

PRESIDENTIAL LIFE INSURANCE COMPANY

Nyack, NY 10960

INDEPENDENT BROKER'S AGREEMENT

THIS INDEPENDENT BROKER'S AGREEMENT is made this _____ day of _____, 20____,

by and between PRESIDENTIAL LIFE INSURANCE COMPANY, 69 Lydecker Street, Nyack, New York 10960 (the

"Company") and _____

(Street, City, State & Zip Code)

(the "Broker").

The parties hereto hereby agree as follows:

- 1. APPOINTMENT:** The Company appoints the Broker to market, sell and service in accordance with this Agreement, Group Life, Group Health and Group Medical Excess Loss insurance plans (hereinafter collectively called "Plans") underwritten by the Company.

The Broker's relationship to the Company shall be that of an independent contractor, and nothing contained in this Agreement shall make the Broker or any of the Broker's agents or employees, the agents or employees of the Company or of any reinsurance company contracted with the Company. The Broker shall have no authority, except that which is expressly set forth in this Agreement. No authority shall be implied from the authority expressly granted herein.

As a condition of this appointment, the Broker certifies that all of its agents and sales representatives are licensed, and will at all times during the term of this Agreement continue to be licensed, to sell Group Life and Accident & Health insurance in any jurisdiction in which such insurance underwritten by the Company will be marketed and/or sold by the Broker.

- 2. AUTHORITY:** The Company authorizes the Broker:
 - (a) To solicit applications for the Plans from employers and other Plan Sponsors (hereinafter collectively called "Plan Sponsors");
 - (b) To obtain enrollment cards and similar or related documents, if asked for by the Company, and to forward these documents promptly to the Company, for its consideration;
 - (c) To receive, and promptly submit to the Company or to the Plan Sponsor's Third Party Administrator firm ("TPA"), if so authorized by the Company, the full amount of the first premium payment for such insurance which payment must be made payable to the Company, or to such TPA, if so authorized by the Company;
 - (d) To deliver promptly to the Plan Sponsor in accordance with the Company's delivery requirements the contracts, policies and/or certificates of insurance (hereinafter collectively called "Contracts) and such other materials as the Company may instruct.
- 3. RESTRICTIONS ON BROKER'S AUTHORITY:** The Broker shall not do any of the following acts or commit the Company to perform any of the following acts:
 - (a) Bind or commit the Company on any risk in any manner;
 - (b) Waive, modify, or change any terms, rates, conditions or limitations of any Contracts;
 - (c) Collect or receive any premium payment, except as authorized in Section 2(b) hereof;
 - (d) Extend the time for any premium payment, or to reinstate any Contracts;
 - (e) Adjust or settle on behalf of the Company any claim or dispute arising out of or in connection with any Contracts;
 - (f) Market or sell the Plans in any state in which the Plans have not been filed with and approved by the applicable insurance regulatory authority;
 - (g) Market or sell the Plans in any state in which the Broker is not properly licensed and appointed by the Company;
 - (h) Enter into any legal proceeding pertaining to the Company's business as a representative of the Company;
 - (i) Print, publish, distribute or use in any way any written or oral advertising, or letterhead or other matter or material, that includes the Company's name or otherwise refers to the Company without the Company's prior written approval.

4. **LICENSES:** The Broker must be properly licensed and appointed in every state in which commissions may be earned on business produced by the Broker. Unless the Broker is so licensed and appointed, the Company shall have no obligation to pay any commissions earned in such states.
5. **COMMISSIONS:** As compensation in full for all services rendered by the Broker pursuant to this Agreement, the Broker shall be entitled to receive commissions on premiums earned and actually received by the Company for Plans underwritten by the Company with respect to Plan Sponsors named in the SCHEDULE OF COMPENSATION set forth in Schedule A of this Agreement, which is attached hereto and made a part hereof. Such commissions shall be determined in accordance with the Commission Rates stated in said Schedule A.

The Commission Rate stated in said Schedule A for each Plan Sponsor shall remain in effect for the Contract Period shown therein for each Plan Sponsor. The Commission Rate applicable for each subsequent Contract Period shall be determined by the Company and no commission shall be payable by the Company for any subsequent Contract Period, except as otherwise mutually agreed upon in writing by the Company and the Broker.

If this Agreement is terminated by the Company by reason of any of the subsections of Section 6 of this Agreement other than Section 6 (g), the Broker shall be entitled to receive commissions on all earned premiums received by the Company on or before the effective date of termination, but the Broker shall have no right to commissions on premiums received by the Company after the effective date of the termination. In the event this Agreement is terminated under Section 6 (g), commissions payable under this Agreement shall be paid for the remainder of the Contract Period stated for each Plan Sponsor in Schedule A of this Agreement and for such subsequent Contract Periods as may be mutually agreed upon in writing by the Broker and the Company.

Commissions shall not be payable unless and until the premiums to which they apply are received and earned by the Company. In the event of any refund or return by the Company of any premiums on which the Broker had received commissions, the Broker shall refund the commission received thereon to the Company within fifteen (15) days following the date of the Company's request therefor and the amount refundable shall constitute an indebtedness of the Broker to the Company.

If the Company receives a Broker of Record Letter wherein the Plan Sponsor names a broker of record other than the Broker, then in such event, no commissions shall be payable under this Agreement with respect to premiums paid by such Plan Sponsor for any month subsequent to the month in which such Letter was received.

6. **TERMINATION:** This Agreement may be terminated for any of the following reasons:
- (a) The Broker has failed to comply with the laws or regulations of any regulatory authority;
 - (b) The Broker has knowingly or negligently misrepresented, whether through error or omission, the Plans underwritten by the Company or service offered by or through the Company;
 - (c) The Broker has knowingly furnished false information, or has knowingly failed to disclose unfavorable information, which is deemed by the Company to have been material to the underwriting of a Plan Sponsor's application for the Plans or of the renewal of the Contract issued with respect thereto;
 - (d) The Broker has defrauded or attempted to defraud the Company, or has wrongfully withheld any funds owed or belonging to the Company or to an authorized representative thereof;
 - (e) If, in order to induce the Company to enter into this Agreement or any contract, the Broker has furnished false information of a material nature or failed to disclose unfavorable information of a material nature;
 - (f) The Broker has failed to abide by the terms of this Agreement in any manner;
 - (g) Upon 30 days advance written notice from either party to the other;
7. **INDEBTEDNESS:** Any indebtedness of the Broker to the Company or any of its affiliates or subsidiaries shall be a first lien on any monies due or to become due under this Agreement. The company may, at any time, deduct from any monies due to the Broker any such indebtedness, together with interest at the rate of twelve percent (12%) per annum and any collection costs incurred by the Company.
8. **ASSIGNMENT:** No assignment of any compensation due under this Agreement shall be valid unless approved in advance in writing by a duly authorized officer of the Company. Any assignment of the compensation shall be

subject to any existing or future indebtedness to the Company.

9. RECIPROCAL HOLD HARMLESS: The Company and the Broker each agree to hold the other harmless and indemnify the other from any acts, omissions, costs, damages, or causes of action each performs or is responsible for independently of the other.

10. MATERIALS AND RECORDS: Materials developed and provided by the Company, including but not limited to, computer programs, manuals, underwriting guidelines, or any other information pertaining to the Company’s products or their content shall remain the sole and exclusive property of the Company. These materials shall be used only in the marketing, sale and servicing of the Plans underwritten by the Company and shall be returned to the Company upon demand therefor, and in any event upon termination of this Agreement for any reason.

11. NOTICES: Any notice given by either of the parties to this Agreement to the other party shall be in writing and will be deemed given as soon as mailed to the other party by certified mail, postage prepaid to the address shown for such other party at the beginning of this Agreement. Either party may change its address by written notice sent in the above-described manner to the other party at its address of record for receiving notices.

12. RESPECT FOR BROKER’S CLIENTS: The Company agrees not to knowingly market Group Life, Group Health and Group Medical Excess Loss products to Broker’s clients independent of Broker without prior approval by the Broker, except where such marketing is a part of the normal renewal process, and/or this Agreement is terminated for cause as defined in Section 6.

13. NON-WAIVER

- (a) The Company, in addition to other legal and equitable rights and remedies, shall be entitled to injunctive relief to restrain any active or threatened breach of this agreement by the Broker.
- (b) Forbearance or neglect by the Company to insist upon the performance of any provision of this Agreement at any time or under any circumstances shall not constitute a waiver of the provision or any other provision of the Agreement.

14. APPLICABLE LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principle.

15. GENERAL PROVISIONS

- (a) Except as specifically provided in this Agreement, no commissions, service fees, expense allowances or reimbursements, or emoluments or compensation of any kind shall be payable by the Company to the Broker.
- (b) The Broker hereby acknowledges that the Company shall have the right, in its sole discretion and without liability to the Broker to revise premium rates for the Plans, and to discontinue or withdraw the offering of such Plans in one or more states, and to make any changes in the Plans and materials related thereto as the Company in its sole discretion may determine or as may be required by applicable federal, state or other jurisdictions’ laws, rules and regulations.

16. ENTIRE AGREEMENT: This is the entire agreement between the Company and the Broker, and no other agreements or representations of any kind, whether oral or written, shall form part of this Agreement. This Agreement supersedes any and all previous agreements, whether oral or written, between the Broker and the Company.

THE COMPANY:

THE BROKER:

PRESIDENTIAL LIFE INSURANCE COMPANY

By: _____

By: _____

Officer’s Signature Title

Authorized Official’s Signature Title

SCHEDULE A

Attached to and made a part of the INDEPENDENT BROKER AGREEMENT dated _____, 20____
between PRESIDENTIAL LIFE INSURANCE COMPANY (“COMPANY”) and _____
_____ (“BROKER”).

SCHEDULE OF COMPENSATION

The Effective Date of the Schedule for each such Plan Sponsor is the first day of that Plan Sponsor’s Contract Period. The Commission Rate applicable to premiums earned during the applicable Contract Period and actually received by the Company from each such Plan Sponsor is expressed as a percentage of such premiums, as set forth below:

- A. Group Medical Stop Loss: A maximum of 15% of Premiums.
- B. Group Life & AD&D: 15% of Premiums
- C. New York Statutory Disability Benefits: commission payable in accordance with DBL Commission Schedule in Schedule B.

No commission or other compensation shall be payable by the Company on premiums received by the Company from any Plan Sponsor for any month subsequent to the last month of the Contract Period set forth above for that Plan Sponsor, except as may otherwise be mutually agreed upon by the Company and the Broker.

Payment of the amount of Commission compensation determined by application of this Schedule shall at all times be subject to all of the conditions and other provisions of the INDEPENDENT BROKER AGREEMENT to which this Schedule is attached and made a part of.

THE COMPANY:

THE BROKER:

PRESIDENTIAL LIFE INSURANCE COMPANY

By: _____
Officer’s Signature Title

By: _____
Authorized Official’s Signature Title

Make commission check payable to: _____

Telephone Number: _____

FAX Number: _____

E-Mail Address: _____

Federal Tax ID No. (EIN): _____

Social Security No.: _____

Date of Birth: _____