



## PRODUCER AGREEMENT

THIS AGREEMENT, made and entered into between Ck Specialty Insurance Associates, Inc., a California Corporation (hereinafter "Ck Specialty") and

PRODUCER: \_\_\_\_\_

LOCATION: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

(Hereinafter "Producer".)

WHEREAS, Ck Specialty and all its various subsidiaries represent insurance companies and other similar entities in the placement and writing of insurance, and

WHEREAS, Producer requires the services of Ck Specialty to place insurance for its clients commonly referred to as insureds; and

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

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

### SECTION 1. SCOPE OF AGREEMENT

This Agreement governs the relationship between Ck Specialty and Producer and is binding upon the parties of 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.

### SECTION 2. PRODUCER'S STATUS AND DUTIES

- a. It is understood that Producer is an independent contractor and not an agent of Ck Specialty or any insurance company or underwriter represented by Ck Specialty.
- 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 Ck Specialty to inspect and audit all such records and accounts.

- c. Producer acknowledges its duty to inform all clients of the terms, conditions, exclusions and limitations of any insurance placed through Ck Specialty. Producer further acknowledges its responsibility to request proper coverages for its clients, review all quotes, policies and binders for accuracy and keep Producer's clients fully informed.

### SECTION 3. PLACEMENT OF ORDERS

- a. Producer shall follow all applicable state statutes prior to placing any order for insurance or excess surplus lines insurance with Ck Specialty. No insurance submitted for consideration is effective until accepted by Ck Specialty. Coverage may only be bound in writing; oral telephonic communication is not sufficient. Facsimile communications are acceptable if signed and originals forwarded on the day of signing to Ck Specialty. Receipt of cash with or without application for a policy will not constitute automatic binding coverage for said policy.
- b. Producer shall have no authority to issue a binder in the name of Ck Specialty and/or any Company(s) represented by Ck Specialty without the express written authorization of Ck Specialty.
- c. In the event an unauthorized binder is issued by the Producer, and Ck Specialty and/or the Company represented by Ck Specialty suffers loss, the Producer agrees to indemnify, hold harmless and defend Ck Specialty and/or the Company against any judgment or settlement and for all loss and expense, including attorney's fees and investigation incurred by Ck Specialty and/or by the Company in the payment of defense of claim or loss resulting from said unauthorized binder.

### SECTION 4. 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 such state.

### SECTION 5. PREMIUM PAYMENT

Producer guarantees payment to Ck Specialty of all premiums, earned premiums, including fees and taxes, billed to Producer, on or before the invoice date specified, for all policies placed by Producer, notwithstanding the ability of Producer to collect premiums from the insured and without regard to any financing agreement. If Producer does not pay Ck Specialty within the time specified, Ck Specialty is authorized to cancel any certificates or policies for which Ck Specialty has not been paid, and Producer agrees to pay the earned premium on such canceled documents.

SECTION 6. CANCELLATION

- a. There shall be no flat cancellation of any insurance coverage bound and/or written at the request of Producer under any circumstances, except as prescribed by state law. All coverage affected by Ck Specialty at the request of the Producer are submitted with the understanding that they are not subject to flat cancellation, and will be canceled in accordance with the policy issued and the insurance carrier's procedures. In consideration of the commission allowed to Producer on all premiums and additional premiums, the Producer agrees to refund commission on all returned premiums to Ck Specialty at the same rate at which such commission was originally paid.
- b. It is agreed that there will be no commission paid on any policy fees, inspection fees, or broker fees added to a policy. In the event of cancellation, these fees will be fully earned.

SECTION 7. NOTICE OF EXPIRATION AND RENEWAL REQUESTS

- a. Ck Specialty shall give Producer sixty (60) day notice of expiration and offer to renew or notice of non-renewal on all policies written with admitted carriers and procured through the underwriting facilities of Ck Specialty.
- b. Producer agrees that it is Producer's responsibility to properly notify policyholders of the expiration date of any and all policies written with a non-admitted carrier through the underwriting facilities of Ck Specialty.
- c. Ck Specialty will renew policies only upon written request of the producer with twenty-five percent (25%) of the premium due plus all fully earned fees.
- d. Producer shall indemnify and hold harmless Ck Specialty and/or any Company(s) as a result of any claim, judgment or settlement arising out of a Producer's failure to notify the insured of cancellation or expiration. In addition thereto Producer shall pay all costs and attorney's fees incurred by Ck Specialty and/or Company(s) in defense of such claims.

SECTION 8. ACCOUNTING

- a. Producer will pay in accordance with terms provided by Ck Specialty on invoices provided to Producer. Full payment must be mailed in time to reach our office no later than the date indicated on each invoice. When a discrepancy exists in accounting between Producer and Ck Specialty, it shall be Producer's responsibility to notify Ck Specialty, in writing, within ten (10) days from receipt of invoice, or within fifteen (15) days from the month end of policies) effective date, whichever shall occur earlier, of amounts in variance with Ck Specialty's records. If Ck Specialty receives no written notice within this period of time, Ck Specialty's accounts will stand as correct and agreed to by Producer.

- b. Producer specifically agrees that any extension of credit by him to an insured or to any other person is solely at his own risk and that he has no authority to extend credit or terms on behalf of Ck Specialty.
- c. Producer recognizes that in agreeing to pay Ck Specialty he does so as an original undertaking on his own part and not as guarantor or surety of another's obligation.

SECTION 9.           ADVERTISING

Producer may not, without the express written consent of Ck Specialty, issue, print, or circulate any letter, pamphlet, advertisement, publication or statement, oral or written, referring in any way to Ck Specialty or representing any relationship of any kind between Producer, Ck Specialty, or any market represented by Ck Specialty. Producer specifically agrees to indemnify Ck Specialty for any loss, legal fees, or other expense it may sustain from any unauthorized advertisement, publication or statement by Producer.

SECTION 10.         INDEMNIFICATION

- a. Producer shall indemnify and hold harmless Ck Specialty from and against any and all claims, suits, actions, judgments, loss or expense, including legal fees which Ck Specialty may incur, directly or indirectly, as a result of any act, error or omission, or breach of this agreement, including any failure of Producer or any of its agents, servants or employees to act.
- b. If Producer is a corporation or limited liability company, its principals, by accepting and executing this Agreement, personally guarantee the obligations, if any, that Producer assumes under this Agreement.

SECTION 11.         ERRORS AND OMISSIONS INSURANCE

Producer agrees to maintain, at all times this Agreement in effect, errors and omissions coverage for itself and its agents, solicitors, servants and employees in an amount not less than \$1,000,000. A copy of the policy or confirmation of coverage will be submitted annually to Ck Specialty. This agreement will terminate automatically in the event Producer fails to provide the required confirmation of coverage.

SECTION 12.         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 Sections 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14 with regard to any policy of insurance placed through Ck Specialty during the term of this Agreement or any prior or subsequent agreement between the parties.

SECTION 13. GOVERNING LAW

Agreement shall be subject to and governed by the laws of the State of California.

SECTION 14. PRIVACY AGREEMENT

- a. Producer warrants that it will maintain the security, confidentiality, and integrity of nonpublic personal information obtained in connection with this agreement with Ck Specialty and that it has implemented appropriate business practices to safeguard nonpublic personal information in accordance with the applicable regulatory mandates and/or laws.
- b. Producer shall indemnify and hold harmless Ck Specialty from and against any and all claims, suits, actions, judgments, losses, damages, costs or expenses, including legal expenses and attorney’s fees which Ck Specialty may incur, directly or indirectly, as a result from or arise out of your failure to maintain, in compliance with law, the security, confidentiality, and integrity of all nonpublic personal information obtained in connection with this agreement with Ck Specialty.

SECTION 15. SAVINGS CLAUSE

The invalidity or unenforceability of any provision of Agreement shall not affect the other provisions hereof, and Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WITNESSED BY:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PRODUCER:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESSED BY:

\_\_\_\_\_

\_\_\_\_\_

Ck Specialty Insurance Associates, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_



## IMPORTANT NOTICE

Please forward the following items as soon as possible:

1. **SIGNED PRODUCER AGREEMENT**
2. **COPY OF ERRORS & OMISSIONS DECLARATION PAGE**
3. **COPY OF BROKERS BOND (CALIFORNIA ONLY)**
4. **COPY OF YOUR LICENSE**
5. **YOUR TAX PAYER ID#** \_\_\_\_\_
6. **YOUR 1099 NAME:** \_\_\_\_\_