



PRODUCER AGREEMENT

This Agreement is effective as of this date _____ between SINGLEPOINT INSURANCE SERVICES, INC. (hereinafter referred to as "AGENCY") with its office at 5000 Hopyard Road, Suite 328, Pleasanton, CA 94588 and

_____ (Name of "PRODUCER") with its office at

_____ (Mailing address of "PRODUCER").

A. Recitals

AGENCY is authorized by various insurance carriers to receive and accept certain proposals for insurance policies or which may lawfully be written in various states in which the AGENCY does business.

PRODUCER, a licensed Agent/Broker in the state where PRODUCER has its mailing address (shown above), desires AGENCY to place insurance policies for PRODUCER'S clients through facilities of AGENCY.

AGENCY is willing to place such policies and perform necessary services in connection with such policies, subject to PRODUCER'S compliance with the terms and conditions of this AGREEMENT.

B. Agreement

The parties agree as follows:

1. Scope of Agreement

a. Territory and Lines of Business

Under this Agreement, AGENCY shall only place policies for insurance lines of business in the state(s) that the AGENCY and PRODUCER are licensed.

b. Oversight

PRODUCER shall not utilize any advertising or marketing materials regarding the policies placed by AGENCY under this Agreement without prior review and written consent by AGENCY. PRODUCER shall not make any representation to any applicant or insured regarding coverage under a policy placed by AGENCY that is not consistent with the actual terms and conditions of the policy.

PRODUCER acknowledges that AGENCY will place policies only with respect to risks that conform to guidelines provided by AGENCY to PRODUCER from time to time governing premium size, risk classification and loss experience.

c. Appointment

PRODUCER acknowledges that, to the extent required by applicable law, the insurers represented by AGENCY will file notices of appointment with respect to PRODUCERS for policies placed under this Agreement.

2. Term of Agreement

This agreement shall commence on the effective date set forth above and shall be continuous, and shall apply to policies previously placed by AGENCY for Producer and in force on the effective date of this Agreement and to all policies that may be placed by AGENCY for Producer while this Agreement is in effect. If AGENCY has reasonable cause to believe that Producer is in violation of this Agreement, AGENCY may immediately suspend Producer's authority granted under any Program Appointment and/or this Agreement pending further investigation by providing written notice to Producer of such suspension.

a. This Agreement may be terminated by either party at any time with or without cause immediately upon providing written notice of termination to the other party. Effective immediately upon providing notice of termination the Producer's authority to submit new business to AGENCY is revoked for all Program Appointment(s) and the AGENCY agrees to renew with such Insurer as AGENCY may indicate policies then in force with Producer at the time of termination for a period of 60 days thereafter, or for a longer period of time if required by law, provided that said policies have not expired, been canceled, or have been placed with a different insurer at the time for renewal. Notwithstanding the above and except as otherwise required by law, AGENCY shall have no obligation to renew policies under any Program Appointment where AGENCY or the Insurer(s) have terminated the Program in its entirety. It is further agreed that the commissions or return commissions will be paid by the responsible party on additional premium collected, or on return premiums made, after termination of this Agreement. Following termination, the terms of this Agreement shall remain applicable to any insurance policies placed by AGENCY for Producer that were effective prior to the date of termination of the Agreement.

b. Modification of Appointment & Producer's Authority under this Agreement

AGENCY may, at its sole discretion, modify the Agreement at any time subsequent to its execution by providing at least 30 days advance notice to Producer, except such advance notice is not required where the modification is by written agreement or where one or more Program Appointments are terminated in their entirety, or a moratorium or similar restriction is placed on writing new business for the Program(s) by the Insurer. Such modification may include, but is not limited to the appointment of Producer to additional Programs, modification of Producer's appointment and authority under any Program(s) and/or modification of Producer's commission for new or renewal policies of insurance to be written under any Program Appointment(s). Such modification shall be made by sending written notice to Producer via email, facsimile, or U.S. mail at the address provided in this Agreement, or to Producer's last known address.

c. Right of Offset

1) AGENCY shall have the right to offset compensation due Producer under this Agreement by the amount of past due premiums, unearned commissions, or other amounts currently due and owed by Producer to AGENCY and/or its Insurer(s) arising out of any policy of insurance issued under this Agreement and Liabilities incurred by AGENCY or its Insurers caused by the negligent or illegal acts of omissions of Producer. Producer's failure to timely submit applications, premium payments, return commissions or otherwise comply with AGENCY's then-current underwriting rules, procedures, or written instructions for one or more Program(s) provided to Producer may, at AGENCY's sole discretion, result in a reduction in or forfeiture of all or part of Producer's commission amount for the particular business submission in violation of this provision.

2) Producer shall have no right to offset any balance due from AGENCY to Producer under this Agreement, Program Appointment, or any other Agreement.

3) Any premium received by Producer shall be held in a fiduciary capacity on behalf of Insurers, and shall not be deposited into Producer's operating account, and shall be paid in accordance with this Agreement and AGENCY's instructions.

d. Exclusive Compensation

It is understood and agreed that the Insurer(s) shall have no liability or obligation to directly compensate Producer for the business written pursuant to this Agreement including, if applicable, any profit sharing and or overrides. All compensation due Producer under this Agreement shall, under all circumstances, be due from and paid solely by AGENCY.

3. **DIRECT Billed Premium and Commission Considerations**

All premiums, taxes, and other charges hereinafter shall be referred to as "premium". "Premium" that is billed directly to the insured by the AGENCY or the insurance carrier shall be considered "DIRECT-billed."

a. Payment of "Premium"

The PRODUCER is not responsible for the payment of any "DIRECT-billed" "premium"; however, at the request of AGENCY, PRODUCER shall cooperate with AGENCY in the collection of "DIRECT-billed" "premium". Any credit extended to the insured by PRODUCER shall be at the sole risk and responsibility of PRODUCER.

b. Direct Collection of "Premium"

If AGENCY or insurance or surety carrier has not received the amount of "DIRECT-billed" "premium" due it within the time specified on a "DIRECT-billed" transaction, or by such other due date as specified by AGENCY, AGENCY may at its option collect such delinquent "DIRECT-billed" "premium" out of any dividends declared or refer the "DIRECT-billed" "premium" to the insurance or surety carrier for collection. In the event delinquent "DIRECT-billed" "premium" is paid from dividends or collected directly by the insurance or surety carrier, PRODUCER shall not be entitled to any commission on the delinquent "DIRECT-billed" "premium" so collected.

c. Commissions and Return "Premium"

As full compensation to PRODUCER with respect to insurance policies placed by AGENCY for PRODUCER, PRODUCER shall be allowed commissions at such rates as are stipulated by AGENCY or as are specifically negotiated between parties. Unless otherwise specified, all commissions due PRODUCER will be paid to PRODUCER within 30 days following the end of the month during which the premiums due have been paid in full.

AGENCY will remit all gross return "DIRECT-billed" "premium" directly to insureds. PRODUCER shall refund unearned commissions on return "DIRECT-billed" "premium" due for cancellation and "DIRECT-billed" "premium" reductions at the same rate as the commission as allowed to PRODUCER. AGENCY will bill PRODUCER for all return commissions within 30 days of the end of the month in which gross "DIRECT-billed" "premium" is returned to the insureds. PRODUCER will remit return commissions within 30 days of the date of return commissions are billed by AGENCY. If commissions not remitted to AGENCY, AGENCY has the right to deduct return commissions from any commissions due PRODUCER.

d. Deposits and Final Audit Premiums

All deposit and final audit additional premiums will be considered PRODUCER billed premium as defined below.

4. **PRODUCER-Billed Premium and Commission Considerations**

All premiums, taxes, and other charges due the AGENCY hereinafter shall be referred to as "premium". "Premium" that is billed directly to the insured by the PRODUCER shall be considered "PRODUCER-billed." Any credit extended to the insured by PRODUCER shall be at the sole risk and responsibility of PRODUCER. Any broker fees charged by the PRODUCER to the insured are strictly a contractual matter between the PRODUCER and insured.

a. Payment of "Premium"

For every insurance policy or surety bond placed by AGENCY for PRODUCER, PRODUCER shall be responsible for and guarantees to AGENCY the payment of all "PRODUCER-billed" "premium" due with respect to such policy, including audit "PRODUCER-billed" "premium", less the amount of commission allowed to PRODUCER pursuant to paragraph 2.c. of this AGREEMENT.

Unless otherwise specified by AGENCY, all amounts owed by PRODUCER shall be paid to AGENCY within 30 days following the end of the month during which the policy becomes effective or, in the case of audit "PRODUCER-billed" "premium", within 30 days after the audit "PRODUCER-billed" "premium" is billed by AGENCY.

PRODUCER is obligated to maintain "premiums" in a fiduciary capacity subject to all applicable legal requirements and all "premiums" held by the PRODUCER shall be maintained in a properly constituted Premium Trust Account.

b. Direct Collection of "Premium"

If AGENCY has not received the amount of "premium" due to it from PRODUCER within the time specified in Paragraph 3.a. or by such other due date as specified by the AGENCY prior to issuance of the policy, AGENCY may, at its option, collect directly from the insured any "PRODUCER-billed" "premium" due. In the event AGENCY collects the "PRODUCER-billed" "premium" directly from the insured, PRODUCER shall not be entitled to any commission on the "PRODUCER-billed" "premium" so collected. Attempts by AGENCY to collect from the insured shall not relieve PRODUCER of liability to AGENCY except to the extent of amounts actually collected by AGENCY, less expenses of such collection, provided however, that PRODUCER will not be held responsible for "premiums" if:

- 1) PRODUCER has made a reasonable effort to collect such premium and has failed;
- 2) PRODUCER refers such items to the AGENCY for direct collection within 30 days of the PRODUCER'S receipt from the AGENCY for such outstanding items.

c. Commissions and Return "Premium"

As full compensation to PRODUCER with respect to insurance policies placed by AGENCY for PRODUCER, PRODUCER shall be allowed commissions at such rates as are stipulated by AGENCY or as are specifically negotiated between parties.

PRODUCER shall refund unearned commissions on return "PRODUCER-billed" "premium" due for cancellations or "PRODUCER-billed" "premium" reductions at the same rate as the commissions allowed to PRODUCER. In the event of such cancellations or "PRODUCER-billed" "premium" reductions, AGENCY shall remit to PRODUCER all previously paid unearned net "PRODUCER-billed" "premium" owed to insureds, and PRODUCER shall reimburse the insureds the unearned gross "PRODUCER-billed" "premium" due, including the amount of unearned commissions allowed to PRODUCER.

d. Deposits and Final Audit Premiums

All deposit and final audit additional premiums will be considered PRODUCER billed premium.

5. **No Grant of Authority**

PRODUCER is an independent contractor and is not the agent or employee of AGENCY. This AGREEMENT does not grant authority to PRODUCER to bind AGENCY or any of its principals. PRODUCER shall not quote, bind coverage (including issuance of an insurance binder), or issue a certificate of insurance, endorse or amend any policy obtained pursuant to this AGREEMENT without express written authority from AGENCY.

6. **Cancellation Credit**

PRODUCER shall be entitled to credit for any cancellation after satisfactory proof of such cancellation has been received by AGENCY. No cancellation credit shall be allowed for any period prior to such cancellation during which coverage is effective under the terms of the applicable insurance policy or binder. No insurance policy or bond may be returned to AGENCY by PRODUCER for flat cancellation unless it is returned prior to the effective date of the policy. Notwithstanding the return of the original policy or bond for cancellation, cancellation will not be effected until sufficient time has elapsed for proper notice to mortgagees, loss payees, certificate holders, public utility regulatory bodies, or other parties to whom such notice is required.

7. **Compliance with Laws**

PRODUCER shall comply with the laws, rules and regulations of the governmental jurisdictions within which it solicits or accepts insurance business submitted to AGENCY under this AGREEMENT and PRODUCER shall maintain all licenses required by those jurisdictions. PRODUCER shall indemnify and hold AGENCY harmless for all fines, penalties and related expenses that AGENCY may incur as a result of PRODUCER'S actions.

8. Notice of Expiration

Any customary usage to the contrary notwithstanding, AGENCY shall be under no obligation to give PRODUCER advance notice of the expiration of any insurance policy which PRODUCER procures from time to time through the facilities of the AGENCY. AGENCY will endeavor to give PRODUCER reasonable advance notice of the expiration of any policy or bond, but the failure of AGENCY to provide such notice shall in no way impose any liability or responsibility upon AGENCY.

9. Indemnification

- a. PRODUCER shall indemnify and hold AGENCY harmless with respect to all claims, liabilities and costs, including attorney fees, which AGENCY may become obligated to pay as a result of:
 - 1) Any act, error or omission of PRODUCER in the processing of any business placed by PRODUCER under this AGREEMENT; or
 - 2) Any action by PRODUCER in violation of the terms of this AGREEMENT.
- b. AGENCY shall indemnify and hold PRODUCER harmless with respect to all claims, liabilities and costs, including attorney fees, which PRODUCER may become obligated to pay as a result of:
 - 1) Any act, error or omission of AGENCY in the processing of any business placed by AGENCY under this AGREEMENT; or
 - 2) Any action by AGENCY in violation of the terms of this AGREEMENT.

10. Errors and Omissions Insurance

PRODUCER is required to maintain in full force and effect during the term of this Agreement a policy of Errors and Omissions Insurance issued by an insurer rated no less than A- VIII by A.M. Best Company and which afford(s) coverage in the minimum amount of \$1,000,000, with a deductible not to exceed \$25,000. Such Errors and Omissions Insurance shall be maintained by the PRODUCER at the PRODUCER's sole cost and expense and shall be primary and non-contributing coverage over any valid and collectible insurance available to the AGENCY. PRODUCER shall provide notification to AGENCY in the event of lapse and shall furnish proof of such insurance at inception of this Agreement and at each subsequent renewal.

11. Applicability of Agreement and Termination

This AGREEMENT shall apply to policies previously placed by AGENCY for PRODUCER and in force on the effective date of this AGREEMENT and to all policies that may be placed by AGENCY for PRODUCER while this AGREEMENT is in effect. This AGREEMENT shall be effective as of the date stated above and shall remain in effect until terminated by either party upon at least thirty (30) days advance written notice to the other party. Following termination, the terms of this AGREEMENT shall remain applicable to any insurance policies placed by AGENCY for PRODUCER that were effective prior to the date of termination of this AGREEMENT.

Notwithstanding any other provision of this Agreement, a party may terminate this Agreement for cause at the parties' option, upon the occurrence of one or more of the following events by giving fifteen (15) days written notice to the other party:

- a. In the event of a material breach of this Agreement by the other party. This Agreement shall not terminate at the end of said fifteen (15) days' notice if the party in breach cures the breach which it has been notified.
- b. Failure by Producer to maintain applicable insurance coverages as provided in this Agreement.
- c. In the event the Producer's license or authorization lapses or is suspended, canceled, or not renewed by any public authority having jurisdiction over same for reasons other than administrative error and such license is not reinstated within fifteen (15) days of such event.
- d. In the event of a change of control or if a substantial part of a party's property is or becomes the subject to a levy, seizure, assignment of sale for or by any creditor or governmental agency, or the other party becomes insolvent, ceases doing business or files voluntary or involuntary bankruptcy, receivership, or reorganization proceedings.

12. Changes to Agreement

Any modifications of this Agreement shall be in writing and signed by both parties. This Agreement may be modified at any time by the mutual agreement of the PRODUCER and AGENCY. AGENCY shall notify the PRODUCER of any proposed modification of this Agreement upon thirty (30) days advance notice unless a longer period of notice is required by applicable law.

13. Cooperation on Claims

PRODUCER shall cooperate with AGENCY, to the extent requested by AGENCY, in connection with the investigation and adjustment of any claim arising under any insurance policy placed by AGENCY for PRODUCER.

14. Inspection of Records

All records of PRODUCER relating to any insurance policy placed by AGENCY for PRODUCER shall be subject to inspection at any reasonable time by any designated representative of AGENCY.

15. Assignment

No assignment of this AGREEMENT, or of any commission or fee due to PRODUCER under this AGREEMENT, shall be effective unless approved in writing by AGENCY.

No waiver by either party of any breach of this AGREEMENT by the other party shall be deemed to be a waiver of any subsequent breach of the same or of any other provision.

16. Waiver of Breach

No waiver by either party of any breach of this AGREEMENT by the other party shall be deemed to be a waiver of any subsequent breach of the same or of any other provision.

17. Headings

The paragraph headings in this AGREEMENT are included solely as a matter of convenience for reference and are not intended to be a part of this AGREEMENT.

18. Arbitration

- a. The parties will attempt in good faith to resolve through negotiation and dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within 10 days with a statement of its position on the dispute. If the dispute is not resolved by this exchange of correspondence, the representatives of each party with full settlement authority will meet at a mutually agreeable time and place within 20 days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute. If the dispute is not resolved by these negotiations, the matter may, with the prior written consent of both parties hereto, be submitted to JAMS Walnut Creek, California for mediation and/or binding arbitration.
- b. In the event of binding arbitration or litigation to interpret the terms of, or otherwise enforce this Agreement or any provision thereof, the prevailing party, in addition to other relief awarded, shall be entitled to recover from the non-prevailing party all costs and expenses thereof including without limitation reasonable attorney fees incurred by the prevailing party which shall be determined and fixed by the arbitrator or court as part of the decision or judgment. Such fees, costs and expenses shall include expenses incurred on any appeal and for collecting on or enforcing any such decision or judgment.
- c. This Section 18, Arbitration, shall survive the termination of this Agreement.

18. Governing Laws

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California, without giving effect to conflict of laws principles thereof that would require application of the laws of a jurisdiction other than the state of California.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date stated above.

PRODUCER:

AGENCY:

SINGLEPOINT INSURANCE SERVICES, INC. _____

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____