

## USAssure Insurance Services of Florida, Inc.

### PRODUCER AGREEMENT

THIS AGREEMENT is made and entered into as of the date hereof (“the Effective date”), by and between USAssure Insurance Services of Florida, Inc., a Florida corporation (“USAssure”), and the Producer (“Producer” as further defined below) accepting this Agreement. The parties agree as follows:

- I. Relationship Defined. USAssure has agreements with Insurance Carrier(s) (“Carrier(s)”) to accept certain insurance on their behalf or to submit applications for specific lines to the Carrier(s) for consideration.

**NO AUTHORITY TO BIND. PRODUCER ACKNOWLEDGES THAT PRODUCER HAS NO BINDING AUTHORITY UNDER THIS AGREEMENT ON ANY BUSINESS WHATSOEVER. ONLY USAssure HAS BINDING AUTHORITY AND AUTHORITY TO COUNTER-SIGN INSURANCE CONTRACTS, CERTIFICATES OR ENDORSEMENTS ISSUABLE WITHIN THE LIMITED AUTHORITY ESTABLISHED BY THE CARRIER(S) FOR USAssure FROM TIME TO TIME. PRODUCER IS ONLY ENTITLED TO SUBMIT INSURANCE APPLICATIONS FOR ITS CUSTOMERS TO USASSURE FOR CONSIDERATION.**

Producer is not authorized to act for or on behalf of USAssure or the Carrier(s), and neither USAssure nor the Carrier(s) are authorized to act for or on behalf of Producer. This agreement grants no authority whatsoever by the Carrier(s) to Producer, and creates no relationship between Producer and the Carrier(s). USAssure has no authority to create any relationship between Producer and the Carrier(s).

Producer is an independent contractor under this agreement providing services to USAssure only. Producer is responsible for its own employees, benefits, taxes and other expenses and matters affecting its business.

II. Definitions:

- a. In this agreement, where terms including but not limited to “you” and “your” are used, they refer only to Producer, its employees and independent contractor. Where terms including but not limited to: “we,” “us” and “our” are used, they refer only to USAssure.
- b. “Expirations” are defined in this agreement as all insurance accounts, surety accounts, policies and contracts with each customer of Producer whose insurance is placed through USAssure, and all the rights pertaining thereto, including but not limited to, the right to renew such policies or contracts, and all the data files, books, and usual and customary records kept by Producer in connection with each customer.
- c. “Licensing Laws” are defined as all applicable governmental laws, statutes, ordinances, decisions, rules, and regulations governing the negotiation, solicitation and sale of insurance.
- d. “Producer” includes, but is not limited to, an insurance agent, solicitor, broker, or any other person directly involved in the sale, solicitation or negotiation of insurance.

III. Duties:

A. Producer

1. Producer represents, warrants, and covenants to and with USAssure that:
  - a. You represent the customer for whom you are submitting an application for insurance.
  - b. All applications submitted to USAssure will be properly completed and submitted as may be required by USAssure or the Carrier(s).
  - c. You fully understand the nature and characteristics of the insurance products offered through USAssure, and you will provide information and guidance to your customers, as necessary, to ensure that your customers understand the nature and limitations of the coverage provided by these products and any obligations that your customers may be subject to in connection with those insurance products.

- d. You will assist USAssure in obtaining documentation necessary for submitted applications to be rated and policies issued.
- e. You will handle, with the assistance of the Carrier(s), all servicing of policies placed through USAssure on Producer's behalf, including but not limited to, processing and handling all amendments, endorsements and renewals. Certificates of insurance shall only be issued in accordance with guidelines provided by the Carrier(s).
- f. You will provide such other assistance or documentation as is reasonably necessary to comply with all of the requirements, restrictions and limitations imposed by USAssure or the Carrier(s).
- g. You will retain any and all documentation actually used to signify your customer's choices of coverage and limits, and statements reflecting insurability, including but not limited to, a fully complete original application signed by the customer.
- h. Producer is and will remain in compliance with all Licensing Laws legally required to perform its services under this agreement. Upon request by USAssure, Producer will provide reasonable evidence that it is in compliance with all applicable Licensing Laws.
- i. If any notice of cancellation is issued by USAssure or the Carrier(s) to the customer, Producer acknowledges and agrees that it may not represent to any person that it is authorized to and may not accept any premium payment from the customer or reinstate coverage without the prior written consent of the Carrier(s).
- j. In our dealings with you, we are relying upon your representation that you will comply with all applicable laws and regulations. You agree to comply with any law, regulation or legal directive that requires you to disclose compensation of any kind received or that may be received in connection with any coverage placed with the Carrier(s). You may need to disclose specific compensation amounts, the fact that such agreements concerning your compensation exist and/or the terms of the agreements. You shall not broadcast, transmit, publish or distribute (by any method including commercial e-mail) any advertisements or other promotional materials referring to USAssure or the Carrier(s) without first securing the approval of USAssure and the Carrier(s) in writing.

## 2. Premium Payment

- a. Direct Bill
  - i. All policies are direct bill to the customer by the Carrier(s) unless otherwise indicated by USAssure or the Carrier(s).
  - ii. USAssure or its designee will calculate and pay commissions to Producer within twenty (20) days after the end of the month in which USAssure records the premium, less any commissions on return premium.
  - iii. For direct bill business, each month USAssure or its designee will mail Producer's commission check and a statement based on the gross premiums recorded for Producer's account during the prior month. Producer will not be paid commission on items that USAssure reasonably determines have become uncollectible. On direct bill policies, Producer is not authorized to collect any payment. In the event Producer collects any premium payment from the customer, Producer will immediately forward the payment to USAssure (or its designee) without deducting any commissions. Policies on direct bill are not eligible for premium financing.
- b. Agency Bill
  - i. USAssure may offer alternative agency billing methods for Producer to report business. USAssure reserves the right to modify, discontinue or initiate any reporting method within its discretion.
  - ii. Producer must report all risks and remit all premiums to USAssure in the manner and time specified.

c. Disputes

Should there be a dispute over payment of premiums (including audits), the amount and the reason for such dispute must be submitted to USAssure in writing along with payment of the premiums not in dispute in accordance with the terms of this agreement. If USAssure determines additional premiums are due, Producer must make payment within (15) days of written notice from USAssure. No commissions will be paid on premiums in dispute.

d. Late payments

Producer recognizes that late payment of any premiums not in dispute due from you to us (including premium payments from audit and interim reports) will result in administrative expense to us. You agree that if premiums due from you to us remains unpaid for a period of more than ten (10) days after the payment due date, then you will be charged a late fee in an amount equal to 1.5 % of the amount of the delinquent payment. The late charge assessed to you may not be charged directly or indirectly to the customer. You agree that such amount is a reasonable estimate of the loss and expense to be suffered by us as a result of such loss and expense. The terms of this paragraph in no way limit our remedies in the event any premium payment is unpaid after the due date. USAssure may still pursue all remedies under the law to recover any unpaid premium payment after the due date.

e. Advance payments

If Producer advances premium payments to USAssure on behalf of a customer, Producer accepts the risk of collecting the amount of the advance directly from the customer, including any customer who subsequently becomes subject to any bankruptcy or other insolvency proceeding. Further, in the event that the customer and/or any premium finance company makes payment of the premium to any sub-producer of yours and such sub-producer does not remit premium to you, it will be your sole responsibility to remit the premium to us promptly, regardless of whether the premium is collected by you.

3. Audits

Producer agrees to permit USAssure to conduct audits of Producer's files to validate accurate completion and retention of documents and underwriting reports previously submitted to USAssure. Producer agrees to forward copies to USAssure of any file in conjunction with its audits within thirty (30) days of receipt of USAssure's request. If Producer is unable to meet the (30) day deadline, Producer can request an extension from USAssure, in writing, with an explanation and a date when Producer will be able to comply.

4. Expirations

All presently existing and future Expirations arising out of the business of Producer under this agreement are and will remain the sole property of Producer.

5. Privacy

Producer agrees that any customer, insured and claimant information, and any other information subject to a federal, state or local law requiring information to be confidential, including but not limited to, non-public personal information and health information of an individual is confidential. Producer agrees that such information will not be disclosed to any third party by it, its employees, agents, representatives, successors or assigns, unless authorized by the privacy policy of the Carrier(s) and/or USAssure or compelled by a government entity or court of competent jurisdiction, in which case Producer will promptly notify USAssure. Producer agrees that it will adopt and implement a privacy policy that is consistent with applicable federal and

state law, as well as consistent with the privacy policy of the Carrier(s) and/or USAssure when servicing customers hereunder.

6. Errors and Omissions

Producer shall maintain a policy of Errors and Omission Professional Liability Insurance at all times during the term of this agreement containing coverages, exclusions, limits, and deductible amounts that are satisfactory to USAssure, in its sole discretion; provided that the limit of the policy will be at least One Million Dollars (\$1,000,000) per claim. USAssure will have the right to require that Producer furnish proof of such coverage upon USAssure's request.

B. USAssure Insurance Brokerage Services

Policy Issuance

- a. Upon submission of the appropriate applications for insurance and such other information required by USAssure and/or the Carrier(s), USAssure may provide Producer with a quote for the insurance product requested. USAssure will establish procedures for handling the issuance of policies that may result from such applications. USAssure will notify Producer as to which Carrier(s) have authorized Producer as a source of applications.
- b. We will notify you or your designee if there is necessary information omitted from an application that you submitted to us for consideration. USAssure may reject, in its sole discretion, any such insurance business that USAssure deems for any reason inappropriate or unacceptable for submission to the Carrier(s).
- c. You authorize USAssure and the Carrier(s) to deal directly with your customers regarding any policy issued.
- d. Producer shall receive compensation from USAssure for all policies placed through USAssure. USAssure may change the compensation, in its discretion, on any new and renewal policies. Any changed compensation shall automatically become part of this agreement effective as of its stated effective date with respect to new policies or renewals placed after such date. Any compensation that Producer is owed by USAssure shall be paid within a reasonable time.
- e. Producer is not authorized to utilize the names or trademarks of USAssure or the Carrier(s) in the conduct of its business without the express written consent of USAssure. USAssure is not authorized to give Producer permission to use the name or trademarks of the Carrier(s).

IV. Indemnification

USAssure agrees to indemnify and hold Producer harmless for any and all claims, damages, costs (including reasonable attorney fees incurred), and other liabilities of any kind or nature based on, or arising out of USAssure's performance of the services required of, and other obligations imposed on, USAssure by this agreement.

Producer agrees to indemnify and hold USAssure, the Carrier(s), and their respective officers, directors, employees, agents, and representatives harmless from any and all claims, damages, costs (including reasonable attorney fees incurred), and other liabilities of any kind or nature based on, or arising out of, Producer's performance of the services required of, and other obligations imposed on, Producer by this agreement.

V. Termination of Agreement

Either party may terminate this agreement at any time, with or without cause, by giving written notice of termination to the other party using any method, including electronic delivery. Termination will be effective upon notice to the last known email address or facsimile number where appropriate, subject to any additional notice period required by applicable law. This agreement shall terminate automatically if Producer's license to transact insurance is revoked or suspended in any state. A terminated Producer or his designee shall not attempt to enter into a new agreement, electronic or otherwise, with USAssure without the prior written consent of USAssure. Termination will not release either party from liability to the other for prior acts or omissions. Any sums owed to Producer by USAssure at the time this agreement is terminated will be subject

to being set-off against any debts owed to USAssure by Producer. The sections in this agreement regarding indemnification, expirations and privacy will survive termination of this agreement.

VI. General Provisions

- a. Any notice or other documents to be given or delivered under this agreement by any party to any other party will be in writing and will be delivered personally, sent by a nationally recognized overnight courier service, electronic mail or facsimile if a confirmation or receipt is printed at the time of delivery, to the address of the principal office of a party, e-mail address or facsimile number, as appropriate.
- b. This agreement cannot be assigned by Producer, but it can be assigned by USAssure at any time without consent of Producer. Any assignment of this agreement by USAssure will relieve USAssure of liability for any of its obligation under this agreement that arise after the date notice of its assignment is given to Producer.
- c. This agreement may not be amended, modified or replaced, in whole or in part, except with consent of both parties. Producer may indicate its consent by electronic means. This agreement contains the entire agreement between the parties to it with respect to the subject matter of this agreement.
- d. This agreement supersedes and replaces any previous or contemporaneous agreement, whether written or oral, between the parties related to the subject matter of this agreement.
- e. This agreement will be interpreted, construed, and governed according to the laws of Florida. The parties hereto (i) agree that any suit, action or legal proceeding arising out of or relating to this agreement will be brought and heard in a court of competent jurisdiction in Duval County, Florida or the United States District Court for the Middle District of Florida, Jacksonville Division, (ii) consent to the jurisdiction of any such court in any such suit, action or proceeding, and (iii) waive any objection to the laying of venue of any such suit, action or proceeding in any such court.
- f. The prevailing party in any dispute arising hereunder, whether or not suit be brought and including any appeals, will be entitled to recover from the other party costs and reasonable attorneys' fees. Producer waives any objection based on *forum non conveniens* and any objection to venue in any action instituted hereunder. This agreement will be binding on and inure to the benefit of the parties and their respective assigns (as permitted hereunder), successors and other legal representatives.
- g. **USAssure IS NOT A SUBSIDIARY OF OR AFFILIATED WITH ANY INSURANCE CARRIER.**