This brokerage Agreement (hereinafter referred to as the “Agreement”), **dated** Click here to enter a date constitutes the sole and entire Agreement between:

**Specialty Program Group Canada Inc. o/a Cansure o/a Beacon o/a i3 Underwriting Services**

**PO Box 10008 Pacific Centre**

**Suite 1488 – 700 West Georgia Street**

**Vancouver, British Columbia, V7Y 1A1**

hereinafter referred to as the “MGA”

and

**FULL LEGAL NAME OF BROKERAGE:** Click here to enter FULL BROKERAGE LEGAL NAME

**ADDRESS:** Click here to enter complete mailing address for primary/head office location

**LICENSED OPERATING NAME:** Click here to enter licensed BROKERAGE OPERATING NAME

hereinafter referred to as the “Broker,” and supersedes all prior agreements, contracts or understandings, either written or implied, concerning the matter covered herein.

The MGA and the Broker are collectively referred to as the “Parties”, with each referred to as “Party”.

WHEREAS the MGA is a managing general agent of various independently contracted Insurers authorized to provide insurance indirectly to customers on their behalf;

AND WHEREAS the MGA is licensed in all provinces and territories in Canada to provide property and casualty insurance to customers through the Broker;

AND WHEREAS the Broker is a licensed property and casualty independent broker in good standing in each province and territory which it conducts business.

NOW THEREORE, in consideration of the aforementioned herein, the receipt and adequacy of which are hereby acknowledged, the MGA and Broker hereby agrees as follows:

1. **BROKER REPRESENTATIONS, WARRANTIES AND COVENANTS**
   1. Licensed and Good Standing

The Broker’s principals and representatives have attained the appropriate educational requirements, are competent, and duly qualified and licensed, without qualification, as a registered broker in accordance with the applicable licensing authorities.

Broker represents, warrants and covenants to the MGA that Broker is licensed as a general insurance broker in each province and/or territory in which the Broker transacts or intends to transact business and that the Broker shall continue to be so licensed for the duration of this Agreement and after termination of this Agreement, for as long as any policy (where the Insured holds a policy with the MGA) remains in force, with respect to all insurance business that the Broker submits to the MGA. Evidence of said license shall be provided to the MGA as well as evidence of any new and/or replacement licenses upon request by the MGA.

The Broker agrees that upon the MGA’s request, from time to time during the term of this Agreement, Broker shall provide to the MGA: (i) evidence that such license(s) remain in effect and in good standing and, (ii) a copy of any new and/or replacement licenses; within five (5) business days of their issuance. Failure to do so shall give the MGA the right to terminate this Agreement pursuant to the terms of the “Termination” provisions in this Agreement.

* 1. Governance and Compliance and Notification to MGA

Broker shall comply with all applicable license and regulatory requirements in all provinces and territories in which it conducts business. Broker shall have appropriate governance and compliance policies in place and shall ensure that its affiliates, partners, agents, and employees understand and comply with all applicable license and regulatory requirements and its governance and compliance policies. Broker shall promptly notify the MGA of any incidents of non-compliance; any notices of violations; and any notices of license suspension and/or termination. Broker’s failure to immediately notify the MGA of any such non-compliance; violations and or notices shall give the MGA the right to terminate this Agreement pursuant to the terms of the “Termination” provisions in this Agreement.

* 1. Errors and Omissions Insurance

Broker warrants to the MGA that Broker maintains and shall continue to maintain in force during the term of this Agreement and after termination of this Agreement, for as long as any policy (where the Insured holds a policy issued by the MGA) remains in force, with respect to all insurance business that Broker shall submit to the MGA, Brokers Errors and Omissions Insurance at limits of no less than $2,000,000. Evidence of said policy or certificate of insurance shall be provided by the Broker to the MGA as well as evidence of any new and/or replacement policies or certificates of insurance upon request by the MGA. Where possible, MGA recommends a limit of $5,000,000 for Brokers Errors and Omissions Insurance coverage.

Such policy shall be on terms and in an amount that a reasonable and prudent insurance broker would maintain for a similar business of a similar size and as required by applicable law (including regulations and requirements of a regulatory body), but in any event no less than $2,000,000.

Broker shall provide the MGA with at least 30 days written notice prior to any amendment, non-renewal or termination of any of its Errors and Omissions insurance policies. Where 30 days’ prior written notice is not possible, Broker shall promptly notify the MGA.

1. **BINDING AUTHORITY**

The Broker hereby acknowledges they have no authority to bind the MGA, or any Insurers represented by the MGA, with respect to policies, endorsements, renewal certificates or otherwise, except as provided for by a Binding Authority Addendum attached to this Agreement.

1. **POLICY CANCELLATION**

Nothing in this Agreement shall be construed as limiting or restricting the right of the MGA to cancel any binder, policy or contract of insurance issued under this Agreement in accordance with the cancellation provisions of such binder, policy or contract, or decline to renew any policy. No cancellation of a policy will be back-dated unless expressly agreed to by the MGA. The Broker shall be responsible for any premium earned on a policy even where the premium has not been collected from the insured.

1. **TERMINATION OR SUSPENSION**
   1. This Agreement may be terminated, by either Party, upon written notice of at least sixty (60) days prior to the termination effective date to the other Party.
   2. Notwithstanding 4(a), this Agreement may be terminated immediately at the option of one of the Parties upon abandonment, fraud, insolvency, or gross negligence or willful misconduct on the part of the other Party, or a material breach of any of the terms or conditions of this Agreement on the part of the other party.
   3. Upon termination of the Agreement, any liability for money due to either Party as of the date of termination shall not be discharged until such debt is paid.
   4. This Agreement shall terminate automatically if any regulatory authority cancels or declines to renew the Broker’s license or certificate of authority.
   5. This Agreement shall terminate automatically on the effective date of sale, transfer, or merger of the Broker’s business provided, however, that the MGA will offer an Agreement to any successor who meets the MGA’s requirements for appointment. Upon such sale, transfer, or merger, the Broker covenants that the MGA shall be paid any monies owing to it out of any proceeds realized upon such sale, transfer, or merger, which would otherwise be paid to the Broker. The Broker covenants that it will execute any document necessary to ensure that the MGA will be paid. If there are insufficient proceeds to meet the indebtedness, the Broker shall be responsible for the deficiency.
   6. This Agreement shall remain in force unless terminated in accordance with its provisions but such termination shall not alter in any way the continued application of this Agreement to policies, binders, or contracts of insurance affected prior to the date of such termination.
2. **OWNERSHIP OF BUSINESS**

The MGA recognizes the Broker’s ownership of the business offered by the Broker to the MGA. However, if the Broker is in default in his account with the MGA, or is in violation of 4(b) or 4(d) above, the Broker shall be deemed to have forfeited his rights under this Agreement and so long as such default shall persist, the Broker agrees to assign to the MGA all policies coded to the Broker’s account and the MGA may, at its discretion, and in any manner it deems appropriate, utilize the monies generated therefrom to satisfy the debt owing by the Broker.

1. **PREMIUM AND COMMISIONS PAYABLE**
   1. Commission

The Broker shall receive as commission, a percentage of the premium for each policy written and paid for pursuant to this Agreement at the rate determined by the MGA. The Broker shall be liable to the MGA and shall pay return commission at the same rate as originally allowed to the Broker for all return premiums, including but not necessarily limited to, adjustments or cancellations.

* 1. For premium relating to Broker Billed Policies:
     1. The Broker is authorized to receive the premiums and service fees due to the MGA, in respect of the business written under Section 2. All moneys so received, less commissions due to the Broker and such other deductions to which the Broker may be entitled, shall be held by the Broker as fiduciary trust funds and shall not be used for personal or any other purposes whatsoever, except those of MGA. MGA hereby grants permission to Broker to retain any interest income earned on unremitted fiduciary funds generated pursuant to this Agreement and held in Broker’s account(s) on behalf of MGA.
     2. The MGA will prepare and forward each month an itemized statement of account of the Broker’s balances. The balances shown in the statement shall be payable not later than thirty (30) days after the end of the account month for which the statement was prepared or on credit terms as may be amended and notified to the Broker from time to time. Statements must be paid exactly as rendered by the MGA. Payments are to be made by the Broker “cheque” only. The MGA does not accept credit card, debit card, or cash payments and does not accept payment from the insured directly.
     3. The omission of any item from a monthly statement of account of the Broker’s balances shall not affect the responsibility of either party to account for and pay all amounts due from the other.
     4. If the Broker extends their own Premium Financing to their client it shall be at the Broker’s sole risk, and all premiums due shall be paid to the MGA when due, regardless of whether such premiums due have been collected by the Broker. The MGA shall not refund any premium to a premium finance company, unless such premium was received by the MGA. In the event a financed policy is canceled and the premium is refunded to a premium finance company, the Broker shall promptly refund to the MGA any unearned premiums due.
     5. The MGA shall have access, at reasonable times during customary business hours, to the Broker’s books and records for the purpose of determining any fact relating to money due to the MGA on business placed with the MGA by the Broker.
     6. The Broker is fully responsible for collecting and remitting Provincial Sales Tax to the respective Provincial Governments in all jurisdictions where sales tax applies to insurance premiums.
  2. For premium relating to Direct Bill policies:
     1. The Broker agrees to collect and remit to the MGA the completed application / declaration in compliance with the Direct Bill requirements.
     2. The Broker will not be responsible to the MGA for dishonoured cheques written by applicants or policyholders to the MGA for the initial premium when accepted in good faith by the Broker.
     3. Commissions on Direct Billed premium finance policies shall be paid to the Broker by cheque due on the last day of the month following the month in which the premium transaction is processed by the MGA.
     4. The Broker shall be liable to the MGA and shall pay return commission at the same rate as originally allowed to the broker for all return premiums, including but not necessarily limited to adjustments or cancellations.
     5. The MGA may collect premiums directly from a policyholder’s financial institution banking account or credit card, when authorized by a policyholder. In the event that a policyholder or the MGA cancels a policy that is normally paid for in this manner, the MGA shall refund any unearned paid premium directly to the policyholder.
     6. With respect to Direct Bill premium financed policies, the premium finance company may cancel a policy for non-payment of premium after due notice to the policyholder and in accordance with terms and conditions stated in the direct bill finance agreement.

1. **CLAIMS**

The Broker shall promptly notify the MGA of all claims, suits, and notices of loss directly and will not appoint an Adjuster unless and until approved by the MGA and agrees to cooperate fully at the request of the MGA, its Insurers, Adjusting Firms, Surveyors, Attorneys, and other agents in the investigation, adjustment, settlement, or payment of any loss or claim.

1. **ECOMMERCE TRANSACTIONS**

With respect to applications and all other relevant documents, the MGA will accept digitally signed documents provided the MGA and the Broker covenant, promise, and agree to adhere to the following requirements and best practices:

* 1. The MGA requires, and the Broker shall provide, confirmation that the process at the Broker complies with the Personal Information Protection and Electronic Documents Act (“PIPEDA”), Canadian Anti-Spam Legislation (“CASL”), the Payment Card Industry (“PCI”) applicable standards, and all other relevant provincial and federal regulations applicable to Canadian ecommerce.
  2. The MGA has the right to request a traditional signature for policyholder documentation that is transacted through the use of ecommerce as required.
  3. The Broker is responsible for maintaining an audit trail to confirm the details of any given transaction.

1. **WEBSITE PORTAL ACCESS**
   1. Broker may be granted access, via the Internet, to certain of the MGA’s websites and applications (the “Portal”), which Portal contains proprietary information on the MGA’s book of business, including with the Broker. Broker agrees that the use of this information is for the purposes of establishing and maintaining communications between the MGA and the Broker.
   2. It is the responsibility of the Broker to:
      1. Keep confidential the user IDs and passwords granted to the Broker and its employees, officers, directors, and agents;
      2. Promptly notify the MGA of all changes relating to the status of the Broker and their staff whereby access is no longer required;
      3. Not authorize anyone to use the Broker’s account or any of the information for any purpose other than those outlined in this Agreement. The Broker shall be responsible for all use of its account(s); and
      4. Take all reasonable precautions, including password maintenance, file protection and wireless network protection measures, to prevent unauthorized use of the account(s) and the information by unauthorized persons.
   3. Broker agrees that:
      1. The use of the Portal is at the Broker’s own risk and that the Broker assumes the entire responsibility for the use by it of any information appearing on or which is provided through the Portal; and
      2. The MGA shall not be liable in any way to the Broker or to any other person, entity or corporation, for the use of the information by the Broker or any other person, entity or corporation, or for any omissions, inaccuracies, or errors in the information appearing on or accessed via the Portal or for the non-availability of any information or any disruption of access to the Portal.
   4. Broker acknowledges and agrees that the security measures instituted by the MGA to prevent unauthorized access to the Portal and Broker’s (or its clients’) confidential information are reasonable and adequate.
   5. Broker acknowledges that notwithstanding the use of security measures, the MGA cannot guarantee the security of information that is transmitted over the Internet and unauthorized access to the Information may occur.
   6. Broker agrees to release and forever discharge the MGA and its officers, directors and employees from all claims relating to any unauthorized person having access to the Portal or Broker’s (or its clients’) information.
2. **GENERAL CONDITIONS**
   1. This Agreement shall apply to current policies already placed and in force at the date thereof and all future policies which may be placed through the MGA.
   2. This Agreement shall be binding upon the Broker and its successors and assigns.
   3. The Broker represents and warrants to the MGA that it has and shall maintain all requisite power, authority, capacity and licenses to carry on its business in accordance with this Agreement, and that it shall comply with the laws of the applicable jurisdiction in order to carry on its business hereunder.
   4. This Agreement shall be interpreted in accordance with the laws of the Province of British Columbia. The Broker hereby attorns to the jurisdiction of the Province of British Columbia for purposes of the service of any process and for the purpose of disputing any claims of any nature whatsoever which may arise between the MGA and the Broker.
   5. The Broker may not assign this Agreement to any other party without the prior written consent of the MGA. This Agreement shall be binding upon the Broker and its successors and assigns.
   6. This Agreement shall not be amended, except in writing, signed by both parties. However, the MGA may, by written notice to the Broker, propose any amendments to this Agreement and unless the Broker proposes cancellation of this Agreement within 60 days next following, such amendments will come into force upon the 60th day following the date of the written notice by the MGA to the Broker.

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| **ADDITIONAL REQUIRED INFORMATION TO COMPLETE BROKER AGREEMENT**  **Designated Representative**: Click here to enter name of Designated Signing Representative  **Designated Representative Provincial Insurance License #:** Click here to enter personal license #  **Brokerage Provincial License #:** Click here to enter brokerage license #  **Errors & Omissions Insurer & Policy #:** Click here to enter brokerage E&O policy # & insurer  **Errors & Omissions Policy Limit**: Click here to enter E&O policy limit |

**AFFIRMATION STATEMENTS FOR ONLINE BROKER AGREEMENT** (Check each box below)

I hereby affirm that I have read with understanding and agree to the above terms and conditions as outlined in the Broker Agreement.

I hereby affirm that I meet the conditions required of my brokerage to maintain adequate insurance coverage for errors and omissions and that said policy will be continuously in effect for the duration of this Agreement.

I hereby affirm that I am an authorized representative of this brokerage and hold capacity as an authorized signor on the behalf of the brokerage owners, directors and officers to accept the terms and conditions as outlined in the Broker Agreement.

*The following acknowledgement constitutes the entire broker agreement as outlined in this document from page 1 to page 7 inclusive.*

**BROKER ACKNOWLEDGEMENT**

**Authorized Representative**

Click here to enter full name

**Authorized Representative Title**

Click here to enter your title

**Authorized Representative Signature**

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| --- |
|  |

**Date Signed**

Click here to enter a date

**MGA ACKNOWLEDGEMENT**

**Authorized Representative**

Cameron Copeland

**Authorized Representative Title**

President

**Authorized Representative Signature**

**Date Signed**

9/19/2023