

CIC INSURANCE BROKERS, LLC

A Member of INSURICA Insurance Management Network
401 Cypress St, #500
Abilene, Texas 79601
325-673-8000 Telephone
325-673-8008 Fax

LIMITED PRODUCERS AGREEMENT

This agreement, made and entered into this _____ day of _____, _____,
by and between **CIC INSURANCE BROKERS, LLC, ABILENE, TEXAS**, hereinafter called **CIC**,

AND

PRODUCER _____

LOCATION _____

CITY _____ **STATE** _____ **ZIP** _____

hereinafter called **Producer**.

WITNESSETH

Whereas, Producer desires to procure from time to time, for his clients, insurance coverage's through the underwriting facilities of CIC, and

Whereas, CIC desires to make its underwriting facilities available to Producer in cases where the terms are mutually agreeable, and

Whereas, CIC is the agent for various insurance carriers hereinafter called the Company(s).

Now, therefore, the parties hereto agree as follows:

AGREEMENT

A. Licensing and Limited Authority

1. CIC requires the Producer, at Producer's expense, to comply with agency licensing laws of the state wherein the Producer resides. It is the duty of the Producer to provide a copy of its current license to CIC. This Agreement shall confer no authority, express or implied to accept or to bind or obligate CIC or any Company(s) represented by CIC, in any respect, either as to risks being submitted for consideration or as respects to changes in the terms and conditions of any policy or binder issued by CIC.

2. Producer shall have no authority to issue a binder in the name of CIC or any Company(s) represented by CIC without the express written authorization of CIC.

In the event an unauthorized binder is issued by the Producer and CIC or Company represented by CIC suffers loss, the Producer agrees to indemnify, hold harmless and defend CIC and/or Company against any judgment or settlement and for all loss and expense, including attorney fees and investigation, incurred by the Company or by CIC in the payment or defense of claim or loss resulting from said unauthorized binder.

3. The Producer acknowledges an understanding of the limitations contained in this Agreement and that no insurance submitted for consideration is effective until acceptance is indicated in writing by CIC.
4. Producer has authority to issue Certificates of Insurance after the policies are bound.

B. Commissions

1. CIC will allow Producer commissions at such rates as are agreed to from time to time by the parties hereto.
2. In event of return premium becoming due for any reason whatsoever, CIC shall refund commissions to Producer at the same rate at which commission was originally allowed.
3. It is agreed there will be no commission paid on any policy fees added to policy. In the event of cancellation the policy fee will be fully earned, when permitted by law.

C. Payment of Premium

1. Producer must submit a fully completed application. Net premium of twenty-five percent (25%) of the gross premium plus policy fees, if any, are required in order to bind coverage. No coverage will be bound without the appropriate premium and fees being received.

The Producer agrees to pay CIC all earned premiums, including earned premiums due on policies cancelled for non-payment, whether collected or not from the insured. Flat cancellations will not be allowed. If the premium payment is not received by CIC within the time period specified on the invoice, the policy or any other policy issued to said insured through the Producer by CIC may be cancelled without prior notice to the Producer, and CIC will have the right to premium offset. The Producer shall not be entitled to any credit for any cancellation until proof of such cancellation, satisfactory to CIC or the Company(s) they represent, shall have been furnished to CIC.

2. Producer specifically agrees that any extension of credit to an insured or to any other person is solely at their own risk and that they have no authority to extend credit or terms on behalf of CIC. The Producer shall pay CIC all sums in accordance with Paragraph C-1 above whether or not he has been paid by the insured.
3. CIC's agreements with its insurance Company partners stipulate that full premium is due for all bound policies and subsequent endorsements fifteen (15) days from the effective date. CIC has **NO** provision to return items to the Company for direct collection. If a policy is subsequently cancelled, a twenty-five percent (25%) minimum earned premium is due if cancelled within the first fifteen (15) days of the effective date. The Producer agrees to pay all minimum premiums on cancelled policies, **even if the Producer is unable to collect any premium from the insured.**

Producer recognizes that in agreeing to pay CIC, they do so as an original undertaking on their own party, and not as guarantor or surety of another's obligation.

Should the Producer fail to pay CIC any premium or other monies due, the Producer agrees to bear any collection or other expense including reasonable attorney fees and costs, expanded by CIC to enforce collection. Should it become necessary to enforce collection, the Producer agrees to forfeit all rights to commission on premiums so collected. The Producer further authorizes CIC to cancel all business at any time following nonpayment of CIC's statement of individual accounts, by the Producer, when due.

D. Territory

The Producer shall submit for consideration only risks domiciled in states Producer is licensed.

E. Cancellation

1. No policy, binder or cover note will be cancelled flat.
2. Notwithstanding the return of and original policy for cancellation, cancellation will not be effective until sufficient time has elapsed for proper notice to mortgages, loss payees, certificate holders, additional insureds, public regulatory bodies, etc., in cases where such notice is required.
3. **Returned premium due to cancellation is calculated as follows: when requested by CIC it is cancelled flat rate with a twenty-five percent (25%) minimum earned premium; when requested by a premium finance company it is cancelled pro rata; and when it is requested by the insured it is cancelled on a standard short rate.**

F. Notice of Expiration and Renewal Requests

1. CIC shall be under no obligation to give Producer advance notice of expiration of any policies of insurance which Producer, from time to time, procures through the underwriting facilities of CIC.
2. CIC may or may not give Producer advance notice of expiration of said policies, but the failure of CIC to provide such notice shall not render CIC or the Company(s) represented by CIC liable to the Producer for failure to notify Producer of the expiration date of any policy of insurance. Producer agrees that it is the Producer's responsibility to properly notify the Producer's policyholders of the expiration of any and all policies issued through the underwriting facilities of CIC.
3. CIC will renew policies only upon written request of the Producer together with payment of twenty-five percent (25%) of the provision premium. CIC will invoice the Producer for the determined premium and Producer agrees to pay to CIC the amount due as specified on the invoice of the renewal policy. If premium is not paid, policy or policies are subject to terms of Section C (1), (2) & (3) of this Agreement.

G. Indemnification and Hold Harmless

CIC shall defend, indemnify, and hold Producer, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys fees, or claims for injury or damages arising out of the performance of the Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omission of CIC, its officers, agents or employees.

Producer shall defend, indemnify, and hold CIC, its officers, employees, and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys fees, or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys fees, or claims for injury or damages are caused by

or result from the negligent or intentional acts or omissions of Producer, its officers, agents or employees.

H. Occurrences and Claims

Producer shall immediately report in writing to CIC any occurrence, incident, claim or notice, whether or not evidenced by legal proceedings, which it receives or which otherwise comes to its attention. Producer shall cooperate fully with and as may be required by CIC or any Company which it represents. The appointment of any adjuster or attorney to represent the insured, CIC or any insurance company represented by CIC on any occurrence or claim shall be the sole responsibility, and at the sole discretion of the insurance company which it represents.

I. Premiums Held in Trust

If your state requires that premium be held in trust, then all premiums received by Producer shall be held in trust for CIC as Trustee, until delivered to CIC, and the privilege of retaining commission out of such premiums, the keeping of an account with Producer on CIC's books as a creditor and debtor account, alteration in compensation rate, failure to enforce prompt remittance, compromise, settlement declaration of balance due, shall not change nor be held to waive assertion of such trust relationships.

J. Ownership

Both parties to this Agreement expressly recognize the independent ownership by the Producer of the insurance business covered by this Agreement. In the event of cancellation of this Agreement for violation of its terms Producer waives and relinquishes all rights or claim to subsequent renewals, additional premiums or commission thereon.

K. Independent Contractor

1. Producer is at all times herein acting and performing as an independent contractor to solicit insurance business within the scope of the authority conferred by this Agreement, and nothing contained in this Agreement shall constitute or be construed to be or create a partnership, joint venture, lease, employment or agency relationship between Producer and CIC with respect to the solicitation of such insurance business or for any other reason.
2. Producer shall be responsible for all wages, commissions and any other amount due to its employees, agents, independent contractors, sub-brokers, premium finance companies, and all other parties as a result of this Agreement, including but not limited to, all payroll taxes, withholding, and other applicable federal, state or local taxes, and all commissions, return premiums and any other amounts.
3. Producer is responsible for all costs and expense it may incur in connection with the implementation of this Agreement such as overhead, advertising, travel, telephone, email, facsimile, and employee costs and expenses.

L. Limitations of Producer

1. Producer has no authority to investigate or settle claims but must notify CIC immediately upon receipt of such information.
2. Notice to Producer of change in risk does not constitute notice to CIC or the Company(s).
3. Producer shall not assign, transfer or convey any interest in this contract.

4. Any change in ownership of Producer shall constitute automatic cancellation of this contract.

M. Producer's Representations and Warranties

1. Producer warrants that they are properly licensed for the class of business and the coverage of insurance to be procured through the underwriting facilities of CIC.
2. Producer shall at all times comply with all applicable laws, rules and regulations of all local, federal and state agencies. Including, but not limited to, compliance with all laws, rules and regulations pertaining to admitted and non-admitted Carriers, and shall file or supply all necessary forms, affidavits and instruments and shall remit all taxes, assessments, fees or other charges necessary for or caused by the business placed by Producer.

N. Term and Cancellation

1. This Agreement may be cancelled at any time by either of the parties hereto, by giving thirty (30) days written notice to the other at the address shown in this Agreement.
2. CIC may immediately terminate this Agreement upon failure of the Producer to comply with any of the terms and condition of the Agreement.

O. Surplus Lines Business/Orders to Bind

Producer shall not place an order with CIC for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring Producer to attempt to procure such insurance from insurers authorized to do business in the state of residence of the proposed insured. Producer shall furnish the proper state form showing such proof with the order to bind.

P. Collection Costs

Both parties agree to pay all reasonable collection expenses including attorney fees incurred to enforce this Agreement.

Q. Fax and Email Consent Forms

1. In order to be able to transact business in the most expedient manner, we rely on fax and Email communications.
2. By signing this contract, you are permitting and giving your permission for CIC to send faxes and emails to your company.

R. Prior Agreements

All former contracts, agreements or understanding between the parties hereto relating to the business covered herein, if any, are hereby cancelled and superseded by this Agreement.

S. Entire Agreement

This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade

inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing, executed by both parties.

T. Governing Law

This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Texas.

U. Exhibits

All exhibits attached hereto are hereby incorporated by reference into, and made a part of, this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed effective as of the day and year first above written.

CIC INSURANCE BROKERS, LLC

Witness

By: _____
Mike Watson – President

PRODUCER

Witness

Print Name of Agency

By: _____

Print Name

Title

Email

**EXHIBIT A
COMMISSIONS**

PRAETORIAN INSURANCE COMPANY

Commercial Package Policy (General Liability, Property, Inland Marine, E&O, Crime)	
Retail Producers with premium volume under \$500,000 on annual basis.....	10%
Retail Producers with premium volume over \$500,000 on annual basis.....	12%
Wholesale Only Producers with premium volume under \$750,000 on annual basis.....	12%
Wholesale Only Producers with premium volume over \$750,000 on annual basis.....	15%
Commercial Umbrella Policy.....	10%

OTHER CARRIERS

Employment Practice Liability Insurance stand-alone.....	varies by company
Employment Practice Liability Insurance with E&O.....	varies by company
Workers' Compensation.....	varies by company
D&O.....	varies by company

PRODUCER QUESTIONNAIRE

NAME OF AGENCY _____

MAILING ADDRESS _____

AGENCY IS: Individual Partnership Corporation

IF CORPORATION, OFFICERS AND PRINCIPAL STOCKHOLDERS:

PRESIDENT _____ VICE PRESIDENT _____

SECRETARY _____ TREASURER _____

AGENCY IS LICENSED AS (**LIST ALL LICENSE NUMBERS**)

AGENT YES NO _____

BROKER YES NO _____

SURPLUS LINES BROKER YES NO _____

ARE YOU A RETAILER OR WHOLESALER ?

**ATTACH COPY OF LICENSE(S)
INCLUDE COPY OF DEC PAGE OF E&O POLICY or
CERTIFICATE OF INSURANCE**

NAME OF BANK: _____ CITY & STATE _____

Account Number _____

PLEASE COMPLETE

How did you hear about us?

Rough Notes Magazine Internet: Program Business IMMS Target Market Programs

Referral: Underwriter Another Agent From a Staffing Firm

Do you currently write any staffing firms? Packages Workers' Compensation

If Yes, Estimated Premium\$ _____ Est. Premium \$ _____

Number of accounts? _____ **Number of Accounts** _____

NAME OF ERRORS & OMISSIONS CARRIER: _____ Exp Date: _____

LIMIT OF LIABILITY _____ Policy Number. _____

Prepared by _____ Title _____ Date _____

Name of Contact regarding credit and collection: _____

Contacts email address _____

RETURN TO CIC INSURANCE BROKERS, LLC, 8225 SOUTH FM 707, ABILENE, TEXAS 79602