

LICENSED PARTNER PARTICIPATION AGREEMENT

Insurance Pro Agencies, Inc.

Version 1.0 | Effective Date: July 1, 2026 | Chicago, Illinois

Please read this agreement carefully. By submitting a Referral Partner Application and selecting "Licensed Partner" status, you agree to be bound by the terms below. This agreement governs your participation in the IPA Licensed Partner Program.

1. PARTIES

This Licensed Partner Participation Agreement ("Agreement") is entered into between **Insurance Pro Agencies, Inc.** ("IPA," "we," or "us") and the licensed insurance producer submitting the Licensed Partner Application ("Partner," "you," or "your").

2. PROGRAM OVERVIEW

The IPA Licensed Partner Program allows licensed Property & Casualty insurance producers to refer prospective insurance clients to IPA and IPA's national insurance partners, and to earn commission income on placed policies as described in Section 5 below.

IPA and its national carrier partners are responsible for ultimate policy issuance, service, and compliance oversight. Partner is responsible for maintaining their state P&C license(s) in good standing throughout the term of this Agreement.

3. PARTNER QUALIFICATIONS

To participate as a Licensed Partner, you must:

- Hold a valid Property & Casualty insurance producer license in your state(s) of operation

- Be in good standing with your state Department of Insurance
- Not be subject to any license suspension, revocation, or consent order
- Complete and sign this Agreement and provide a copy of your active P&C license upon request
- Represent and warrant that all information provided in your application is accurate and complete

4. PARTNER RESPONSIBILITIES

4.1 Referral Activity

Partner may refer prospective clients to IPA using IPA-provided referral links, materials, or through direct introduction.

4.2 Limitations

Partner shall not quote, bind, or issue policies on behalf of IPA or its national carrier partners without explicit written authorization from IPA.

4.3 No BOR/AOR Changes

Partner shall not request or facilitate Broker of Record (BOR) or Agent of Record (AOR) changes on any existing IPA or national partner client accounts without IPA's prior written consent.

4.4 Carrier Relationships

Partner shall not contact IPA's carrier partners directly regarding IPA's appointments, programs, or commission arrangements without IPA's prior written consent. Partner acknowledges the sensitivity of IPA's carrier relationships and agrees to protect them.

4.5 Professional Standards

Partner shall conduct all referral activities in a professional manner consistent with applicable insurance licensing laws, state Department of Insurance regulations, and industry standards.

4.6 Compliance

Partner shall comply with all applicable state and federal laws governing insurance referrals, compensation, and solicitation. Partner is solely responsible for maintaining compliance with their state's insurance laws.

4.7 Disclosure

Partner agrees to disclose their referral relationship with IPA to referred clients upon request, consistent with applicable state disclosure requirements.

4.8 No Deceptive Practices

Partner shall not make any false, misleading, or deceptive representations about IPA, its programs, products, carriers, or commission structures.

5. COMMISSION STRUCTURE

5.1 Eligibility and Effective Date

Partner is eligible to receive commission income on policies placed as a direct result of Partner's qualified referral, starting from the effective date of this Agreement.

Important: No retroactive commissions. Commissions apply only to new business referrals submitted after this Agreement's effective date. Policies placed prior to execution of this Agreement are not eligible for commission.

5.2 Commission Rate

Partner receives **50% of IPA's net commission share** from its national carrier partners on each placed policy.

- **Personal Lines:** IPA receives its share of carrier commission (typically 10% of premium). Partner receives 50% of IPA's net share.
- **Commercial Lines:** IPA earns 7–15% on commercial premiums depending on carrier and account type. Partner receives 50% of IPA's net share.
- **Workers Compensation:** Commission rates vary by program and carrier. IPA will communicate applicable rates at account setup.

5.3 Illustration (Not a Guarantee)

Example: A \$2,000 personal lines household premium with a 10% carrier commission = \$200 total commission. IPA's share from its national partner = \$100. Partner's commission = \$50. Actual rates depend on the placing carrier, program type, account size, and applicable state

regulations. IPA makes no guarantee of any specific per-policy dollar amount.

5.4 Renewal Commission

Partner is eligible to receive renewal commission on active accounts for as long as Partner remains in good standing under this Agreement and the account remains active. IPA reserves the right to adjust renewal commission terms with 30 days' written notice.

5.5 Payment Timing and Method

Commissions are paid after IPA receives and reconciles payment from the applicable carrier or national partner. Payment is typically made within 30 days of IPA's receipt of carrier commission. Partner is solely responsible for all applicable taxes. IPA will issue IRS Form 1099-NEC as required by law.

5.6 Adjustments and Cancellations

If a referred client cancels a policy before the standard policy term ends, IPA may reduce or recover commission proportionally, consistent with industry-standard return premium practices.

6. BOOK OWNERSHIP

Partner retains ownership of their referral book — the record of clients referred to IPA through this Agreement. IPA retains ownership of all carrier relationships, appointments, servicing arrangements, and proprietary systems.

7. TECHNOLOGY AND AI TOOLS

IPA may provide Partner with access to technology tools, AI-assisted quoting resources, or digital referral platforms. Partner agrees to: use IPA-provided tools only for the purposes described in this Agreement; not reverse-engineer or distribute IPA technology; maintain the confidentiality of login credentials; and acknowledge that AI-generated content is for informational purposes only and does not constitute binding coverage or final pricing.

8. TERM AND TERMINATION

8.1 Term

This Agreement begins on the date Partner submits a completed Licensed Partner Application and continues until terminated.

8.2 Termination by Either Party

Either party may terminate this Agreement with **30 days' written notice**.

8.3 Commission Tail

Upon termination (not for cause), Partner retains the right to receive commissions on policies placed prior to the termination date for a period of **12 months following the effective termination date**, provided Partner is not in material breach.

8.4 Immediate Termination for Cause

IPA may terminate immediately, without notice, for: material breach; loss of P&C license; fraudulent or unethical conduct; violation of applicable law; or acts that damage IPA's carrier relationships. Termination for cause forfeits the commission tail.

8.5 Effect of Termination

Upon termination, Partner shall immediately cease all referral activities on behalf of IPA and return or destroy all IPA-provided materials.

9. CONFIDENTIALITY

Partner agrees to maintain strict confidentiality of all non-public IPA information, including commission rates, carrier relationships, program structures, and client information. This obligation survives termination indefinitely.

10. INDEPENDENT CONTRACTOR

Partner is an independent contractor, not an employee, agent, or legal representative of IPA. Partner has no authority to bind IPA to any contract or obligation.

11. LIMITATION OF LIABILITY

IPA's total liability shall not exceed the total commissions paid to Partner in the 3 months preceding the claim. IPA is not liable for any indirect, consequential, special, or punitive damages.

12. INDEMNIFICATION

Partner agrees to indemnify, defend, and hold harmless IPA from any claims, damages, losses, or expenses (including attorneys' fees) arising from: Partner's breach of this Agreement; Partner's negligent or wrongful acts; Partner's violation of applicable law; or any misrepresentation made by Partner to a referred client.

13. DISPUTE RESOLUTION

13.1 Informal Resolution: Parties agree to attempt good-faith negotiation for at least 30 days before initiating formal proceedings.

13.2 Binding Arbitration: Unresolved disputes shall be submitted to binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. The arbitrator's decision shall be final and binding.

13.3 Venue: Cook County, Illinois.

13.4 Governing Law: State of Illinois, without regard to conflict of law principles.

13.5 Attorneys' Fees: The prevailing party in any arbitration or legal proceeding shall be entitled to recover reasonable attorneys' fees and costs.

14. ENTIRE AGREEMENT

This Agreement, together with the IPA Referral Partner Terms & Conditions, constitutes the entire agreement between the parties with respect to the Licensed Partner Program. IPA may update this Agreement with 30 days' written notice to active Partners. Continued participation constitutes acceptance of updated terms.

ELECTRONIC SIGNATURE

By clicking "I have read and agree to the Licensed Partner Participation Agreement" on the activation form, Partner acknowledges having read, understood, and agreed to all terms of this Agreement. Partner acknowledges this electronic acceptance constitutes a legally binding signature under applicable electronic signature laws (E-SIGN Act, UETA).

Signature Date: Date of account activation submission

Agreement Version: 1.0

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