

# Surplex Underwriters, Inc.

PO BOX 105  
WESTBROOK, MAINE 04098

## PRODUCER AGREEMENT

This agreement is made and entered into by and between:

(Producer): \_\_\_\_\_

(Mailing Address): \_\_\_\_\_

(Phone): \_\_\_\_\_ (Fax): \_\_\_\_\_

Web page address: \_\_\_\_\_

hereinafter referred to as "The Producer" and Surplex Underwriters, Inc. herein after referred to as "The Agent". Whereas the Producer desires to effect business with the Agent and the Agent desires to arrange acceptable offerings, now, therefore, the Producer and the Agent agree to be bound by the following terms with respect to such business as is accepted.

### SECTION I-REPRESENTATION

The producer shall not bind the Agent as respects any insurance without the prior authorization of the Agent in each case; nor shall he place any advertisement respecting the Agent without prior consent of the Agent in writing. In case of unauthorized action of the Producer, the Producer agrees to pay all costs and damages arising there from.

It is further agreed that no Insurance Contract, Policy, or Binder may be returned to the Agent by the Producer for "Flat" cancellation unless the Contract, Policy, or Binder is returned prior to the inception of effective date of the Contract, Policy or Binder. An Earned Premium shall be computed and charged on every Contract cancelled after inception in accordance with the cancellation provisions of such Contract, Policy or Binder.

### SECTION II-RESPONSIBILITY FOR PAYMENT

Execution of this agreement will serve as a guarantee by the Producer to pay all earned(including applicable taxes or fees)on insurance contracts arranged by the Agent, regardless of the collectability or collection status of the account by the Producer.

The Agent shall be entitled to reimbursement covering cost of collections, including, but not limited to, reasonable attorney's fees incurred in effort to collect unpaid premiums. The Agent is also entitled to reimbursement of any penalties levied by a government agency or Surplus Lines Association due to failure of the Producer to remit proper taxes and/or fees if said Producer holds the applicable Surplus Lines License in his domicile state.

### SECTION III-REMITTANCE

In consideration of the acceptance of insurance business from the Producer by the Agent, it is agreed and understood that the Producer will pay to the Agent, at the Agent's principal place of business, the balance due on all certificates, policies, and other balances relating to insurance arranged by the Agent.

The Agent will render the Producer a statement of premiums due reflecting all transactions incurred during the previous month. The balances showed therein to be due the Agent, representing all premiums reported less return premiums for cancelled policies, shall be remitted by the Producer no later than 25<sup>TH</sup> day of the following month, unless otherwise agreed to by Agent

In the event of a sale of the Producer's business to a party unknown to the Agent, at the time of this agreement's execution, all responsibility for premium remittance as agreed under this document, shall remain the responsibility of the undersigned Producer, personally, and not that of the purchasing third party. The new ownership of the Producer's business must sign and execute a new Producer Agreement in order to continue the agreement.

### SECTION IV-COMMISSIONS

The Agent shall allow the Producer, as commission, a percentage of the premium on each policy written under this agreement at a rate mutually agreed upon by the Agent and the Producer. The Agent agrees to pay commission on all additional premiums at the same rate such commissions were originally retained. The Producer shall be obliged to pay return commission at the same rate on any return premiums, including, but not limited to, return premiums on cancellations or reductions ordered and return premiums payable as a result of amended policy terms.

### SECTION V – ERRORS & OMISSIONS COVERAGE

Producer warrants that Producer now has and shall maintain Errors & Omissions Coverage with a minimum liability limit of \$1,000,000 while this Agreement is in force. Producer must furnish proof of this coverage at the time this Agreement is signed and any time in the future that the Agent requests proof of its existence. Producer will immediately notify Agent of any changes in limits or termination of said Error & Omission coverage

### SECTION VI-TERMINATION

This agreement may be terminated at any time by written notice or either party to the other, but said termination shall not alter, in any way, the continued application of this agreement to insurance policies effected prior to the date of such termination.

The Agent expressly recognizes the independent ownership of the insurance business placed under this agreement; however, in the event the Agent elects to cancel this agreement for violation of its terms by the Producer, the Producer relinquishes all rights or claim to subsequent commission or additional premium commissions insofar as such may be necessary to satisfy the interest of the Agent under this agreement.

### SECTION VII-CLAIMS

The Producer has no authority to handle claims in any manner other than to report to the Agent of their occurrence which the Producer undertakes to do immediately upon his knowledge of the same.

**SECTION VIII-EXECUTION**

Execution of this agreement constitutes full agreement and understanding between the parties with each of the seven sections above. Proper execution requires that if the Producer is doing business as an individual, he must personally sign the agreement in his own name and not in the name as an agent. If the Producer is co-partnership, this agreement must be executed by the firm and by each member thereof in his individual capacity. If the Producer is a corporation, the agreement must be executed by an authorized Corporate Officer.

The Producer, in acknowledging this agreement, certifies that he is properly licensed to conduct the business to be arranged and will act in accordance with all applicable state laws.

**Agency Profile:**

Legal status of Agency \_\_\_\_ sole proprietor \_\_\_\_ partnership \_\_\_\_ corporation  
(incorporated in the state of \_\_\_\_\_) Tax ID # \_\_\_\_\_

Surplus Lines License # \_\_\_\_\_ Exp date \_\_\_\_\_

Agency Volume \_\_\_\_\_ P&C \_\_\_\_\_ Life/Health \_\_\_\_\_

Approximate Volume placed in Surplus Lines Markets \_\_\_\_\_

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**Producer:**

Witness this \_\_\_\_\_ day of \_\_\_\_\_ Yr \_\_\_\_\_

\_\_\_\_\_  
(Agency Principal Signature)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

**Agent:**

Witness this \_\_\_\_\_ day of \_\_\_\_\_ Yr \_\_\_\_\_

\_\_\_\_\_  
(Surplex Underwriters Signature)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)