



INSURANCE PRODUCER AGREEMENT

THIS AGREEMENT, effective on _____, 20___, and continuing until terminated pursuant to this Agreement, is between Manchester Specialty Programs, Inc. a Delaware Corporation, with its office and principal place of business at 1000 Elm Street, 19th Floor, Manchester, NH 03101 (hereinafter called “MSP”), and

_____,
(Name of Agency/Producer)

with its office and principal place of business at:

_____,
(Address, City, State, Zip Code)

(hereinafter called the “Producer”).

Whereas, the Producer wants MSP to place certain risks of Producer’s clients with various Insurance Carriers (“Insurer/Carrier”), in compliance with the laws, rules and regulations as they pertain to the placement of such risks, it is mutually agreed as follows:

I. Conduct of Business

- (a) Producer warrants to MSP that it is duly authorized and licensed to transact business as an insurance producer in accordance with the provisions of its state of commercial domicile and any state in which it transacts MSP business. Producer agrees to properly renew and maintain any and all required licenses, individually and corporately, for the duration of this Agreement. **A copy of Producer’s license in each state Producer wishes to do business with MSP is to be provided upon execution of this Agreement.**
- (b) Producer acknowledges that they are an agent or broker of the insured and have no binding authority or any authority to act on behalf of MSP pursuant to this Agreement. MSP does not grant or delegate any authority to Producer by this Agreement.
- (c) No act or statement of Producer shall in any way be binding on MSP or any Insurer(s) represented by MSP.
- (d) Neither the term “Producer” nor anything contained in this Agreement or in any of MSP rules, regulations or practices shall be construed as creating the relationship of employer and employee between Producer and MSP. Producer is an independent contractor and is expected to exercise Producer’s own judgment and discretion in the conduct of Producer’s business subject to this Agreement.

- (e) Producer shall hold as a fiduciary in trust any premiums paid to or collected by Producer which is due to MSP. Producer shall pay to MSP all premiums and fees due MSP in accordance with MSP procedures and instructions.
- (f) Producer will be liable to MSP for the full amount of premium less commission and applicable state taxes, including any additional premiums developed under audits or other premium adjustment, whether or not collected from the Insured, on every insurance contract placed by Producer with MSP. Such premiums and taxes shall be due by Producer from the date that liability is assumed by the Insurer and are to be remitted to MSP as follows:

Producer agrees to remit full net payment prior to the effective date of each new business policy. For renewal business and endorsements, full net payment must be made within ten (10) days of the effective date of the policy or endorsement. If payment is not received in accordance with these time frames, a late charge may be assessed, and policy(ies) may be subject to cancellation for non-payment per state law and regulations.

For business designated as Direct Bill, Producer shall be responsible for remitting payment of the deposit premium, whether or not collected from the Insured. The Insured then remits all future payments directly to the Carrier on Direct Bill policies.

All audit premiums and retrospective adjustments are due when invoiced. Audit premiums determined to be uncollectible must be returned to MSP within twenty (20) days of the invoice date. No commissions shall be due to the Producer for returned audit premiums which are subsequently collected.

Producer is responsible for the collection of the appropriate surplus lines taxes and fees if applicable, and to file the appropriate surplus lines forms and affidavits and remit all surplus lines taxes as required by state law and regulations.

- (g) Any credit extended to the Insured shall be Producer's sole risk and responsibility.
- (h) In the event Producer fails to remit premiums as agreed herein, MSP will be entitled to the full reimbursement of all collection costs, including reasonable attorney's fees.
- (i) MSP agrees to arrange for the issuance of requested policies, endorsements, or other coverage related forms and will forward them to Producer for distribution electronically.

II. Commissions

Producer is entitled to commissions, in accordance with a commission amount as agreed to by MSP from time to time or policy to policy. Producer is authorized to deduct commissions from premium paid to or collected by Producer on Agency Bill business.

In the event of return premium being due to policyholders on Agency Bill business, commission shall be returned at the same rate as paid or deducted. Commission will only be paid on that portion of the premium collected. Producer will be obligated to pay return commission to MSP on any Direct Bill return premiums or adjustments. No commission will be payable on accounts that have been sent to collections.

III. Indemnification

- (a) MSP will indemnify and hold Producer harmless from and against all claims, losses, damages, liabilities, judgments or settlements, including reasonable costs, expenses and attorneys' fees, which Producer becomes obligated to pay, arising out of MSP relationship under the provisions of this Agreement and which are caused by MSP act, error or omission except to the extent that Producer caused, contributed to or compounded such act, error or omission.
- (b) Producer will indemnify and hold MSP harmless from and against all claims, losses, damages, liabilities, judgments or settlements, including reasonable costs, expenses and attorneys' fees, which MSP becomes obligated to pay, arising out of MSP relationship under the provisions of this Agreement and which are caused by Producer's act, error or omission except to the extent that MSP caused, contributed to or compounded such act, error or omission.
- (c) It is a condition precedent to MSP undertaking in this Section III that Producer shall notify MSP promptly and in writing whenever Producer shall become aware of a claim or the commencement of a lawsuit against Producer for which MSP has undertaken to indemnify Producer. Producer shall be entitled to participate in or, subject to MSP rights provided for in this Section, to assume Producer's defense with legal counsel satisfactory to MSP; provided, however, that Producer shall not admit liability, make any payment or incur any cost without MSP written consent, except at Producer's own expense. MSP shall have the right, at MSP option at any time, to assume the defense of such claim or lawsuit with counsel of MSP choice. If MSP assumes such defense MSP shall not be liable to indemnify Producer on any attorneys' fees or expenses incurred after Producer is notified of MSP assumption of the defense.

IV. Termination

This agreement is subject to termination as follows:

- (a) By Producer or by MSP, upon not less than ten (10) days' advance written notice, the last day of which period shall be referred to hereinafter as the "Termination Date."
- (b) Immediately and without prior written notice to Producer, in the event that any public authority suspends, revokes or refuses to renew Producer's license or certificate of authority and or failure to renew Producer's license or Errors & Omissions policies.



- (c) Immediately and without prior written notice to Producer, in the event of any merger, sale, transfer or assignment of Producer's agency assets or any or all of the capitol stock thereof, unless Producer notifies MSP prior to such event and MSP consents thereto in writing.
- (d) Immediately upon written notice to Producer in the event of Producer's insolvency, filing a petition in bankruptcy by or against Producer, assignment for the benefit of creditors, abandonment of Producer's business operations, willful misconduct, abuse of authority, fraud or material misrepresentation, or other material breach of any provisions of this Agreement.
- (e) Immediately upon written notice to Producer in the event that Producer fails to pay MSP any premiums due to MSP in accordance with this Agreement.

Notwithstanding the provisions of items listed above, the termination of this Agreement shall in no way eliminate Producer's duties and/or obligations with respect to the collection and payment of premiums and/or commissions on the insurance written under this Agreement or with respect to other transactions unaccounted for at the time of the termination.

V. Waiver

Neither Producer nor MSP shall be deemed to have waived any right under this Agreement unless such waiver is in writing and signed by Producer and MSP. No delay or omission on the part of either Producer or MSP in exercising any such right shall operate as a waiver of such right or any other right. A waiver of any right on one or more occasions shall not be construed as a bar to or waiver of any right on any future occasions.

VI. Advertising

- (a) Producer may broadcast, publish and distribute materials referring to MSP and to MSP products and services provided, however, that Producer shall first secure MSP written authorization with respect to any and all such materials.
- (b) Producer shall not employ, reproduce or display MSP trademark, service mark, logo or other identifying symbols in any such manner whatsoever without first obtaining MSP written authorization.

VII. Insurance Coverage

Producer agrees to maintain Professional Liability/Errors and Omissions Insurance Coverage with limits not less than \$1,000,000 per claim for the duration of this Agreement with an Insurer with a rating from A.M. Best of "A" or greater and shall **provide MSP with appropriate evidence of such insurance upon execution of this**



Agreement and annually thereafter. Producer further agrees to maintain in force Fidelity Coverage for the duration of this Agreement.

VIII. Automatic Compliance

If and to the extent that any of the provisions of the Agreement, any Schedule of Commissions or any addendum or amendment to this Agreement are or become in conflict with any applicable federal statutes or regulations or those of the state in which Producer is located, such provisions shall be deemed to be amended to conform to those statutes or regulations.

IX. Assignment and Severability

This Agreement shall not be assigned by Producer, in whole or in part, to any person or entity without MSP prior written authorization. If any provision of this Agreement is to be held invalid, illegal or unenforceable, that action shall not affect or impair, in any way, the validity, legality or enforceability of the remainder of this Agreement.

X. Complete and Exclusive Agreement

This Agreement supersedes any and all previous agreements, between Producer and MSP, whether written or oral, and represents the complete and exclusive agreement between Producer and MSP as to the subject matter hereof. Any and all previous agreements between MSP, if any, are hereby terminated as of the effective date hereof.

XI. Notices

All notices, claims or demands required or permitted to be given hereunder shall be in writing and shall be delivered by hand, or mailed (properly addressed and postage prepaid, either by certified or registered mail with return receipt requested or by first class mail), or by overnight courier, or by facsimile with confirming copy by first class mail to be mailed on the same day as the facsimile was transmitted. All such notices shall be delivered to Producer at the most current address provided by Producer. Notices to MSP shall be delivered or facsimile shall be deemed delivered when received by the addressee. Notices mailed (by United States Mail or overnight courier) shall be deemed delivered when mailed. Facsimile notices shall be deemed delivered upon confirmation of transmission to the facsimile number provided by the addressee.

XII. Ownership

Both parties hereto expressly recognize Producer's independent ownership of Producer's insurance business, however, in the event it is necessary for MSP to cancel this Producer



Agreement due to Producer's failure to remit premiums due to MSP, MSP shall be entitled to all rights or claims to subsequent renewals, additional premiums, or commissions thereon, up to the amounts owed, including the cost to collect amounts due.

XIII. Applicable Law

This Agreement shall be construed in accordance with the Laws of the State of New Hampshire (without giving regard to any conflicts of law provisions thereof).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives:

For the Producer:

For Manchester Specialty Programs Inc.:

By: _____
(Signature)

By: Karen E. Morrissette
(Signature)

(Type or Print Name)

Karen E. Morrissette
(Type or Print Name)

Title: _____

Title: Assistant Vice President

Date: _____

Agency Name: _____

License #: _____

Surplus Lines License # (if applicable): _____

Federal ID#: _____

Agency is a : Corporation Partnership Sole Proprietor LLC Other

PLEASE ATTACH THE FOLLOWING:

- Agency and Producer License(s), proof of E&O coverage and W-9 Form (if applicable).

Return to:

Manchester Specialty Programs, Inc.
1000 Elm Street, Suite 1900 Manchester NH 03101
Phone: 1-603-626-8181 Fax: 1-603-622-4226
www.manchesterspecialty.com