHENY**.
3. **Broker** shall report all claims to **ALLEGHENY** immediately upon notice thereof. **Broker** has no authority, unless otherwise instructed by **ALLEGHENY** in writing, to adjust, compromise, settle or in any way commit **ALLEGHENY** or companies represented by **ALLEGHENY** with respect to claims arising under fidelity/surety bond written hereunder.
4. Notice to **Broker** of change in a risk does not constitute notice to **ALLEGHENY**.
5. No act or statement of **Broker** shall in any way be binding on **ALLEGHENY** unless **ALLEGHENY** shall have first received prior written approval from **ALLEGHENY** to so act or state.
6. **Broker** has no authority to appoint sub-agents or brokers under this agreement.
7. **Broker** shall not assign or transfer this agreement without the written consent of **ALLEGHENY**.

### B. COMMISSIONS

1. **ALLEGHENY** will allow **Broker** commissions at such rates as are agreed upon from time to time by parties hereto.
2. In the event of a return premium becoming due for any reason whatsoever, **Broker** shall refund unearned commission to **ALLEGHENY** at the same rate at which commission was originally allowed.

### C. PAYMENT OF PREMIUMS

1. **ALLEGHENY** will render **Broker** an invoice for each bond, endorsement, contract over-run, or transaction, which will be due and payable on the first day of the month following the date of such billing. **Broker** may withhold his commission from the payment to **ALLEGHENY**.
2. **Broker** specifically agrees that any extension of credit by him to his client or to any other person is solely at his own risk, and he shall pay to **ALLEGHENY** all sums due **ALLEGHENY**, when due, whether or not he has collected such moneys from others who may owe it to him. Furthermore, **Broker** recognizes that in agreeing to pay **ALLEGHENY**, he does so as an original undertaking on his own part and not as a guarantor of another's obligation.
3. No bond will be cancelled flat unless agreed to by **ALLEGHENY**.
4. The **Broker** shall have the right to relieve himself of his responsibility on account of premiums developed by audit or contract over-run or voluntary report from **Broker's** client subject to the following conditions:
  - a. Within thirty (30) days of the date of any invoice or statement for premiums developed from such audit, contract over-run, or voluntary report, the **Broker** shall return same to **ALLEGHENY** together with written advise that he desires to relieve himself of such responsibility.
  - b. Failure on the part of the **Broker** to return such statement within the period above specified shall be construed as an election by the **Broker** to retain responsibility for the payment of such premiums in accordance with the terms of this agreement.
  - c. In the event that any such invoice or statement shall be returned by the **Broker** to **ALLEGHENY** for the purpose of relieving himself for responsibility for the payment of such premium, **ALLEGHENY** shall have the right to proceed to collect the developed premiums in such manner as **ALLEGHENY** may see fit. The **Broker** agrees however, to waive his full commission on any such premium.

### D. REPORTS AND RECORD KEEPING

1. The **Broker** shall keep true and complete records of all transactions and shall permit, upon demand by **ALLEGHENY**, the examination by **ALLEGHENY** of accounts, records, vouchers and correspondence pertaining to bonds issued for **ALLEGHENY**.

2. **Broker** agrees to submit reports and accounting of all transactions to **ALLEGHENY** on all bonds written on behalf of **ALLEGHENY** on a daily basis or as mutually agreed by both parties to this agreement.

**E. ALLEGHENY SURETY COMPANY/ALLEGHENY SURETY AGENCYS' PROPERTY**

- 1. All Powers-of Attorney, bond forms, endorsements, manuals, corporate seals bearing the name of Insurance/Bonding companies that are directly represented by **ALLEGHENY** and other like company supplies furnished to the **Broker** by **ALLEGHENY** shall remain the property of **ALLEGHENY** and shall be returned to **ALLEGHENY** or its duly authorized representative promptly on demand

**F. BROKER'S WARRANTY AND INDEMNIFICATION**

- 1. **Broker** warrants that he is properly licensed for the classes of business to be conducted and the fidelity/surety coverage's to be procured through the facilities of **ALLEGHENY**.
- 2. **Broker** shall indemnify **ALLEGHENY** for all costs, including legal fees resulting from unauthorized transactions by **Broker**.

**G. TERMINATION**

- 1. This agreement may be terminated by either party at any time, with or without cause, upon ten (10) days written notice sent to the other party at the address indicated on the last page of this agreement. Upon termination of this agreement the **Broker** shall forthwith deliver to **ALLEGHENY** any and all supplies and the **Broker** shall promptly pay to **ALLEGHENY** all sums due **ALLEGHENY**.

Signed and dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Attest: \_\_\_\_\_

ALLEGHENY SURETY COMPANY  
 ALLEGHENY SURETY AGENCY  
 By: \_\_\_\_\_  
 4217 Steubenville Pike  
 Pittsburgh, PA 15205

**Broker:**

Attest: \_\_\_\_\_

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