

Commercial Insurance Group, LLC



PRODUCER AGREEMENT

This agreement is made and entered into as of the date signed below, between Commercial Insurance Company, LLC (CIG) a Colorado Limited Liability Company, and the agent or agency ("Producer") indicated following.

Agency Name: _____

It is agreed and understood:

CIG represents insurance companies and similar entities in the placement and writing of insurance; and

Producer requires the services of CIG to place insurance for its clients referred to as insureds; and

CIG and Producer desire to enter into an Agreement, which includes a commission arrangement, and independent control by Producer of the insurance business placed through CIG and an understanding of the rights and obligations of each;

In consideration of these mutual agreements, the sufficiency of which is acknowledged, it is agreed as follows:

PRODUCER'S STATUS AND DUTIES

- a. It is understood that Producer is an independent contractor and not an agent of CIG. Producer has no authority to bind CIG or any insurance company or underwriter represented by CIG.
- b. Producer shall have ownership of all business subject to this Agreement. Producer agrees to keep complete records and accounts of all transactions and will allow CIG to inspect and audit all such records and accounts as may be appropriate.
- c. Producer acknowledges its duty to fully inform all clients of the terms, conditions, exclusions and limitations of any insurance placed through companies represented by CIG. Producer further acknowledges its responsibility to request proper coverages for its clients, review all quotes, policies and binders for accuracy and properly communicate such to Producer's clients.

PLACEMENT OF ORDERS

Producer shall follow all applicable state laws prior to placing any order for insurance or excess and surplus lines insurance with CIG. Coverage may only be bound in writing; oral telephonic communication is not sufficient. Facsimile or electronic communications are acceptable if signed originals are forwarded on the day of signing to CIG as may be required. Receipt of payment with or without application for a policy will not constitute automatic binding of coverage for said policy.

LICENSING

Producer warrants that it is properly licensed to sell insurance in its state of domicile, and all other states in which Producer sells insurance, and agrees to act in compliance with all laws and regulations regarding placement of insurance with admitted and/or non-admitted insurance companies in each state.

ERRORS AND OMISSIONS INSURANCE

Producer agrees to maintain, at all times this Agreement is in effect, errors and omissions coverage for itself and its agents, solicitors and employees in an amount not less than \$1,000,000 per incident. A copy of the policy or confirmation of coverage will be submitted annually to CIG.

COMMISSIONS

Producer is compensated by CIG on premiums bound through the companies represented by CIG and with whom Producer is desirous of placing insurance policies. Commissions are negotiated between CIG and the Producer and vary by line of business and the carriers represented. Producer retains commission in accordance with terms outlined in proposals and as invoiced by CIG, remitting balance to CIG within time frame stipulated.

PREMIUM PAYMENT

Producer guarantees payment of all premiums, including fees and taxes, billed to Producer by CIG on or before the due date (15 days from effective date or billing date whichever is earlier) for all policies and endorsements placed by Producer, *whether collected or not by Producer* from the insured, and without regard to any financing agreement. If Producer does not pay within the time specified, CIG will consider such non-payment as authorization to cancel any policy of coverage or certificate of insurance issued by agent for which CIG has not been paid. Producer agrees to pay the earned premium immediately upon any such canceled documents. Payment not received within the specified time period releases CIG to post direct notice of cancellation for non-payment of premium to insured, regardless of whether insured may have paid agent or not. ***Any earned premium is the sole responsibility of the placing agent.*** Ability to collect or failure to do so on the part of the placing agent from their insured client does not relieve placing agent for liability of premium payment to CIG. In the event of cancellation, unearned commissions must be returned upon request to CIG for credit to outstanding receivable.

Producer owns all insurance policies placed through CIG arising out of the execution of this agreement.

Collection Costs: Insured/Agent agrees to pay attorney fee and other collection costs to CIG to the extent permitted by law if this policy is referred to an attorney or collection agency who is not a salaried employee of CIG, to collect any money insured/agent owes under this agreement (Not applicable in KY)

AUDITS

In the event the Producer is unable to collect audit premium from the insured, the Producer may return an uncollected invoice to CIG, along with documentation of its efforts to collect the premium, within no more than 30 days of the invoice date or other specific requirement of any specific insurance company's return procedures. The insurance company may elect at its own discretion to pursue the insured for direct collection. ***If premium is collected by the company directly, no commission is payable to producer for such recovery.***

CANCELLATION

There is no flat cancellation of any insurance coverage bound and/or written at the request of Producer, except as

prescribed by law. All coverages put into place by CIG is at the request of Producer as submitted to individual insurers with an express understanding that they are not subject to any flat cancellation and will only be canceled in accordance with the policy issued and the insurance carrier's procedures. In consideration of the commission Producer retains on all premiums; the Producer agrees to refund commission immediately for any returned premiums at the same rate at which such commission was originally paid.

ACCOUNTING DISCREPANCY

Producer will pay in accordance with terms provided by CIG on invoices provided to Producer. Agreement requires payment *upon receipt* of invoice. The payment must be mailed, wired or electronically transmitted in time to reach our CIG's office no later than the date indicated on each invoice, or 15 days following effective date, whichever is earlier. When a discrepancy exists in accounting between CIG and Producer, it shall be Producer's responsibility to notify CIG within ten (10) days from receipt of invoice of amounts in variance. Payment of the undisputed portion of premium is required within the billing terms outlined previously under Premium Payment section of this agreement.

CLAIMS AND REPORTS OF LOSSES

Producer agrees to report, immediately upon receipt, any claim, loss or possible claim or loss it has knowledge of to the insurance company immediately a written report of such claim, facts, occurrence, or incident that may result in a loss or claim, under any policy of insurance placed through CIG. Producer does not have authority to adjust, handle, investigate or provide coverage opinions regarding any claim, loss or occurrence. CIG will assist Producer to monitor claim progress with adjusters when necessary to assure prompt action with the insurance company adjustor assigned if CIG is made aware of claim report and actions.

INDEMNIFICATION

Producer shall indemnify and hold harmless CIG, its owners, officers, and employees and the insurance companies it represents from any and all claims, suits, actions, judgments, loss or expense, including legal fees which CIG may incur as a result of any act, error or omission, or breach of this agreement, including any failure of Producer or any of its agents or employees to act on behalf of any of Producer's client insureds.

CIG shall indemnify and hold harmless Producer from any and all claims, suits, actions, judgments, loss or expense, including legal fees which Producer may incur as a result of any act, error or omission, or breach of this agreement, including any failure of CIG or any of its agents or employees to act.

TERMINATION

This Agreement may be terminated at any time by either party upon written notice mailed to the last known address of the other party. Termination of this Agreement will not affect the provisions of this Agreement with regard to any policy of insurance placed through CIG during the term of this Agreement.

SCOPE OF AGREEMENT

This Agreement governs the relationship between CIG and Producer and is binding upon the parties and their respective heirs, successors and assigns. It is further understood that this Agreement replaces any prior agreement between the parties, constitutes the entire agreement of the parties, and may not be changed or modified unless in writing, signed by the parties.

GOVERNING LAW

Agreement shall be subject to and governed by the laws of the State of Colorado. Should any individual Article of this Agreement be found in non-compliance with any statute or law of the State of Colorado, the remaining Articles will be interpreted to stand alone and will be enforced separately to the fullest extent permitted by any such law or statute.

PRODUCER

COMMERCIAL INSURANCE GROUP, LLC

Agency Name

1773 S. 8th St, Suite 200
Colorado Springs, CO
80905

Address

Phone: 303-900-2960
Fax: 303-648-5391

City, State, Zip

Signature

Telephone

Printed Name & Title

Fax Number

Date

email Address

Federal EIN#

Signature

Printed Name and Title

Date

Please complete and return with:

- 1. Copy of your residence State License***
- 2. Proof of E&O insurance***
- 3. W-9***