

Heritage Specialty Insurance Agency, LP Producer Agreement

This Agreement effective _____, 20____, is between Heritage Specialty Insurance Agency, LP (hereinafter described as “Heritage”), and _____
_____, (hereinafter described as “Producer”).

The parties, in consideration of the mutual covenants and agreements contained herein, intending to be legally bound, agree as follows:

- 1. Limitations on Authority:** Producer shall have no authority to bind insurance, issue policies, modify the terms of any insurance policy(ies) placed with or through Heritage; adjust, settle, or pay claims; nor, appoint adjusters or attorneys. Any insurance risk for which Heritage’s written consent is not obtained in advance shall not be covered. Producer specifically agrees to indemnify and hold harmless Heritage and the insurer for any violations of this provision in accordance with Paragraph 12 hereinafter set forth.

- 2. Provision Relating to Earned Premiums:** Upon cancellation of any binder and/or policy of insurance for any cause, Producer shall be liable for any earned premiums. Heritage may cancel or have cancelled binders and policies in accordance with applicable regulatory requirements and the cancellation provisions of such binders and policies. No binder or policy may be returned for flat cancellation after the effective date of the binder or policy without the written consent of Heritage. All policy and agent fees are fully earned when billed by Heritage and are not subject to full or partial refund in any event.

- 3. Claims:** The Producer shall immediately notify Heritage of all claims, suits, and notice of loss or demands for mediation or arbitration reported to Producer. Producer agrees to cooperate fully with Heritage, the insurers, and their associates, to facilitate the investigation, adjustment, settlement, payment and/or resolution of any claim.

- 4. License:** Producer shall provide proof of proper licenses as required by the Producer’s state of domicile and all states in which insurance is bound in accordance with this Agreement. Producer warrants that all licenses necessary to conduct the business that is the subject of this agreement are now and will remain in force. In the event that any such license lapses or expires without renewal or terminates for any reason, the Producer shall immediately notify Heritage. Such termination or expiration must be reinstated within thirty (30) days or this Agreement will automatically terminate. No commissions shall be paid to Producer during any time when Producer does not have proof of licensure as required by applicable state law.

5. Advertisements/Printed Materials: The Producer has no authority to insert any advertisements respecting Heritage, or any insurer neither used or represented by Heritage, in any publication nor issues any circular or paper referring to Heritage without first obtaining consent of Heritage in writing. In case Heritage should be subjected to loss or expense arising out of any unauthorized action or statement related to advertising of the Producer, the Producer shall be liable for all costs and damages arising therefrom, including reasonable attorney's fees.

6. Premiums: The minimum earned premium and policy fee, if applicable, must be paid to Heritage prior to binding coverage on the subject account. The net balance, including any additional premiums generated by endorsement(s), are due to Heritage within twenty (20) days of the date that the coverage is bound or any change is effective.

7. Producer: Assumes full responsibility for payment of and shall pay all premium, policy fees, taxes, stamping fees and other applicable chargers whether or not they are collected by the Producer. All additional premiums generated by audit are due within twenty (20) days of the date the audit is invoiced. In the event Producer is unable to collect additional premiums generated by audit of a policy, Producer must notify Heritage in writing and request that Heritage undertake the direct collection of audit premiums and relieve the Producer of the responsibility for the audit premium. Such a request must be made within twenty-five (25) days after Producer receives the audit. In the event Producer fails to notify Heritage in writing as indicated, Producer shall remain responsible for payment of uncollected audit premiums should companies place such demand upon Heritage. Producer waives and forfeits commissions on audit premiums on which Heritage or Heritage's company (ies) undertake direct collection.

8. Commission: Heritage agrees to pay commissions to Producer in accordance with the rates and conditions set forth in the attached Schedule A. All commissions, deposits and other amounts, if any, collected by Producer shall be held in trust on behalf of Heritage until earned. Producer shall be deemed to have earned commissions when (A) Producer is fully current in its payments to Heritage and (B) Producer is not in violation of the terms of this agreement. Producer must pay Heritage return commissions at the same rate on any return premiums. Commissions to be paid to Producer by Heritage may be modified from quotation to quotation.

9. Ownership of Expirations: During the term of this agreement, use and control of expirations are the property of the Producer. Producer agrees, however, that in the event it becomes necessary for Heritage to cancel this Agreement by reason of violation by the Producer of any of the provisions hereof which occur before or after said termination, the use and control of expirations shall, at Heritage's option, be vested in Heritage in order to satisfy the unpaid obligations of the Producer.

10. Compliance with Statute: Producer agrees to comply with all applicable laws governing the conduct of business which is the subject of this Agreement, and all licensing laws, rules and regulations of all jurisdictions where Producer solicits business.

11. Sub-Producer Business: If Producer is placing business with Heritage which is directed to him by another insurance agent or insurance broker, Producer accepts full responsibility as if he were the originator of such placements, and Producer agrees to assure compliance by Producer and sub-producer(s) with all applicable laws, rules, and regulations, including but not limited to licensing.

12. Terms/Termination:

(A) This Agreement shall commence on the effective date set forth above and all terms and provisions contained herein shall remain in effect until modified by Heritage or until termination of the Agreement by either party in accordance with the terms and provisions hereof.

(B) This Agreement may be terminated by either party upon thirty (30) days written notice to the other party; however, Heritage may terminate this agreement in writing without prior notice or may suspend the privileges of Producer hereunder if one or more of the following conditions exist:

- (1)** Producer does not maintain and provide Heritage with the satisfactory proof of all required licenses under applicable state or federal law(s);
- (2)** Producer fails to provide satisfactory evidence that they are currently covered by Errors & Omissions coverage with not less than \$1,000,000.00 coverage for each occurrence and \$1,000,000.00 aggregate;
- (3)** Producer becomes the subject of voluntary or involuntary petition in bankruptcy or is otherwise insolvent;
- (4)** Producer, or any officer, director or key employee of Producer is convicted of any criminal violation;
- (5)** Producer sells, transfers or merges its business with a successor firm: or,
- (6)** Producer violates any of the terms of the Agreement.

13. Indemnification:

(A) Producer shall indemnify and hold Heritage, its shareholders, officers, directors, agents, employees, successors and assigns harmless from all claims, losses, damages, liabilities and costs, including reasonable attorney's fees resulting from any action or inaction by Producer, or relating to or arising from any claims made (except claims made under any insurance policy issued in accordance with this agreement) by any other broker or other third party, for alleged misrepresentations, omissions, misconduct or violation of any applicable law, rule or regulation committed by Producer in connection with the marketing and sale of insurance under this agreement. Additionally, Producer specifically agrees to indemnify and hold Heritage, its shareholders, officers, directors, agents and employees harmless from all breaches of Producer of the terms of the Agreement and for payment of any premiums, deposits, taxes, fees or other amounts hereunder, including but not limited to any refunds of premiums, deposits, taxes, fees, or other amounts of any type paid to or withheld by Producer on behalf of any insured. If any such claim is made prior to full payment of any commissions or other payments due to the producer, Heritage may withhold the unpaid amount until the Producer's indemnity obligations are preformed to the sole satisfaction of Heritage.

(B) Heritage shall indemnify and hold Producer, its shareholders, directors, officers, agents, employees, successors and assigns harmless from any claim which arises under this Agreement as a result of any error, omission, negligence, misrepresentation, wrongful action or breach of Heritage.

14. Arbitration: In the event of a dispute over the interpretation, application or operation of any provision of this agreement, the matter will be submitted to arbitration in Texas according to the latest Commercial Arbitration Rules of the American Arbitration Association. Each party will select one arbitrator and the two arbitrators will select a neutral third arbitrator with no interest in the disputer but with the experience in the types of insurance which may be written under this agreement. The determination of any two of the arbitrators shall be final and binding provided it is made in writing and signed by a majority of the arbitrators, and judgment upon the determination may be entered in any court of competent jurisdiction.

15. General Provisions:

(A) Producer must provide Heritage with thirty (30) days prior written notice of any assignment of this Agreement by Producer; said assignment must not in any way prejudice Heritage's rights under this Agreement and is only valid with Heritage's written consent.

(B) Heritage may assign this Agreement to any successor entity of Heritage or to any other entity controlled by Heritage without prior notice to or consent of Producer.

(C) This Agreement sets forth the entire agreement with respect to the subject matter hereof and supersedes entirely any prior Agreements that the Producer may have had with Heritage, written, oral or implied. The Agreement may be modified or amended by Heritage and shall be considered amended effective thirty (30) days after the date of mailing the amendment or modifications to the Producer.

(D) Notice hereunder will be considered effective three days after the date when deposited in the United States Mail, postage prepaid, or delivered by a nationally recognized overnight courier to the address listed below or by facsimile telephone number on the signature page of this Agreement for each party, or to such other address as any party may hereafter designate in writing.

(E) Producer agrees to annually provide to Heritage:

(1) A copy of all insurance licenses showing producer's eligibility to conduct insurance business in Texas; and

(2) Within thirty (30) days of receipt of renewal evidence of errors and omissions insurance by an insurer satisfactory to Heritage with not less than \$100,000.00 per occurrence and \$1,000,000.00 aggregate.

(F) This agreement is entered into in the City of Colleyville, Tarrant County, Texas and shall be governed in all respects by the laws of the State of Texas.

In Witness Whereof, the parties hereto set their hands in signature.

Heritage Specialty Insurance
609 Cheek Sparger Rd Ste #110, #112, #114
Colleyville, TX 76034
P: (866) 544-1900 F: (866) 832-0984
W: www.heritagespecialty.com

Heritage _____ Producer _____
Signature _____ Signature _____

Date _____ Date _____