

PRODUCER AGREEMENT

Please provide the following required documents:

- Copy of Producer's License
- Signed Producer Agreement
- Completed and signed W-9
- Copy of E&O Dec Page (Minimum \$1,000,000 Limit)

NAME: _____

DBA: _____

Street: _____

City: _____ State: _____ Zip: _____

Mailing Address: _____

(If same as Physical Address Leave Blank)

Email Address: _____ *(Policies are emailed)*

WEB Address: _____

Phone #: _____

Fax #: _____

S.S.#/Tax I.D. #: _____

Accounting Contact Name: _____

Accounting Contact Email: _____

Trust Account Bank Name: _____

Trust Account Acct. #: _____

G. J. Sullivan Co. Insurance Services and / or Sullivan Brokers Wholesale Insurance Solutions, Inc. (hereinafter referred to collectively as "Sullivan") and the undersigned; a corporation, limited liability partnership, or sole proprietorship (herein after referred to as "Producer") mutually agree as follows:

Relationship

Producer is an insurance agent, producer or broker and wishes to obtain, through Sullivan, certain insurance products for and on behalf of its customers and clients. Sullivan will use its reasonable best efforts to submit and place policies of insurance with insurers it has contracted with, but Sullivan shall have the unqualified right to reject any risk submitted for any reason.

Producer acknowledges that Sullivan extends no binding authority of any kind to Producer. Producer agrees that all changes, additions, or deletions to any policy must be confirmed in writing by Sullivan to be valid.

Producer is an independent contractor, and not an agent or employee of Sullivan, either expressed or implied. Producer controls the method of operation and exercises independent judgment in any action taken pursuant to this Agreement. Producer acknowledges that Producer, not Sullivan, is responsible for providing its customers and clients advice as to the adequacy, amount, and form of insurance coverage. Ownership of all business placed by Sullivan for Producer shall remain the property of Producer.

Compensation

Sullivan agrees to pay, and Producer agrees to accept, as full compensation for all services rendered and to be rendered by Producer under this Agreement, as commission, a percentage of gross written premiums received by Sullivan. Producer's commission will be based on the commission rate in effect on the date the insured is required to pay the premium. Sullivan reserves the right to determine the rate of commission on any risk and to amend commission schedules without prior notice to the Producer.

Producer may retain the agreed commission due Producer from any premium payments made directly to Producer, and remit the net premium due to Sullivan. If the insurance carrier bills the insured directly, Sullivan will pay commissions due Producer within 30 days after Sullivan has received payment from the carrier.

Guarantee of Premium Payment

In consideration of Sullivan's placement of Producer's business, as is accepted and for other good and valuable consideration, Producer guarantees payment to Sullivan of all premiums on policies of insurance placed through Sullivan. Producer agrees that such payment is due Sullivan in accordance with payment terms established from time to time by Sullivan and is due whether or not Producer actually collects the premium. Producer agrees to be liable for returning commissions at the same rate as they were paid on all return premiums, including returned premiums arising from policy cancellation, endorsement, or other transactions.

Producer acknowledges this guarantee shall be made good by Producer upon demand by Sullivan at any time with respect to any uncollected premium or unpaid return commission then outstanding.

Note: Premium payment terms specific to placements through G.J. Sullivan Co. Insurance Services are detailed in Addendum 1, which Producer agrees is part of this Agreement.

Cancellation of Insurance Policies and Premium Financing

Sullivan has the right, in its sole discretion, to cancel any binder, policy, or insurance contract issued under this Agreement according to the cancellation provisions of such binder, policy, or contract and applicable law. No insurance contract may be returned to Sullivan by Producer for flat cancellation unless it is returned and received by Sullivan prior to the inception or effective date of the contract. Producer is not entitled to any credit for any flat cancellation unless and until the carrier grants such credit to Sullivan. Earned premium shall be computed and charged on every contract cancelled after inception date in accordance with the cancellation provisions of the contract, rules of the insurer, and applicable law. Producer agrees that if Sullivan binds coverage, a charge shall be made according to the policy terms and that all fees for the full coverage period are fully earned upon binding. If Producer does not make timely payment of any sums due Sullivan, or is not in compliance

with insurance regulations, it is understood that Sullivan, without limitation of its other remedies, reserves the right to cancel policies.

Producer is responsible for notifying the insured that the return of any policy for cancellation will not be effective until sufficient time has elapsed for proper notice to insured, banks, mortgages, loss payees, certificate holders, public utility commissioners or any other interested parties. Producer agrees to return to the financing company all return premiums on policies on which the premiums have been financed. Producer further agrees to not make any such premium refund to any party other than the involved financing company, regardless of the amount of return premium shown on Producer's monthly statement as a credit.

Fiduciary Responsibility of Producer

Any monies collected by Producer while acting in the capacity of Producer for the account of Sullivan shall be held by Producer in a fiduciary account in accordance with the laws of the state in which the Producer is located.

Licensing

Producer warrants it is properly licensed to transact business as an agent or broker in accordance with the provisions of insurance laws of any state in which Producer transacts business. Producer shall provide to Sullivan copies of all appropriate licenses upon their renewal.

Errors & Omissions Coverage

Producer and Sullivan agree to maintain Errors & Omission insurance coverage, while this Agreement is in force, with minimum policy limits of one million dollars (\$1,000,000). Producer shall provide Sullivan evidence of Errors & Omissions insurance upon each renewal.

Hold Harmless

Producer agrees to hold harmless and indemnify Sullivan for all liability arising as a result of Producer's acts, errors, or omissions except to the extent Sullivan has caused same. Sullivan agrees to hold harmless and indemnify Producer for all liability arising as a result of Sullivan's acts, errors, or omissions except to the extent Producer has caused same.

Termination

This Agreement may be terminated by Producer or Sullivan, with or without cause, by either party by giving 30 days written notice to the other, provided, however, that any such termination shall not relieve Producer's obligation with respect to payment of premiums and taxes, if applicable, before the effective date of termination.

Arbitration

Producer and Sullivan agree, if any dispute shall arise in connection with the interpretation of this Agreement, that they will negotiate the dispute in good faith informally. If Producer and Sullivan cannot agree on a written settlement to the dispute, the matter in dispute will be submitted to arbitration in accordance with the rules of the American Arbitration Association. Producer and Sullivan agree that the prevailing party will be awarded its reasonable attorney's fees and expenses incurred in addition to any other relief to which that party is entitled.

Assignment

Producer may not assign any rights or obligations under this Agreement without prior written consent of Sullivan.

Governing Jurisdiction

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. If applicable law is in conflict with any part of this Agreement, the Agreement will be considered modified to conform with the law in regards to that part. All other provisions will not be affected.

Entire Agreement

This Agreement, together with Addendum 1, constitutes the entire agreement between Producer and Sullivan, and supersedes and replaces any previous agreements between Sullivan and Producer. No oral promises or representations are binding, nor can this Agreement be modified except by agreement in writing attached hereto, executed on behalf of Sullivan. Headings are for reference only and shall not be construed to give meaning to the specific terms and conditions of this Agreement.

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

G.J. Sullivan Co. Insurance Services
Sullivan Brokers Wholesale Insurance Solutions

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

Payment Terms for G. J. Sullivan Company

NEW AND RENEWAL POLICIES - Sullivan must receive net deposit (25% of gross premium, plus 100% of all taxes/fees, plus 100% of ALL FULLY EARNED Additional Insured Endorsements, minus agent's commission) **and a copy of the premium finance agreement.** The actual live check and other required financial documents must be received in our office within 10 days of the effective date. Full net payment is expected no later than 30 days from the effective date. In order to allow sufficient time for any legal requirements, Notice of Cancellation may be sent at the 20th day following the effective date of the policy. Direct Bank Wire instructions are available upon request.

BROKERAGE POLICIES – Payment terms will be advised at time of quoting. Brokerage carriers often have special payment terms that differ from the Sullivan standard terms. Please understand that this is beyond the control of Sullivan.

Note: all premium finance payments must be made payable directly to G. J. Sullivan. Sullivan does not accept agency drafts.

ADDITIONAL PREMIUM ENDORSEMENTS - All additional premium endorsements must be added to the finance contract or paid in full (gross premium minus commission) within **30 days of Sullivan's invoice date or as otherwise advised.** Please note that Brokerage companies may have different remittance terms required.

FULLY EARNED ADDITIONAL PREMIUM ENDORSEMENTS – (such as Additional Insureds) must be paid in full within **10 days of the endorsement effective date** to avoid cancellation. No payment extensions will be given. Please note that Brokerage companies may have different remittance terms required.

FULLY EARNED POLICY PREMIUMS - (such as Special Events) must be **100% paid in full prior to the effective date of the policy.** **Agent may retain commission.** Direct Bank Wire instructions are available upon request.

AUDIT PREMIUMS – 100% net due in full 20 days from invoice date. If in dispute a documented written notice of dispute with all necessary supporting details must be received within those same 20 days. This dispute will be submitted to the Carrier for review and acceptance. Once an Audit is returned back to the Insurance Company for direct collection, all commissions are forfeited. If the Carrier refuses to accept the audit for direct collection, the Agent is responsible for immediate payment to SULLIVAN, regardless of payment status with Insured. Please contact your Underwriter if you have further questions concerning audits.

RETURN ENDORSEMENTS / CANCELLATIONS - When a return endorsement or cancellation credit is processed, the return premium check will be issued as per the schedule below, which reflects the way we receive credits back from the carriers which generally takes 45 days from the month end closing. For example:

Invoice Date	May	Check issuance date is between 7-20 and 7-25
Invoice Date	June	Check issuance date is between 8-20 and 8-25
Invoice Date	July	Check issuance date is between 9-20 and 9-25

Brokerage companies may have different return premium schedules that are beyond the control of Sullivan. Sullivan will endeavor to return brokerage RPs within 10 days of our receipt from the brokerage carrier.

NOTE: We are required to return the net credit to the finance companies directly. Agents are required to remit their unearned commission directly to the Finance Companies. We CANNOT use return endorsement credits to pay additional premium endorsements without approval of the premium finance company.

Please inform your insured that he / she must continue to make the regular premium finance payments until notified by the premium finance company that an adjustment has been made. Otherwise the loan may go into default and additional late fees may be due from the insured.

Sullivan does not offer statement remittance to our Producers and ask that you pay based on the invoice you will receive from Sullivan with each transaction. If you have additional questions in regards to our remittance terms, please contact our Controller Diane Moen at (714) 621-2350.