



BROKER AGREEMENT

Tangram Insurance Services, Inc., ("Tangram") makes this Agreement with

_____ ("Producer")

_____ (address)

effective as of _____, 20____.

Producer wishes the assistance of Tangram to obtain insurance for clients and in conducting related insurance business, and Tangram is willing to assist Producer subject to the terms and conditions in this Agreement.

Tangram is a program administrator for various insurance companies, a managing general underwriter for various Underwriters of Lloyd's of London and acts in a wholesale capacity for other various markets.

THEREFORE,

I. REMITTANCE OF PREMIUMS AND OTHER PAYMENTS DUE

Where premiums are agency-bill by Tangram, Producer will be responsible for the full balance of all amounts due for all insurance policies, certificates of insurance and other insurance business, including taxes thereon, arising from or related to any insurance obtained with the assistance of Tangram. Producer will remit payment to Tangram within thirty (30) days of the effective date of each invoice or demand for payment issued by Tangram. Producer will remit each payment at the address of Tangram appearing on this Agreement, or at such other address as Tangram may provide by written notice to Producer.

Where premiums are direct-bill by Insurers, Producer will be responsible for the full amount of all deposit premiums, including any taxes or surcharges, required to bind the account. Producer shall instruct the client to issue payment as instructed by Tangram and to send deposit premiums directly to the address provided by Tangram. Deposit premiums are due by the effective date of coverage.

II. PRODUCER'S GUARANTEE OF PAYMENTS AND RELATED COSTS

The obligation of Producer to collect and remit payment to Tangram for insurance premiums, as described in I above, shall remain the obligation of Producer unless otherwise specifically agreed in writing by Tangram. No obligation of Producer to pay Tangram for any amount shall be terminated, reduced, delayed or transferred without the written approval of Tangram. In the event of a sale of Producer or its business to any third party; the obligation of Producer to pay Tangram for all amounts due shall remain the obligation of the undersigned Producer unless otherwise specifically agreed in writing by Tangram. Producer will remit to Tangram all amounts due without regard to whether Producer can collect any amounts from any account, insured or other party. In the event that Tangram may be required to take any action to collect any amounts not paid by Producer when due,

then Tangram shall be entitled to reimbursement of all costs incurred to collect any amounts due from Producer, including but not limited to attorneys' fees and court costs. In the event that any fines, penalties or other liabilities, costs or expenses may be levied, assessed or charged by any government agency or surplus lines association as a result of Producer's failure to remit any payments when due, then Tangram shall be entitled to reimbursement from Producer of all such amounts.

III. COMMISSIONS AND RETURN PREMIUMS

Producer shall be entitled to commission as a percentage of the premiums paid. Producer shall be required to pay return commission (if any) for any return premiums, including but not limited to return premiums resulting from any cancellations, reductions or amendments to the terms of any insurance subject to this Agreement. Notwithstanding the foregoing, no commission will be payable on premium collected subsequent to the referral of amounts due under specific policies to a third party collection agency and/or attorney.

IV. AUTHORITY TO BIND INSURANCE

Producer shall not bind, nor agree to bind, Insurers with respect to any insurance without authorization in advance from Tangram. Producer shall pay and indemnify Tangram for the full amount of any costs, liabilities and other damages or expenses arising from any unauthorized binding of insurance by Producer, including but not limited to all costs and attorneys' fees for defending Tangram against any claims arising from any unauthorized binding of insurance by Producer.

V. ADVERTISING

Unless specifically authorized by Tangram in advance in each instance, Producer shall not create, order, distribute, place or allow any advertising, advertisement or other promotional materials which make any representations regarding Tangram or which reference Tangram in, on or through any medium, including but not limited to periodicals, circulars, newsletters, handbills, radio, television, and any other means of communication. Producer shall pay and indemnify Tangram for the full amount of any costs, liabilities and other damages or expenses Tangram may incur from any unauthorized advertising or promotional references by Producer, including but not limited to all costs and attorneys' fees for defending Tangram against any claims arising from any unauthorized advertising or promotional references by Producer.

VI. ERRORS AND OMISSIONS INSURANCE REQUIRED OF PRODUCER

With respect to all business conducted or to be conducted under this Agreement, Producer shall at all times maintain insurance coverage against liability for its errors and omissions with limits of liability of at least One Million Dollars (\$1,000,000). Producer further warrants that such errors and omissions insurance is already in

effect and in good standing as of the execution of this Agreement. Tangram may require Producer to provide evidence of Producer's errors and omissions insurance coverage at any time.

VII. MAINTENANCE OF INSURANCE LICENSE

With respect to all business conducted or to be conducted under this Agreement, Producer shall at all times maintain a Property and Casualty Agent/Broker insurance license meeting the requirements of the state in which the Producer conducts business. Producer further warrants that such license is already in effect and in good standing as of the execution of this Agreement. Tangram may require Producer to provide evidence of Producer's insurance license at any time.

VIII. INDEMNIFICATION

Tangram agrees to jointly and severally indemnify, defend and hold harmless Producer against any and all claims, demands, losses, expenses, liabilities and damages Producer may incur, which result from, arise out of, or relate to any dispute, including allegations of negligence or unlawful conduct on the part of Tangram under this Agreement.

Producer agrees to jointly and severally indemnify, defend and hold harmless Tangram, its Insurers(s), claims administrators and servicing companies against any and all costs Tangram shall incur which result from, arise out of, or relate to Producer's duties, obligations, or performance under this Agreement or as a result of any dispute, including allegations of negligence or the violation of insurance, privacy, or consumer protection laws of any state, federal, or local governmental authority by Producer and/or its agents, employees, or representatives.

IX. CANCELLATION OF THIS AGREEMENT AND SUBSEQUENT PAYMENTS

Either Producer or Tangram may cancel this Agreement at any time by written notice from one party to the other party. In the event that Tangram cancels this Agreement due to violation of any terms by Producer, then Producer hereby agrees to relinquish and waive any further right or claim to any subsequent commission and to any other payment from Tangram, if any, to the extent necessary to satisfy any payments due to Tangram under this Agreement. In the event that this Agreement may be canceled without violation of any terms by Producer, then any subsequent commissions and return premiums arising from any transaction for which an original commission was earned under this Agreement shall be paid after cancellation of this Agreement, subject to all other terms and conditions of this Agreement.

X. Governing Law

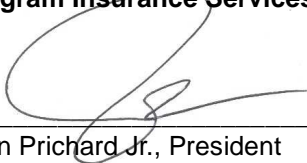
This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the choice of law provision thereof.

Agreed upon this ____ day of _____, 20__.

Producer: _____
Please Type Full Name Above

Producer Signature

Tangram Insurance Services, Inc.



John Prichard Jr., President