**BROKER AGREEMENT**

This *Agreement* is made at 12:01AM on this Enter Date here, by and between Enter Broker, Inc., (the “**Broker**”) and Berkley Public Entity, on behalf of Berkley Insurance Company and Gemini Insurance Company, (collectively the “**Company**”).

**WITNESSETH THAT:**

Whereas, the **Broker** may receive and submit to the Company proposals for the types of insurance policies, including binders, endorsements, riders and other contracts of insurance (each a “**Policy**”) and located in the authorized territories attached hereto and incorporated herein as Schedule A; **18. MISCELLANEOUS**

This *Agreement* shall be construed and administered in accordance with the laws of the State of New York and the rights and obligations of all persons interested or claiming hereunder shall at all times be regulated under the laws of the State of Delaware. The *Agreement*, with the referenced Schedules set forth the entire understanding of the parties hereto. If any provision of this *Agreement* shall contravene or be invalid under the law, such provision shall not invalidate the whole *Agreement*, but the *Agreement* shall be construed as if not containing that particular provision considered invalid. This *Agreement* supersedes all previous *Agreement*s, whether oral or written, between the **Company** and the **Broker** for **Policies** in the **Authorized Territories**. This *Agreement*, along with any alteration, addition or modification shall not be binding unless executed by an officer of the **Company**. Notices shall be valid if mailed to the **Company** at the address specified herein, and to the **Broker** at the address specified herein. Failure to enforce any provisions of this Agreement shall not constitute a waiver of any of the terms and conditions hereof. This Agreement may be executed in counterparts and delivered by facsimile transmission, each of which shall be deemed an original and both of which together shall constitute one and the same document.

Whereas, **Broker** is licensed to solicit insurance business and is interested in submitting proposals to the **Company** on behalf of clients on whose behalf **Broker** is acting as a broker;

Whereas, the **Company** is appropriately licensed to issue **Policies** for clients of **Broker;**

**IT IS HEREBY AGREED** between the **Company** and the **Broker** as follows:

1. **AUTHORITY**

The **Broker** may submit proposals to the **Company** and request a premium quotation from the **Company** and may request the **Company** to provide coverage for a risk. If the **Company** agrees to provide a premium quotation and/or coverage, the **Broker** may communicate the terms of such quotation and/or coverage or **Policy** to the insurance applicant.

The **Broker** is not authorized to (a) make, alter or discharge any contract or **Policy**, or bind the **Company** to any promise or agreement (including the binding of coverage or issuing of **Policies** or endorsements); (b) incur any indebtedness, obligation or liability on behalf of the **Company**; (c) waive or modify any terms, conditions or limitations of any policy; (d) adjust, settle or handle any claims (other than to notify the **Company** or to cooperate at the **Company’s** request in any investigation, adjustment, litigation, settlement or payment); (e) make any representation, offer any advice or consultation, or deliver any opinion or information on behalf of the **Company**; (f) use in any manner the name, logo, or service marks of the **Company** or other entity managed by the **Company** without express written consent from the **Company**; or (g) flat cancel a **Policy** without prior approval of the **Company**.

The **Broker** shall not hold itself out as, or foster the impression that it is, an agent or representative of the **Company** with any powers other than as expressly authorized herein.

1. **COMMISSION**

For the Broker’s services under this Agreement, the Broker’s compensation shall be a commission to be negotiated on a policy risk by policy risk basis and agreed in writing between the Broker and the Company. The Broker may deduct the Broker’s commission from the premiums collected on behalf of the Company.

1. **PREMIUM AND ACCOUNTS**
2. **Collecting of Premium**
3. For all business placed through the **Company** by the **Broker**, the **Broker** agrees to:
4. collect, account for, and pay to the **Company** all premiums and other monies (including premiums developed by audits or other adjustments) in accordance with the **Company**’s procedures; and
5. accept responsibility for and guarantee payment to the **Company** for all premiums, even if the **Broker** does not collect the premium from the policyholder. Any credit extended to a policyholder by the **Broker** will be at the **Broker**’s sole risk.

2. Failure by the **Broker** to report or pay premium when due or to report discrepancies to the **Company** will be considered the **Broker**’s indication to the **Company** that the policy should be cancelled by the **Company**. If the **Broker** fails to pay when due the full amount of premium owed, a direct notice of cancellation may be sent by the **Company** to the policyholder with a copy sent to the **Broker**, and the **Broker**’s account may be charged with any earned premium not paid.

3. All premiums, including return premiums, received by the **Broker** for business written by the **Company** on behalf of the Insurer, whether before or after termination of this Agreement are property of the **Company**. The **Broker** will hold in trust such premiums (net of commission due the **Broker**) for the benefit of the **Company** and the Insurer, in accordance with all applicable state insurance laws, until payment of all such amounts is made to the **Company**. This trust relationship and the **Company**’s ownership of the premiums on behalf of the Insurer will not be affected by the **Company**’s books showing a creditor – debtor relationship, the amount of balances at stated periods, or the **Broker**’s retention of commissions. The **Broker** shall not co-mingle any of the **Company**’s premium funds held in trust or any other insurers’ premium funds held in the same or other trust account(s) with any personal or business accounts, other **Broker** funds, or other funds held in any other capacity. **Broker** is prohibited from taking any offsets from monies that it is holding in trust for the benefit of the **Company or** on behalf of any other insurers. The Company acknowledges that the Broker may retain any interest it may earn on funds held in trust on behalf of the Company until such funds are dispersed to the Company in accordance with the terms of this Agreement.

4. The **Broker** shall pay the **Company** the full amount of premiums due for each policy issued by the **Company** on behalf of the Insurer, net of commission due the **Broker**, by the thirtieth (30) day after the effective date of such policy. The **Company** may reduce the amount of commissions that the **Broker** may retain or that the **Company** or the Insurer is to pay the **Broker** by any amounts of money that the **Broker** owes the **Company** or the Insurer. The amount of the reduction or offset may include any expense that the **Company** incurs because of or related to attachment(s) by third parties of monies that the **Company** owes the **Broker** and any payments that the **Company** makes because of such attachment(s).

5. If a policy is cancelled prior to its natural expiration, the **Company** agrees to remit to the **Broker** all previously paid unearned net premiums that are owed to the insured. The **Broker**, in turn, will reimburse the insured for the unearned gross premium. The **Company** shall have the right to offset any return premium due the **Broker** against any premium balance due the **Company**.

Earned premium shall be computed and charged on every policy cancelled after inception in accordance with the cancellation provisions of such policy. The **Broker** is responsible for payment to the **Company** of the full amount of any earned premium due the **Company**. The **Broker** will be entitled to credit on any unearned premium due to a cancellation after the **Company** has received written proof of satisfactory cancellation; however, no credit for any return premium due to cancellation shall be allowed for any period during which coverage is effective under any policy provisions.

If the **Company** refunds any premiums, the **Broker** agrees that any commission the **Company** originally paid to the **Broker** or credited to the **Broker**’s account because of such premiums will reduce any such refund. The rate of the commission refund shall be the same as the rate at which the commissions were originally paid.

6. The **Broker** will receive a commission only on the premium the **Broker** collects and remits to the **Company**. If the **Company** determines (in its sole discretion) that it is necessary to seek payment of earned premiums through direct or third party collection, the **Broker** will forfeit all rights to commission on such items.

7. If the **Broker** cannot collect any additional premiums developed by audit, reporting policies or other adjustments, the **Company** may undertake direct collection of such premiums. If the **Company** chooses to undertake direct collection, the **Broker** shall be responsible for the payment of such premiums to the **Company**, unless:

(a) the **Broker** provides evidence satisfactory to the **Company** that the **Broker** has made a reasonable and demonstrable effort to collect such premiums and has been unsuccessful in doing so, and

(b) the **Broker** notifies the **Company** in writing within thirty (30) days of the **Company**’s initial date of billing of the **Broker**’s inability to collect such premiums.

**B. Reporting and Accounting**

1. The **Broker** will promptly notify the **Company** in writing if the **Broker** receives notice of any claims, suits or losses under the **Policies** issued by the **Company** on behalf of the Insurer. The **Broker** will cooperate with the **Company** and the Insurer in the investigation, adjustment, litigation, settlement and payment of claims. The **Broker** will also assist the **Company** and the Insurer in the collection of deductibles from the insured.
2. The **Broker** shall procure promptly as needed, all reports or records on **Policies** written on an audit or reporting basis. The **Company** may procure such reports or records directly from the Insured if not received in a timely manner from the **Broker**.
3. The **Broker** will keep complete records and accounts of all transactions pertaining to insurance written under this Agreement. Such records and accounts are to be kept current and readily identifiable. The **Company** has the right to examine the **Broker** accounts and records and to make copies of them. The **Company** may make such examination as often and at such times as it determines to be reasonable, either while this Agreement is in effect or after it terminates.
4. At any time during the term of this Agreement, the **Company** may request copies of audited financial statements of the **Broker** to be submitted to the **Company**.
5. The **Broker** agrees to promptly notify the **Company** in writing of all contacts and correspondence received from insurance regulatory or other governmental authorities relating to services provided under this Agreement and to cooperate fully with the **Company** in responding to such authorities.
6. **CERTIFICATES OF INSURANCE**

**Broker** is permitted to issue certificates of insurance evidencing **Company’s** coverage but only if done in accordance with the **Company’s** written procedures on certificate issuance. Since **Broker** is not an agent of the **Company**, **Broker** cannot certify information regarding the **Policy**.

1. **CANCELLATION OF INSURANCES**

The **Company** reserves the ultimate right to directly cancel any **Policy** at any time, subject to statutory and regulatory limitations. In the event of cancellation, the **Company** shall notify the **Broker** of such cancellation.

1. **BROKER’S INSURANCE**

The **Broker** covenants that it shall maintain at all times (i) Errors and Omissions (“E&O”) insurance provided by an insurer rated “A” or better by A.M. Best Company with limits of liability of not less than Enter E&O limit ENTER LIMIT per claim and not less than $Enter LIMIT in the aggregate and, (ii) a fidelity bond/insurance provided by an insurer rated “A” or better by A.M. Best Company with limits of liability of not less than $ENTER LIMIT per claim and not less than $ENTER LIMIT in the aggregate. Evidence acceptable to the **Company** that the E&O insurance and fidelity bond/insurance are in force shall be furnished to the **Company** within thirty (30) days after the effective date of this Agreement and annually thereafter if requested by the **Company**. The **Broker** shall immediately notify the **Company** of any non-renewal or termination notices, replacement Policies or any other notices, documents or occurrences affecting in any way the E & O insurance coverage and fidelity bond/ insurance required under this paragraph. The E & O insurance and fidelity bond/insurance shall continue to be maintained until the **Broker** has fully satisfied all its obligations under this *Agreement*.

1. **INDEMNIFICATION**

The **Broker** agrees to indemnify and hold the **Company** harmless for any damages, fines, penalties, attorneys’ fees or expenses resulting directly or indirectly from any violations of any insurance law or insurance department regulation or any breach of the **Broker’s** obligation under this *Agreement*, or any act, error or omission by the **Broker,** the **Broker’s** agents, representatives or employees.

The Company agrees to indemnify and hold the Broker harmless for any damages, fines, penalties, attorneys’ fees or expenses resulting directly or indirectly from any violation of any insurance law or insurance department regulation or any breach of the Company’s obligation under this Agreement, or any act, error or omission by the Company, the Company’s agents, representatives or employees.

1. **BROKER RELATIONSHIP**

This *Agreement* is not a contract of employment and nothing herein contained shall be construed to create the

relationship of employer and employee between the **Company** and the **Broker.** The **Broker** is an independent

contractor. The **Company** shall not be responsible for **Broker’s** expenses, such as (without limitation)

advertising, collection fees, employee hiring, personal local license fees, postage, rentals, legal fees, taxes

due for policies written on a non-admitted basis, transportation, or any other Broker expense whatsoever

whether by, or on behalf, of the **Broker**, unless previously authorized by the **Company** in writing. The **Broker**

expressly acknowledges there is no agency relationship between the **Broker** and the **Company**.

1. **LICENSING; COMPLIANCE**

The **Broker** at all times during the term of this Agreement shall be validly licensed as required in each jurisdiction for which insurance proposals and/or applications are submitted by the **Broker** and that such licenses shall be valid and in force at the time of commencement or renewal of any **Policy** submitted and accepted hereunder. The **Broker** agrees to comply with all applicable laws, rules and regulations governing the conduct of its business, including but not limited to requirements pertaining to countersignatures, producer compensation, the filing of affidavits and regulatory authorities and the payment of any surplus lines taxes, and with all manuals, rules, instructions and directions delivered by the **Company** to the **Broker**. The **Broker** will immediately notify the **Company** of any notice of intent to suspend, revoke or limit the **Broker’s** license(s) or if the **Broker** surrenders its license in any jurisdiction.

The **Broker** further covenants to abide by all applicable laws, rules and regulations of all insurance regulatory authorities including, but not limited to, the Violent Crime Control and Law Enforcement Act of 1994, and Title V of the Gramm Leach Bliley Act and any other state regulatory privacy provisions.

1. **ADVERTISING**

The **Broker** may use the name of the **Company** in advertising only with the prior written approval of the **Company**.

1. **INSPECTION OF RECORDS**

All records, including financial and accounting records of the **Broker** pertaining to the business of the **Company** shall be subject to inspection at any reasonable time by the **Company** or its representative.

1. **ARBITRATION**

In the event of any dispute between the **Company** and the **Broker** under this *Agreement*, which the **Company**

and the **Broker** are unable to resolve, the dispute shall be submitted to arbitration at the request of either party

in the following manner:

**A.** The party requesting arbitration shall so notify the other party in writing and shall so specify the dispute or disputes to be arbitrated;

**B.** Within ten (10) days after receipt of such notification, the **Company** and the **Broker** shall each select

an arbitrator;

**C.** The two (2) selected arbitrators shall promptly select a competent and disinterested party as a third

arbitrator;

**D.** The decision of any two (2) of the three (3) arbitrators shall be final and binding on the parties and may

be entered with a court having jurisdiction. The decision shall be in writing and a copy given to both

the **Company** and the **Broker** within forty-five (45) days after the date of the request for arbitration,

unless the **Company** and the **Broker** mutually agree to an extension of time;

**E.** Each party will pay the expenses of the arbitrator selected by it and will pay one half of the expenses of

the third arbitrator. Each party will be responsible for its own attorneys’ fees. All other arbitration

costs not expressly provided for in this Agreement shall be allocated by the arbitration panel;

**F.** The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the

American Arbitration Association; and

**G.** The laws of the State of New York shall govern each arbitration under this provision.

1. **SUSPENSION**

The **Company** may in its sole discretion immediately suspend or otherwise limit the authority of the **Broker under** all or part of this *Agreement*, as well as the **Company’s** obligations to perform under this *Agreement*:

**A.** By mutual written agreement of the **Broker** and **Company**;

**B.** If the **Broker** fails to perform or comply with any obligations under this *Agreement;*

**C.** If the **Broker** fails to pay premiums when due;

**D.** If the **Broker** violates any rules or guidelines provided by the **Company**;

**E.** If the **Broker** misappropriates any **Company** funds or property;

**F.** If any public authority cancels, suspends or declines to renew the **Broker’s** license or certificate of

authority;

**G.** If the **Broker** sells, transfers or merges the **Broker’s** business, the **Company** may, in its sole

discretion, offer an *Agreement* to any successor who meets the requirements for an *Agreement*;

**H** Upon attachment of the **Broker’s** business records or accounts pursuant to any order of court;

**I.** If in the judgment of the **Company**, the **Broker’s** financial status becomes impaired or endangered.

**J.** If in the judgment of the **Company**, there is abandonment, fraud, material misrepresentation, or gross

and willful misconduct by the **Broker**;

Notice of suspension shall be given, in writing to the **Broker,** and upon receipt of such notice, the **Broker** will

immediately suspend as requested all or part of this *Agreement* until the **Broker** receives written notice from

the **Company** lifting the suspension. Suspension or limitation of the **Broker’s** authority under this *Agreement* will not affect any of the Broker’s other rights and obligations under this *Agreement*.

1. **TERMINATION**
2. **Termination for Cause**

The **Company** may terminate this *Agreement* immediately by sending the **Broker** written notice, if:

1. the **Broker**, its agents, representatives, or employees violate any provision of this *Agreement*; or
2. any of the conditions for suspension under Article 13 continue and are not cured by **Broker** within ten (10) business days.
3. **Termination without Cause**

Either party may terminate this *Agreement* without cause by giving the other party at least thirty (30) days prior written notice.

1. **Continuing Duties After Termination**
2. Following termination of this *Agreement*, the **Broker** will continue to be obligated to fulfill its duties relating to the **Policies** produced by it. If the **Company** chooses, and at the sole discretion of the **Company**, the **Company** may relieve the **Broker** of some or all of those duties and obligations, and if the **Company** so elects the **Company** will instruct the **Broker** accordingly in writing.
3. If the **Broker** has properly accounted for and paid all amounts that the **Broker** owes the **Company** and continues to make timely accountings and payments, all records relating to **Policies**, which the **Broker** produced, will belong to the **Broker**. If the **Broker** requests in writing, the **Company** will give the **Broker** a list of the **Broker**’s policyholders and the expiration dates of their **Policies**.
4. If the **Broker** has not properly accounted for and paid all amounts the **Broker** owes the **Company**, all records relating to the **Policies** the **Broker** produced will belong to the **Company**. In such event, the **Broker** will gather such records together at the **Broker**’s offices and make the records available to the **Company**. The **Company** may service the **Policies** directly or dispose of the records in any commercially reasonable manner. The **Company** may collect premiums directly from any policyholder for any amounts owed the **Company**.
5. If the **Company** sells the records and the amount the **Company** receives exceeds the amount the **Broker** owes the **Company** and the expenses involved, the **Company** will pay the **Broker** the excess. If the amount the **Broker** owes the **Company** and the expenses exceed the amount the **Company** receives in disposing of the records, the **Broker** will remain liable for the excess.
6. If the **Broker** gives the **Company** collateral, which the **Company** determines to be adequate in form and amount to secure the amount that the **Company** estimates the **Broker** owes the **Company**, the **Company** will return the records and give the **Broker** ownership of expiring **Policies**.
7. **OWNERSHIP OF BUSINESS**

Should this *Agreement* be terminated pursuant to the provisions herein, the **Broker** shall be entitled to the ownership, use and control of expirations subject to satisfaction of each of the following conditions:

1. The **Broker** will use its best efforts to replace all **Policies** with policies of other insurers;
2. The **Company** reserves all of its rights to cancel **Policies** continued in force for nonpayment of

premium or for underwriting reasons;

1. The **Broker** shall continue to service the outstanding **Policies** through policy expiration or the liquidation of all outstanding claims;
2. If state statutes, regulations or the applicable state insurance department prohibit non-renewal in the

**Broker’s** territory, the **Company** agrees to grant the **Broker** the authority to renew under the same

terms and conditions of the expiring policy; however, commissions payable to the **Broker** under those

circumstances shall be reduced to fifty percent (50%) of the commission in Schedule A.

1. All premiums, and any surplus lines taxes & fees if applicable, shall have been promptly accounted for

and paid to the **Company** by the **Broker**.

Should these conditions not be satisfied, the records, use and control of expirations shall be vested exclusively

with the **Company**. The **Company** shall not be obligated under this Section to continue in force contracts that

are prohibited by law or the order, rule or regulation of a regulatory body.

1. **ASSIGNMENT**

The **Broker** shall have no right to assign, transfer, encumber or otherwise dispose of this *Agreement* or any

interest herein except with the prior written consent of the **Company**, and any purported assignment, transfer,

encumbrance or other disposition without such consent shall be void. The **Broker** shall provide prompt written

notice to the **Company** of the sale, transfer or other material change in the ownership and/or control of the

**Broker**.

1. **CONFIDENTIALITY AND NON-DISCLOSURE**

The **Broker** agrees that all customer information disclosed by the **Company** to the **Broker** shall remain confidential and shall not be disclosed by the **Broker** to any individual, corporation, other business organization or governmental agency unless required by law or in conformity with the **Company’s** Privacy Policy, as amended from time to time, and the **Broker** shall use such information only for the purpose for which the **Company** has provided such information to the **Broker**.

1. **MISCELLANEOUS**

This *Agreement* shall be construed and administered in accordance with the laws of the State of New York and the rights and obligations of all persons interested or claiming hereunder shall at all times be regulated under the laws of the State of Delaware. The *Agreement*, with the referenced Schedulesset forth the entire understanding of the parties hereto. If any provision of this *Agreement* shall contravene or be invalid under the law, such provision shall not invalidate the whole *Agreement*, but the *Agreement* shall be construed as if not containing that particular provision considered invalid. This *Agreement* supersedes all previous *Agreement*s, whether oral or written, between the **Company** and the **Broker** for **Policies** in the **Authorized Territories**. This *Agreement*, along with any alteration, addition or modification shall not be binding unless executed by an officer of the **Company**. Notices shall be valid if mailed to the **Company** at the address specified herein, and to the **Broker** at the address specified herein. Failure to enforce any provisions of this Agreement shall not constitute a waiver of any of the terms and conditions hereof. This Agreement may be executed in counterparts and delivered by facsimile transmission, each of which shall be deemed an original and both of which together shall constitute one and the same document.

**BROKER COMPANY**

Broker Berkley Public Entity

ADDRESS 200 Princeton South Corporate Center, Suite 280

ADDRESS, ADDRESS Zip Code Ewing, NJ 08628

**Name: Name:** John Forte

**Title:** **Title:** President

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signature Signature**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date Date**

**SCHEDULE A**

**AUTHORIZED TERRITORIES**

Risks located in the following states:

Any state in the United States of America (excluding its territories and possessions) and Puerto Rico.

**Addendum  
California Insurance Regulation 10 CCR § 2698.33**

|  |  |
| --- | --- |
| “Service Provider”: |  |
| Berkley Entity (“Company”): |  |
| Underlying Agreement  effective date: |  | |

This Addendum is attached to and forms part of the agreement between Service Provider and Company dated as of the effective date identified above, as amended, (the “Agreement”). This Addendum becomes effective upon the date this Addendum is signed by all parties hereto, and sets forth terms and conditions under which the Service Provider shall perform Special Investigative Unit (“SIU”) and/or integral anti-fraud personnel functions in compliance with the California Insurance Frauds Prevention Act, California Insurance Code Section 1871 through 1879.8(“IFPA”) and related regulations, at California Code of Regulations, Title 10, Chapter 5, Subchapter 9, Article 2 (Sections 2698.30 to 2698.42 inclusive),with particular reference to Section 2698.33, as amended (the “Regulations”). To the extent that any of the terms or conditions contained in this Addendum contradict or conflict with any of the terms or conditions of the Agreement, it is expressly understood and agreed that the terms of this Addendum shall take precedence and supersede the Agreement. Except as specifically provided herein, the Agreement shall remain unmodified and in full force and effect.

1. Definitions

Except as otherwise specified herein or in the Agreement, capitalized terms used here shall be defined as in Section 2698.30 of the Regulations. The term “integral anti-fraud personnel” shall have the meaning set forth at Section 2698.30(l) of the Regulations.

1. General SIU Provisions
   1. Service Provider expressly agrees to comply with all applicable provisions of the IFPA and the Regulations.
   2. Nothing in the Agreement shall be construed to provide a disincentive to the referral and/or the investigation of suspected insurance fraud, nor to relieve the Company of any obligation to comply with the IFPA or the Regulations.
   3. Unless otherwise instructed by the Company in writing, Service Provider shall refer all incidents of suspected insurance fraud to the Company or its designated SIU. Service Provider shall perform all applicable requirements of the Regulations, including, but not limited to, the identification of suspected insurance fraud, the performance of integral anti-fraud personnel duties and functions and the provision of anti-fraud personnel training, pursuant to written instructions provided from time to time by the Company or its designated SIU.
2. Subcontracted Parties
   1. Service Provider shall not enter into any contract with a third party (each, a “Subcontractor”) for the performance of SIU or integral anti-fraud personnel duties or functions on behalf of the Company under the Agreement except upon the express written consent of the Company.
   2. In the event Service Provider enters into any contract with a Subcontractor for the performance of SIU or integral anti-fraud personnel duties or functions on behalf of the Company under the Agreement, the following provisions shall be included in such contract:
      1. An express provision requiring that the Service Provider provide to the California Department of Insurance Fraud Division upon request a complete, executed copy of the contract, including all attachments, exhibits and amendments thereto;
      2. An express provision that the contract conform to the standards set forth in Section 2 of this Addendum, in compliance with Regulation Section 2698.33(c)(1)-(4);
      3. An express provision prohibiting the Subcontractor from entering into any contract with a third party (each, a “Sub-subcontractor”) for the performance of SIU or integral anti-fraud personnel duties or functions on behalf of the Company under the Agreement without the express written consent of the Service Provider and the Company;
      4. An express provision that, in the event any Subcontractor enters into any contract with a Sub-subcontractor for the performance of SIU or integral anti-fraud personnel duties or functions on behalf of the Company under the Agreement, incorporates each of subclauses (1), (2) and (3) above with references to the Subcontractor and Service Provider, respectively, updated to reflect the Sub-subcontractor and the Subcontractor.
3. Counterparts; Governing Law

This Addendum may be executed and delivered in counterparts, each of which, when executed and delivered, is an original but all of which taken together constitute one and the same instrument. A party’s transmission by facsimile or electronic mail of a copy of this Addendum duly executed by that party shall constitute effective delivery by that party of an executed copy of this Addendum to the party receiving the transmission. This Addendum shall be governed by the law of the jurisdiction set forth in the Agreement to the same extent as applicable to the Agreement.

*The signature page follows.*

[**COMPANY**]

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

Name: John Forte

Title: Authorized Signatory

[**SERVICE PROVIDER]**

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

Name:

Title:

Date: