



BROKER AGREEMENT

Between:

THE EMPIRE LIFE INSURANCE COMPANY

(referred to as "Empire Life")

AND

(referred to as "Broker")

Street Address: _____

City or Town: _____

Province: _____ Postal Code: _____

Effective Date: _____

Broker and Empire Life wish to enter into an agreement to permit Broker to act as a Broker for Empire Life, and the parties therefore agree as follows:

1. Appointment:

- 1.1 Empire Life appoints you and you agree to act as a Broker of _____,
a General Agent of Empire Life to:
- (a) solicit applications for Empire Life life insurance and investment fund products
 - (b) service Empire Life policies placed by Broker or as may be requested by Empire Life, in accordance with the provisions of this Agreement; and

2. Relationship and Authority:

- 2.1 Broker is engaged under this Agreement as an independent contractor. Broker is not an employee, agent or legal representative of Empire Life and nothing in this Agreement shall create the relationship of employer and employee between Broker and Empire Life.
- 2.2 Broker is authorized to perform those services described in the Appointment section of this Agreement.
- 2.3 Broker agrees that it has no authority to create any obligations or bind Empire Life in any way or give any guarantee or warranty, whether expressed or implied, on behalf of Empire Life. In particular Broker has no authority to sign, waive, or alter any provision of any application, policy, contract or other document issued by or made by Empire Life, or to determine the insurability or incur any liability on behalf of Empire Life. Legal proceedings shall not be instituted or defended by Broker on behalf of Empire Life.
- 2.4 This Agreement shall in no way constitute a joint venture, partnership or entity of any kind, or any obligation to form such relationship or entity between Empire Life and Broker.

3. Representation and Warranty by Broker

- 3.1 Broker represents and warrants that Broker is competent to perform the services required under this Agreement and that Broker has the necessary licenses and qualifications, including the knowledge, skill and ability to perform the services.

4. Responsibilities of Broker:

- 4.1 In addition to the obligations outlined elsewhere in this Agreement, Broker agrees to accept responsibility for its compliance with relevant legislation and regulations, including but not limited to fulfilling the following responsibilities:
- (a) Holding all premiums, deposits, or monies received or collected in connection with an Empire Life policy or application in trust for Empire Life, remitting same to Empire Life promptly and regularly, and providing a complete and accurate account of all such monies received as required by Empire Life;
 - (b) Promptly forwarding to Empire Life all Empire Life applications for insurance or investment fund products obtained and promptly returning to Empire Life all policies that the applicant may not accept and all policies issued by Empire Life in respect of which the first premium has not been paid;
 - (c) Not paying premiums, deposits or monies on behalf of an applicant and, where prohibited by law, not rebating all or any part of a premium;
 - (d) Obtaining and maintaining current any licenses required to fulfil obligations in this Agreement;
 - (e) Maintaining errors and omissions insurance in a form acceptable to Empire Life and providing to Empire Life at its request confirmation that such policies are in full force and effect;
 - (f) Acting at all times in conformity with all regulatory requirements and guidelines, including privacy and anti money laundering legislation, the Code of Ethics contained in applicable provincial legislation, the Empire Life Distributor Code of Conduct, and in accordance with the professional guidelines as adopted by insurance regulators, or industry recognised professional organisations; and
 - (g) Performing obligations to Empire Life and to its policyholders honestly and in good faith.

5. Policyholder Service

- 5.1 When providing services to Empire Life policyholders, Broker and Empire Life agree as follows:
- (a) Broker will be primarily responsible for the servicing of its clients who become Empire Life policyholders. Broker acknowledges that Empire Life is legally obligated to send statements, invoices and other notices directly to its policyholders;
 - (b) As permitted by law, Empire Life will provide normal policyholder records and information to Broker in order to enable Broker to service its Empire Life clients;
 - (c) Broker will exercise the care, skill and diligence that can reasonably be expected for a life insurance Broker.
 - (d) In the event of the termination of this Agreement or in the event that the policyholder submits notice terminating Broker as registered servicer of the policyholder's Empire Life policies, Empire Life reserves the right to assign or make other arrangements for servicing of any policy written under this Agreement. As permitted by law, Empire Life will consult with Broker's General Agent in the event a policyholder submits such notice of termination and before making alternative servicing arrangements; and
 - (e) Empire Life will continue to pay renewal commissions to Broker in relation to a policy provided:
 - (i) the policy remains in force; and
 - (ii) Broker's right to receive compensation in respect of the policy has not been terminated in accordance with the Termination of Commissions section below or otherwise assigned by Broker to another person or entity; and
 - (iii) renewal commissions or renewal service fees are payable in relation to the policy; and
 - (iv) payment is not otherwise excluded by then in force Agreement Schedules, and published rules and procedures.

6. Compensation:

- 6.1 Subject to the provisions of the "Amendments" section below, Empire Life will pay Broker compensation for the sale and servicing of Empire Life products in accordance with the Schedules attached to this Agreement and in accordance with published rules and procedures, as may be issued or amended by Empire Life from time to time.
- 6.2 In the event that a policy lapses, is surrendered or otherwise terminates for any reason, or the premium decreases, Empire Life may debit Broker earnings account with a chargeback in the amount specified in the Schedules, and published rules and procedures in effect on the date of termination of the applicable policy, and such amount shall constitute a debt of Broker to Empire Life, repayable on demand.

7. State of Account:

- 7.1 The statements of account, including commission statements, produced by Empire Life will be conclusive evidence of the state of account, including indebtedness, from time to time, between Broker and Empire Life, unless Broker proves otherwise.

8. Indebtedness:

- 8.1 Empire Life reserves the right to withhold or utilize current and future compensation of any kind payable to Broker to offset any monies owing to Empire Life by Broker. If there is insufficient compensation to offset this indebtedness, Broker agrees that any amount owing shall be payable to Empire Life on demand.

9. Indemnity:

- 9.1 Broker agrees to indemnify and hold harmless Empire Life, its shareholders, directors, officers, employees and agents against all claims, suits, proceedings, demands, actions of any nature or kind whatsoever, damages, judgments, costs, expenses and fees (including but not limited to reasonable legal expenses), arising out of or in any way connected to a breach of this Agreement, or any other agreement or instrument executed or delivered pursuant to this Agreement, or negligence or illegal act by Broker.

10. Trademarks, Logos and Trade Names:

- 10.1 Nothing in this Agreement shall constitute a license for Broker to use Empire Life trademarks, logos and tradenames. Broker is not permitted to use Empire Life trademarks, logos or tradenames unless it obtains prior written consent from Empire Life and provided it uses the trademarks, logos and tradenames in accordance with the guidelines for appropriate use, which are made available to it by Empire Life.

11. Confidentiality:

- 11.1 Broker agrees to maintain the privacy and confidentiality of all policyholder and policy related information in accordance with industry guidelines and the laws of Canada. Broker further agrees that should Broker have access to or knowledge of any confidential information or property owned by Empire Life including, but not limited to, any materials, products, designs, plans, trade secrets, data and computer software, methods of doing business, business plans, processes and third party information, Broker will maintain the confidentiality of such information or property and Broker will not disclose the information or property to any person or entity without prior written consent of Empire Life unless
- (a) such disclosure is required by Canadian law;
 - (b) Broker first gives Empire Life reasonable notice to allow Empire Life to seek a protective order or other appropriate remedy;
 - (c) Broker discloses only such information that is required; and
 - (d) Broker uses commercially reasonable efforts to obtain confidential treatment for any confidential information disclosed.
- 11.2 Broker shall immediately notify Empire Life of any unauthorised use or disclosure of personal or confidential information and shall cooperate with Empire Life in every reasonable way to help Empire Life regain possession of the information and prevent it from being further used in an unauthorized manner.

12. Books and Records:

- 12.1 All books of account, letters, records, documents, or other materials in Broker's possession or under Broker's control relating to the business of Empire Life, shall remain the property of Empire Life whether paid for by Broker or not, and shall be made available to Empire Life for examination or for copying at Broker's office with reasonable notice. The information shall be delivered by Broker to Empire Life on demand and, in any event, on the termination of this Agreement and Broker shall provide Empire Life with written confirmation that all the information has been returned to Empire Life uncopied.
- 12.2 Broker shall keep proper and detailed records and statements of accounts necessary to carry out its obligations under this Agreement and shall, on reasonable notice, permit inspection and review of such records and statements of accounts by Empire Life.

13. Assignment, Transfer of Business or Change in Ownership of Broker:

- 13.1 With the prior written consent of Empire Life, which consent shall not be unreasonably withheld, Broker may assign this Agreement or transfer certain obligations of this Agreement. Any such assignment shall not reduce the liability of the Broker under this Agreement in relation to any time period prior to assignment even though the events given to rise to these liabilities may not arise or become apparent until a later date.
- 13.2 Broker agrees to notify Empire Life in writing of any proposed assignment, transfer or sale of shares effecting a change in Broker's ownership or control and to request Empire Life's consent to the assignment of this Agreement, which consent shall not be unreasonably withheld.

14. Amendments:

- 14.1 Empire Life reserves the right, with not less than thirty (30) days notice, to change any of the Schedules, and published rules and procedures attached to or affecting this Agreement.

15. Entire Agreement:

15.1 This Agreement, including any Schedules, and rules and procedures incorporated by reference, represents the entire contract between Broker and Empire Life. This Agreement replaces all prior agreements between Broker and Empire Life upon its effective date.

16. Vesting and Termination:

- 16.1 This Agreement may be terminated by either party by providing at least thirty (30) days written notice to the other party.
- 16.2 This Agreement may be terminated by Empire Life immediately in the event that Broker materially breaches any provision of this Agreement.
- 16.3 In the event this Agreement is terminated:
- (a) each party shall pay to the other any and all amounts then owed under this Agreement; and,
 - (b) Broker shall return to Empire Life all software, copies of manuals, policies and other materials in Broker's possession, relating to the generation of new business for Empire Life, including any advertising and promotional materials.
- 16.4 Compensation payable under this Agreement vests immediately upon termination. Subject to the provisions of the Termination of Commissions section below, Broker shall continue to be entitled to commissions on premiums paid to Empire Life after the termination of this Agreement with respect to any policies put in force by Broker under this Agreement until the end of the applicable commission paying period(s).

17. Termination of Commissions:

- 17.1 Broker's entitlement to compensation of any kind may cease in the event of:
- (a) its bankruptcy;
 - (b) its conviction of an offence under the Criminal Code of Canada;
 - (c) its commission of an act of fraud against Empire Life or any of its policyholders; or
 - (d) its commission of an act of gross negligence in the carrying out of its duties and obligations under this Agreement.
- 17.2 Empire Life may withhold compensation with respect to the Broker for a commercially reasonable time in order to investigate whether an action described in subsections (a) to (c) above has caused or will cause damage to Empire Life or its policyholders.

18. Other Provisions:

- 18.1 The provisions of this Agreement are severable and if any part of this Agreement is found to be void or unenforceable, that part of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement, which shall remain and continue in full force and effect.
- 18.2 The failure of Empire Life to insist upon strict performance of any terms and conditions of this Agreement will not be construed as a waiver of these terms or conditions.
- 18.3 Broker and Empire Life agree that this Agreement shall be governed and construed in accordance with the laws of the province or territory of Canada in which we execute this Agreement.
- 18.4 This Agreement shall be binding on Broker and Empire Life and any respective heirs, personal representatives, successors and permitted assigns.
- 18.5 To the extent capitalized terms are not otherwise defined in this agreement, they shall have the meaning set out in the applicable Empire Life published rules and procedures.

19. Notices

- 19.1 Any notice required under this Agreement shall be provided in writing and shall be deemed delivered if delivered by hand or by registered mail addressed to the last known business address of either Empire Life or of the Broker, except that Empire Life may amend any Schedules, and published rules and procedures with not less than thirty (30) days notice through written (including Email) communication or by electronic publication on the website of Empire Life.
- 19.2 The parties declare that this Agreement has been prepared in the English language at their request.
Les parties aux présentes déclarent qu'elles ont exigé que ce contrat soit rédigé en anglais.

Signed at _____ this _____ day of _____ 20 _____.
City Province

Broker

(2 signing officers, or one signing officer with Company seal required)

Signature

Print Name and Title

Witness Signature

Print Name of Witness

Signature

Print Name and Title

General Agent

(2 signing officers, or one signing officer with Company seal required)

Signature

Print Name and Title

Witness Signature

Print Name of Witness

Signature

Print Name and Title

The Empire Life Insurance Company

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