

PRODUCER AGREEMENT

Parties and Effective Dates

1. This agreement, effective on _____, is between The Harry W. Gorst Co., Inc./Compass Insurance Group of Agencies (**Brokers**) and _____ (**Producer**),
Whose principal place of business is: _____

2. This Agreement supercedes any and all prior Agreements and shall apply to policies in force as of the date of this Agreement and all future policies which may be placed through Brokers for Producer so long as this Agreement remains in full force and effect.
3. This Agreement may be terminated by either party upon thirty (30) days written notice, unless otherwise expressly authorized by this Agreement.

Status of Producer

4. Producer is an independent contractor, and at all times is acting as an agent for and on behalf of the applicant/insured, and is not an agent of Brokers'.
5. Brokers' status is that of an independent broker, unless the policy is procured through a company with which Broker has an agency agreement and further if said policy was issued pursuant to and in accordance with the company's underwriting authority, in which case Brokers' status is that of a general agent of the company.

Conditions of Appointment

6. Producer warrants to Brokers that Producer is properly licensed to transact business as an agent or broker in accordance with the applicable law. In the event that the Producer's license status is suspended by the governing Department of Insurance or the agent is sanctioned by the Department of Insurance for a serious act, the Producer shall give Broker immediate notice of same and this Agreement shall automatically terminate.

7. Producer warrants to Brokers that Producer will, at all times, maintain in full force and effect, Errors and Omissions coverage with policy limits no less than one million dollars. Upon execution of this Agreement, Producer shall provide Brokers with proof of said insurance and shall update, as appropriate, proof of Errors and Omissions insurance during the entire time this Agreement is in force. In the event that Producer's Errors and Omissions insurance lapses, Producer shall notify Broker immediately and this Agreement shall automatically terminate.
8. Producer warrants to Brokers that Producer will, at all times maintain current certifications for all employees to which the certification applies, and will comply with any applicable claims regulations set forth by the applicable Department of Insurance.

Limitations in Producer's Authority

9. No authority by Brokers is granted, implied or conferred upon Producer to bind coverage, issue endorsements or certificates of insurance, or in any other manner make any changes in the terms or conditions of any policy obtained through Broker.
10. Producer has no authority to investigate, settle or otherwise adjust claims, and must immediately report to Brokers in writing in the event that Producer is notified of an actual or potential claim.
11. In the event that Producer issues an unauthorized or inaccurate document, including but not limited to binder, certificate of insurance or endorsement, or in any other way if Producer exceeds the authority conferred by Producer herein, Producer shall indemnify, hold harmless and defend Brokers and/or the Company against any claims, damages, losses and expense alleged against and incurred by Brokers and/or the Company.

Limitations in Broker's Responsibilities

12. Brokers assume no responsibility toward any policyholder or Producer with regard to the adequacy, amount or form of coverage obtained through Broker. Broker cannot give legal advice or coverage analysis and assumes no responsibility for coverage decisions made by the company in response to claims submitted on behalf of the insured, and Brokers' recommendation regarding certain policy forms or coverages as proposed in Brokers' quotations, or Brokers' selection of available markets are not to be construed as advice with regard to the adequacy, amount or form of coverage best suitable for the policyholder. In the event that a claim is made against Broker by an insured for failure to procure adequate or sufficient coverage, Producer shall indemnify and hold harmless Broker from and against any claims, damages, losses and expenses, including but not limited to attorneys fees, allegedly arising out of or resulting from Producer's failure to procure adequate or sufficient coverage for the insured.

13. Broker shall indemnify and hold harmless Producer from and against any claims, damages losses and expenses, including but not limited to attorney fees, arising out of or resulting from Broker's errors or omissions, but only to the extent that said claim, damage, loss and expense is due in whole or in part to the negligent acts or omissions of Broker.

Premiums

14. Producer accepts full and complete responsibility for the collection and payment of premiums (including but not limited to minimum earned premiums), fees and taxes. Irrespective of whether or not collected from its customer, Producer agrees to make full payment to Brokers for all bound policies within 30 days from the policy inception date or the payment date requested on the binder, invoice or endorsement, whichever is earlier, unless accepted for direct collection by the Insurer or Carrier. Producer's responsibility includes payment for any additional premiums assessed by Audit or Endorsement subsequent to the policy inception date.
15. In the event that Producer does not pay Brokers the appropriate premium within the time specified, then Brokers are authorized to cancel all policies or certificates for which Brokers have not been paid. In the event that Producer collects premium from the insured but fails to pay to or confer upon Brokers said premium, Producer shall indemnify, hold harmless and defend Brokers and/or the Company against any claims alleged against and losses incurred by Brokers and/or the Company.
16. In the event the policy or certificate is cancelled for nonpayment, the Producer agrees to refund commissions on all return premiums at the rate at which such commissions were originally retained.
17. No flat cancellations are allowed unless expressly authorized in writing by the company.
18. Any credit or premium financing extended to the insured shall be at the sole risk and responsibility of the Producer.
19. Upon binding coverage, all fees are earned as of the effective date of coverage.
20. Brokers hereby authorize the Producer to deposit any and all premium funds collected by the Producer in banks insured by the FDIC and in savings and loan associations insured by the FSLIC, and held in trust as required by the appropriate Department of Insurance regulations. The interest, if any, which accrues on said funds shall belong to the Producer, if not prohibited by law.

Notices of Expiration and Renewal Requests

21. Broker shall give Producer sixty (60) day notice of expiration, and offer to renew or of non-renewal, of all policies written with admitted carriers and procured through the underwriting facilities of Broker.
22. Producer agrees that it is the Producer's responsibility to properly notify the policyholders and loss payees of the expiration date of any and all policies written with a non-admitted carrier through the underwriting facilities of Broker.

General Provisions

- 23. In the event of any litigation arising out of this Agreement or the obligations and rights of either party conferred by this Agreement, the prevailing party shall recover costs and reasonable attorney fees.
- 24. Brokers shall have authority to audit the Producer's underwriting files that apply to coverage procured through Broker pursuant to this Agreement, upon reasonable notice. In the event that it is discovered by Brokers that Producer has exceeded authority conferred by Brokers, Brokers shall have the right to immediately terminate this Agreement.

Producer:

Signed this _____ day of _____, 200_____.

X _____

(Authorized representative of Producer)

Tax ID Number

Producer warrants to Brokers that Producer is a ___**corporation** ___**partnership** ___**sole proprietor** and is duly organized in accordance with applicable law.

Broker:

Harry W. Gorst Co., Inc. and Compass Insurance Group of Agencies

Signed this _____ day of _____, 200_____.

Michael F. Heagerty, President and CEO