

BROWN & BROWN OF CALIFORNIA, INC.
PRODUCER AGREEMENT

THIS PRODUCER AGREEMENT (this “Agreement”), effective as of the date appearing next to the signature line, is made and entered into by and between **BROWN & BROWN OF CALIFORNIA, INC.**, a California corporation (“General Agent”) and [REDACTED], a California corporation (“Producer”). General Agent conducts its insurance operations through separate business units. As used in this Agreement, the term “General Agent” shall refer to these business units and any other entities that may be affiliated through common ownership and/or managed by General Agent as agent for maintaining producer relationships.

Background

Producer desires to place contracts of insurance through companies represented by General Agent (those companies referred to herein as “Insurer” or “Insurers”) and utilizing the underwriting facilities, knowledge, and services of General Agent. General Agent is willing to offer facilities to Producer for the placement of insurance by admitted and/or non-admitted Insurers. In consideration of the mutual promises contained in this Agreement, it is agreed as follows:

1. Authority. Producer has authority, pursuant to the terms of this Agreement, to submit accounts or risks to General Agent for the purpose of placement and procurement of insurance coverage with Insurers and utilizing the underwriting facilities, knowledge, and services of General Agent. This Agreement, and the relationship between the parties and their officers and employees, is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between Producer and General Agent. Producer is for all purposes an independent contractor. General Agent, in its sole discretion, shall judge whether to accept, reject or submit to Insurer for acceptance any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer agrees to the following express limitations of authority:

(a) *Binding Authority.* Producer has no authority to bind General Agent or any of its principals, or commit to issue binders or policies of insurance on behalf of General Agent or to make any representation not strictly in accordance with the policies and contracts placed pursuant to the terms of this Agreement. Producer shall not make, alter, or vary any terms of coverage, or modify the terms of payment of any premium or deposit, or incur any liability for General Agent. The Producer will act in accordance with any Insurer’s policies and administrative guidelines that are communicated to it by General Agent.

(b) *Co-Producers.* Producer shall not act as an underwriter, re-broker or co-broker (double broker) for any application submitted or policy placed or procured pursuant to this Agreement without the express written consent of General Agent.

(c) *Certificates and Evidence of Insurance.* Producer has no authority to issue or communicate certificates of insurance or evidence of insurance on behalf of General Agent or Insurers unless: (i) such authority is expressly authorized in writing by the General Agent and the Insurer; or (ii) such authorized certificates or evidence is strictly in accordance with the Insurers policies and contracts and terms of this Agreement. Producer will act in accordance with any Insurer’s policies and administrative guidelines that are communicated to it by General Agent. If Producer provides copies of certificates or evidence of insurance to General Agent, General

Agent will not review, analyze or otherwise comment on the accuracy, completeness or propriety of any certificate and will not have any responsibility to provide copies of such certificates or evidence of insurance to Insurers unless required by the respective Insurer's contract with General Agent. Producer is solely responsible for the accuracy and completeness of any certificate or evidence issued.

(d) **Minimum Aggregate Premium.** Producer agrees to annually place at least **\$50,000.00** in Property and Casualty premium ("Minimum Aggregate Premium") with General Agent's. If Producer fails to meet the Minimum Aggregate Premium requirement, General Agent may terminate this Agreement without further obligation to Producer.

2. Producer's Representations and Warranties. As a material inducement for General Agent to enter into this Agreement, Producer represents and warrants the following:

(a) *Licensing.* Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this Agreement and will furnish proof of such licensing upon request by General Agent. Producer will promptly notify General Agent of any suspension, cancellation or disciplinary action with respect to its license(s).

(b) *Errors & Omissions Coverage.* Producer now has and shall maintain agent's professional liability (Errors and Omission) insurance coverage with a minimum aggregate policy limit of five million dollars (\$5,000,000) while this Agreement is in force and will furnish proof of such coverage upon request by General Agent. Producer will provide General Agent with prompt written notice of any material change, cancellation or other termination of this coverage.

(c) *Insurance Applications.* Any and all information provided in connection with any application for insurance subject to this Agreement shall be true and complete. Producer further represents and warrants that such applications shall contain no material misrepresentations of any kind.

(d) *Producer Information.* All information in the attached Producer Application is true and correct. The Producer shall give General Agent prompt notice of any change in information.

(e) **Excess and Surplus Lines Placement.** Producer shall not place an order with General Agent for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring the Producer to attempt to procure such insurance from insurers authorized to do business in the state of residence of the proposed Insured. The party responsible for the payment of surplus lines taxes shall be responsible for full compliance with all relevant surplus lines laws of the pertinent state, including, but not limited to, the collection and payment of surplus lines taxes, filing of affidavits, and providing the appropriate statutory and/or regulatory disclosure legends on all documents.

3. Commissions and Premiums.

(a) *Commissions.* General Agent shall allow Producer, as commission, a percentage of the premium written at a rate agreed upon by General Agent and Producer from time to time.

(b) *Premium and Accounts.* Producer shall accept General Agent's billings, which may take the form of binders, invoices, statements or similar communications. The net balance

due as shown on such billings shall be paid by the billing due date, irrespective of whether a policy has been delivered to Producer by such date. Producer guarantees the full payment due General Agent of all premiums including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission, on every insurance contract bound or written for Producer pursuant to this Agreement, whether or not collected by the Producer. General Agent's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing Insurer. The omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for and pay all amounts due; (2) prejudice the rights of General Agent to collect all amounts due from Producer; or (3) extend the time within which Producer must make payment. *Producer's obligation to make payment to General Agent is not contingent upon the issuance of the policy.* Any credit extended to the Insured or others shall be at the sole risk and responsibility of the Producer unless otherwise agreed in writing by General Agent.

(c) *Adjustable Premiums.* Notwithstanding anything to the contrary herein set forth, in situations where premiums for a policy or policies which have been issued cannot be fully determined in advance and where an adjustment or determination is made by an audit, retrospective rating or by interim reports, such amounts are fully earned and due at the invoice date as evidenced by a General Agent or Insurer invoice.

(d) *Collection of Premium.* Producer will make all reasonable efforts to collect amounts due. Producer will be relieved of responsibility for premium, so adjusted or determined, if Producer notifies General Agent in writing within twenty (20) days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums and *provided the Insurer releases General Agent from liability for such premium.* A copy of the Producer's invoice to the insured, as well as copies of correspondence pertaining to the collection, must be sent with this notification. Failure to give General Agent timely notice shall constitute Producer's acceptance of responsibility for payment of such premiums. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by General Agent or Insurer under this provision. If, after a period of sixty (60) days from the date liability was assumed by the Insurer, General Agent has not received payment due for the applicable coverage, General Agent may, at its option, collect from the insured the premium due. In the event General Agent collects the premium or any party thereof from the insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by General Agent to collect from insured shall not relieve Producer of liability to General Agent except to the extent of amounts actually collected by General Agent from insured, less the expense of such collection. In the event General Agent shall have to bring any action or proceeding to enforce collection of any amount due under the terms of this Agreement, Producer agrees to pay all costs incident thereto, including reasonable attorney's fees, incurred by reason of such action or proceeding.

(d) *Refunds of Premiums & Premium Tax.* In the event of cancellation or modification of an insurance contract for whatever reason that results in an obligation to refund all or part of the premium and/or premium tax, General Agent's sole obligation shall be to remit the required premium or premium tax directly to Producer rather than to insured, to any premium finance company or to any other person or entity. Notwithstanding the foregoing, no amount of premium tax shall be returnable until recovered by General Agent and the amount to be returned shall in no event exceed the amount recovered.

(e) *Unearned Commissions.* Producer shall be liable to General Agent and shall pay return commission at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or finance company. Such return commission shall be paid to General Agent by the due date indicated on the billing document. If a return premium becomes due under any contract of

insurance and General Agent has been issued a credit, or payment has been rendered, for such premium by General Agent's Insurer, General Agent will pay to Producer such return premium less the unearned portion of any commission previously retained by the Producer.

(f) *Financed Premiums.* On all premiums which have been financed General Agent will remit payment for any return premium, less unearned commission, directly to the Producer. The ultimate liability of General Agent for payment to a finance company, Producer or Insured shall never exceed the amount of return premium less unearned commission developed. Producer agrees to hold General Agent harmless from any responsibility for payment from finance company and further agrees that financing arrangements do not diminish the responsibility for timely payment of premium by the Producer.

4. Premium Funds Held In Trust. Producer shall hold premium funds in a fiduciary account for business generated under this Agreement to the extent required by the applicable law of each state in which Producer conducts business. Provided Producer is in compliance with all terms of this Agreement and applicable law, Producer may retain any interest earned on said premium funds while so held by the Producer.

5. Claims. Producer shall notify General Agent promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with General Agent to facilitate the investigation and adjustment of any claim when and as requested by General Agent.

6. Cancellation of Insurance. Notwithstanding anything to the contrary in this Agreement, but subject to applicable legal requirements and insurance contract provisions, General Agent shall have the right to cancel any binder, policy or contract of insurance issued. General Agent will not recognize flat cancellations unless (1) written evidence of coverage prior to the inception date of the contract for insurance is provided; and (2) such credit has been granted General Agent by its Insurer. Earned premium shall be computed and charged on every binder, policy or contract cancelled after the inception date in accordance with the cancellation provision of the applicable contract and/or rules of the Insurer. If Producer does not make timely payment of any sums due General Agent, then General Agent may, without limitation of other remedies, initiate with Insurer to cancel the binder, policy or contract for non-payment. If coverage is bound by General Agent, all additional fees charged by General Agent for the entire policy term shall be fully earned upon binding. Producer hereby acknowledges that General Agent and its Insurers are under no duty to reinstate a policy if the policy is cancelled. Producer shall not accept from any insured the late payment of premiums with prior knowledge, whether actual or constructive, that the policy for which the late premiums have been collected has been cancelled.

7. Advertising. Producer shall not cause any advertisement referring to or using the name of General Agent or Insurer, or issue or cause to have issued any letter, circular, pamphlet, or other publication or statement so referring, without the express written consent of General Agent. In the event General Agent suffers a loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for and hereby agrees to indemnify General Agent and hold General Agent harmless from all resulting damages, fines, penalties and costs.

8. Confidentiality. The parties to this Agreement hereby represent and acknowledge to each other that in the course of the performance of their respective obligations, they will each make available to the other party certain information pertaining to each party's business and operations ("Information"). Each party hereby agrees that as a condition to being provided the Information, that neither party will use any Information except in connection with the performance of duties hereunder. Each party agrees not to disclose any Information to any one

other than employees, officers and directors of such party, that have a need to know, and to cause all such persons to abide by this Agreement. The limits on use and disclosure will not apply to any Information which (a) at the time of disclosure is generally available to the public or (b) which becomes generally available other than through a breach of this obligation of confidentiality.

9. Inspection of Records. During the term of this Agreement, and for a period of three (3) years following termination for any reason, General Agent shall have the right to audit and inspect Producer's books and records concerning the business to which this Agreement applies. Such right of audit and inspection shall be during normal business hours upon reasonable notice to Producer. The costs of such audit and inspection, including the costs of making copies of relevant records, shall be borne by General Agent.

10. Ownership of Accounts. In the event of termination, so long as Producer has promptly accounted for and paid all premiums or return commissions for which it may be liable, the Producer's records and use and control of expiration, shall remain the property of Producer; otherwise, use of record and control of expirations shall be vested promptly and exclusively in General Agent.

11. Termination of Agreement. This Agreement may be terminated immediately at any time by either party giving written notice to the other by certified mail, return receipt requested. This Agreement will also terminate: (1) automatically, if any public authority cancels or declines to renew the Producer's license or certificate of authority; (2) automatically, on the effective date of the sale, transfer, or merger of Producer's business with the provision General Agent may, upon review, appoint the successors as a Producer; or (3) immediately, upon either party giving written notice to the other of termination because of fraud, insolvency, failure to pay balances, or willful or gross misconduct. All representations and obligations of the Producer herein shall survive the termination of this Agreement.

After the date of termination of this Agreement, Producer shall complete the collection and accounting to General Agent for all premiums, commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding policies of insurance, including but not limited to, return premium and return commissions. Outstanding policies will be permitted to run to expiration.

12. Indemnification and Hold Harmless. Producer shall indemnify, defend and save General Agent harmless from any loss, claim, liability, damage and expense (including attorney's fees and expenses of litigation or regulatory proceedings) which General Agent may incur or suffer by reason of any breach of the terms, conditions, representations or warranties in this Agreement including, but not limited to, any certificate or evidence of insurance issued or communicated by Producer or any material inaccuracy or misrepresentation of any term, condition or other representation by Producer, or any sub-producer or sub-broker of Producer. Producer understands that General Agent assumes no responsibility for any policy with regard to the adequacy, amount or form of coverage and agrees to indemnify and hold General Agent harmless from any claim asserted against General Agent in following the instructions of the Producer. General Agent is not an insurer and does not guarantee the financial condition of the Insurer with whom it may place risks. General Agent shall have no liability for non-payment of claims due to the insolvency of an Insurer, or otherwise, under contracts of insurance placed by General Agent.

13. Alternative Dispute Resolution. The parties hereby agree that all disputes, controversies or claims of any kind and nature between the parties arising out of or in any way

related to this Agreement, its interpretation, performance or breach, shall be resolved exclusively by the following alternative dispute resolution mechanisms:

(a) *Negotiation.* The parties shall first engage in a good faith effort to negotiate any controversy or claim by communications between them. Said negotiations may be oral or written. To the extent they are oral, they must be confirmed in writing.

(b) *Mediation.* Should the above-stated negotiations be unsuccessful, the parties shall engage in mediation pursuant to the rules promulgated by the National Arbitration Forum relating to commercial mediations. Any costs relating to or arising out of mediation shall be borne equally between the parties.

(c) *Arbitration.* Should the above-stated be unsuccessful, the parties shall arbitrate any controversy or claim with the express understanding that this Agreement is affected by interstate commerce in that the goods and services which are the subject matter of this Agreement, pass through interstate commerce. Said arbitration shall be conducted pursuant to the rules promulgated by the National Arbitration Forum relating to commercial mediations (the "Arbitration Rules"). Any costs relating to or arising out of arbitration shall be borne by the party against whom an award is issued.

THE PARTIES UNDERSTAND AND AGREE: (i) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (ii) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (iii) THAT THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (iv) EITHER PARTY'S RIGHT OF APPEAL TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED. VENUE FOR MEDIATION AND/OR ARBITRATION UNDER THIS PARAGRAPH SHALL BE IN THE CITY OF ORANGE, STATE OF CALIFORNIA.

14. Miscellaneous.

(a) *Waiver of Default.* Failure of General Agent to enforce any provision of this Agreement or to terminate it because of a breach shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer. No breach of any provision of this Agreement can be waived unless done so in writing, executed by the waiving party. The waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement.

(b) *Severability.* If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the Agreement shall be enforceable independently of any other provision, unless expressed otherwise herein.

(c) *Assignment.* This Agreement and the obligations hereunder may not be assigned by Producer without the prior written consent of General Agent.

(d) *Governing Law.* This Agreement shall be deemed to have been made and performed in Orange County, California and shall be governed by, and construed and enforced in accordance with the laws of the state of California. The rights, duties and obligations of the parties to this agreement to such extent they are not dealt with specifically or by necessary

implication in this Agreement shall be in accordance with the customs prevailing in the excess and surplus lines insurance industry in the state in which the Producer is domiciled.

(e) *Entire Agreement.* This Agreement constitutes the entire agreement between General Agent and Producer and supersedes and replaces any previous agreements between General Agent and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by General Agent. This Agreement shall apply to current policies already placed through General Agent and in force at the date hereof and all future policies which may be placed by General Agent for Producer.

15. Execution and Acceptance of Agreement. Producer acknowledges that a breach of any of the terms, conditions, or provisions of this Agreement by the Producer may give rise to a cause of action by General Agent against the Producer and/or may result in disciplinary action by General Agent, including but not limited to, the termination of this Agreement, all in the sole discretion of General Agent. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs. If this Producer is an individual, the individual must sign; if the Producer is a partnership, one of the partners must sign; if the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. The parties hereto agree this Agreement shall not become effective until accepted by General Agent.

Producer: _____

By: _____

Title: _____
(Must be Owner, Partner or Authorized Officer)

Date: _____

Agreement Accepted and Effected by General Agent.

By: _____

Title: _____

Date: _____

Please complete, sign and return ORIGINAL AGREEMENT along with the following:

1. Copy of your INSURANCE LICENSE issued by your state of residence.
2. Copy of your E & O Policy Dec Page.
3. Completed W-9 Form
4. Agency Services Agreement
5. Producer Application

Please check one: Corporation () Partnership () Sole Proprietorship ()

Federal Tax I.D. Number: _____ (SS Number if Individual)

Surplus Lines License Number: _____ (If applicable)

Agency Services Agreement

This Agency Services Agreement (this "Agreement"), dated as of _____ (the "Effective Date"), is entered into by and between _____, a California corporation (the "Producer"), and **BROWN & BROWN OF CALIFORNIA, INC.**, a California corporation ("Brown & Brown").

Upon execution of this Agreement, Producer agrees to pay Brown & Brown a per policy fee equal to \$100.00 (the "Fee") as consideration for Brown & Brown's placement of insurance business on behalf of Producer and the services provided in connection with the Producer Agreement, dated as of _____, including but not limited to the following:

- a. Review and analyze insurance coverage and identify potential lines of coverage or coverage enhancements to improve the insurance program.
- b. Analyze current insurance market conditions and advise Producer of significant implications relating to the insurance programs of Producer's customers.
- c. Facilitate, market and procure quotations from carriers, review and analyze quotations and provide proposals for review by Producer.
- d. Secure and bind all coverages accepted by the Producer's customers.
- e. Coordinate loss prevention services provided by any insurance company with those services provided by Brown & Brown.

Producer acknowledges that Brown & Brown may receive commission payments, in addition to the Fee, from insurance company(ies) in connection with the procurement of insurance coverage on behalf of the Producer.

This Agreement shall become operative on the Effective Date and shall continue in full force until terminated by either party; provided, however, that no termination shall affect the Producer's obligations to pay the Fee to Brown & Brown.

BROWN & BROWN:

BROWN & BROWN OF CALIFORNIA, INC., a California corporation

By: _____
Name: _____
Title: _____

_____, a California corporation

By: _____
Name: _____
Title: _____

Producer Registration Application

Contact Information:

First Name:

Last Name:

Email Address:

Job Title

Department

Producer/Agency Information:

Agency Name:

Agency Website: www.

Street Address:

City:

State:

Zip Code:

Work Phone #: ()

Ext.:

Fax Phone #: ()

Marketing / Sales:

Manager's Name

Email:

Operations Information:

How is organization licensed? (Choose all that apply)

Agent General Agent Excess & Surplus Lines Other (Please Describe Other)

Please confirm that you are fully licensed in all the states in which you are submitting your business.

Yes No

Commission Income Breakdown

____% Retail ____% Wholesale General Brokerage ____% MGA (Binding Authority) ____% Other

Premium Volume and Distribution

Premium Volume (approximate for current year): \$ _____

____% Commercial Lines

____% Personal Lines

____% Other (Please Describe)

Personnel

Breakdown of Organization's Staff (number):

- Principals / Owners
- Producers (Salespeople)
- Other Licensed Employees
- Other Employees
- Total Staff

Financial and Other Information

Internal Accounting Contact Name:

Phone number: () ext.

Do you maintain Employee Dishonesty Coverage for all Officers and Employees?

Yes No

Do you Maintain Errors & Omission Coverage?

Yes No

Have you or any officer, director or member of your organization ever had an insurance license suspended or terminated for any reason, or ever been subject to any disciplinary action?

Yes No. If Yes, please explain

Is there any pending or threatened litigation or judgments within the past five years exceeding \$10,000 against the broker or any principals of the organization? Yes No.

If Yes, please explain