

## PRODUCER BROKERAGE AGREEMENT

(2021-10 Aon Edge Edition)

This Producer Brokerage Agreement (“Agreement”) is effective as of the date of the signature page (the “Effective Date”), and is by and between Aon Edge Insurance Agency, Inc., including Insurmark, a subsidiary of Financial & Professional Risk Solutions, Inc., (hereafter “Company”) and the producer (hereafter “Producer”) \_\_\_\_\_

### PREAMBLE

The Company provides marketing, administration, and compliance support services related to certain flood insurance products and other catastrophe insurance products.

The Producer wants to conduct business with the Company and the Company wants to conduct business with the Producer.

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, The Company and the Producer agree as follows:

#### **Purpose:**

- 1) Under this Agreement, the Producer contracts with the Company to place business offered and made available from the Company for various insurance products written by various insurers. The Producer understands and agrees it is not an agent of the Company and it has no authority under this Agreement to bind coverage unless otherwise expressly agreed to in writing between the Company and Producer. Producer is an independent contractor and is responsible for payment of any and all income taxes.
- 2) The Company binds all business under this Agreement when the Producer places an order to bind with the Company. All underwriting, rating, and binding authority rests with Company.

#### **The Producer further agrees to the following:**

- 1) Producer is duly licensed as an agent/broker in the state where Producer resides \_\_\_\_\_ (“Domicile State”) and Producer holds a non-resident license in any state where business under this Agreement is being produced outside the Domicile State. The Producer represents and warrants it shall not solicit or sell any product of the Company unless it is licensed and maintains all individual, corporate or agency licenses or permits required to conduct insurance business in the state where the business is being solicited and/or sold.
- 2) No later than the Effective Date, the Producer will provide the Company with copies of all individual, corporate or agency insurance agent, broker, producer, surplus lines, or other similar licenses maintained by the Producer in the Domicile State and all such licenses required by any state other than the Domicile State where Producer transacts business pursuant to this agreement, and shall thereafter warrant that said licenses are renewed as required by applicable law, *provided, however*, that the Producer will not have to provide copies of any such licenses which the Producer has provided to the Company as prior to the Effective Date and which are on file with the Company as of the Effective Date.
- 3) The Producer will notify the Company as soon as possible of (i) any change or prospective change in name of Producer, (ii) a change in control or ownership of the Producer, or (iii) any change that may affect Producer’s ability to produce business under this Agreement.
- 4) Producer represents and warrants it has and agrees to keep in force a valid and binding contract for Agent Errors and Omissions Liability coverage with minimum limits of \$1,000,000 per occurrence and in the aggregate and will maintain that coverage in force for the duration of this Agreement and upon request will provide the Company the Declarations Page validating the coverage and agrees to update the Company each year upon renewal that the coverage is in force and effect.
- 5) Producer is responsible for the collection and payment of all premiums, taxes, and fees due on account to the Company. With the exception of business placed on a direct bill basis where the Producer collects no premium whatsoever, the Producer is liable to the Company for any uncollected amount due once business is bound at the request of the Producer to the Company. The obligations set forth in this paragraph 5 shall survive termination of this Agreement.
- 6) Producer agrees that once coverage is bound by the Company at the request of the Producer, all premiums, fees and taxes due for the policy term or short rate period or pro rata period, as may be applicable, are due and payable, and such premiums are fully earned by the carrier. Producer agrees to pay all invoices timely as set forth in the invoice instructions when premium is due.

- 7) With respect to return premiums, Producer will return commission at the same rate and on the same basis upon which the business was placed with the Company, including but not limited to, return premiums on cancellations or reductions ordered and return premiums payable as a result of amended policy terms.
- 8) The Company shall be relieved of any responsibility to pay any and all commissions to Producer if, based on facts and circumstances, the Company has a reasonable and good faith basis to believe that a public authority has cancelled, suspended, revoked or declined to renew any license or authority issued to Producer.
- 9) Producer agrees data it sends to Company will be sourced in compliance with applicable data protection laws.
- 10) The provisions of Section 4, 5, 6, 7 and 8 will survive termination of this Agreement.

**The Company agrees to the following:**

- 1) The Company agrees that Producer retains full rights of ownership and control of all expirations on business produced under this Agreement unless otherwise expressed in writing under special circumstances such as a joint-venture, partnership, sponsorship, or association arrangement with the Company.
- 2) Subject to the provisions herein, Company agree that Producer retains full rights of ownership and control of all expirations on business produced under this Agreement unless otherwise expressed in writing under special circumstances such as a joint-venture, partnership, sponsorship, or association arrangement with Company. Notwithstanding the foregoing, Producer agrees Company may use the expirations to solicit the business placed by Producer under this Agreement if (i) Company is notified, suspect or determine Producer has committed fraud; or if (ii) Producer does not properly account for and promptly pay premiums which are not subject to a good faith dispute to Company within sixty (60) days following the payment due date. The books and records of Company will determine amounts due.
- 3) All compensation, whether commission, fee or otherwise payable by the Company to the Producer for business placed by the Producer with the Company will be in such amount as the Producer and the Company mutually agree in writing, or as indicated on any invoice or statement issued by the Company. With respect to return premium, the Producer will pay return commission at the same rate or on the same basis upon which the business was placed or arranged.

**Representations and Warranties as respects the Foreign Corrupt Practices Act**

- 1) Producer and the Company each represent and warrant, on behalf of itself and its respective employees, directors, and officers, that no portion of its fees or compensation, or any other thing of value, under this Agreement has been or will be offered, promised, paid or given, directly or indirectly, to any government official (as defined in the U.S. Foreign Corrupt Practices Act and below) as an inducement or reward for any of the prohibited purposes set forth therein, specifically corruptly: (i) influencing any act or decision of such government official; (ii) inducing such government official to do or omit to do any act in violation of his lawful duty; (iii) securing any improper advantage; or (iv) inducing such government official to use his influence to effect any act or decision of such government official, in order to assist the Company in obtaining or retaining business. These obligations will survive termination of this Agreement.
- 2) Government officials, as used herein, include: (i) an employee of a state-owned or controlled commercial entity; (ii) an officer or employee of a public international organization; (iii) any person acting in an official capacity for or on behalf of any government or department, agency or instrumentality or public international organization; (iv) any candidate for political office; any political party or official of same; any candidate for political office thereof; or (v) any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons and entities.
- 3) Producer, and the Company each agree to indemnify the other, and the other's affiliates, subsidiaries, directors, officers, and employees ("Related Persons"), for any damages, claims, judgments, and costs, including reasonable attorneys' fees ("Losses"), Producer and its Related Persons, or the Company and its Related Persons may incur to the extent such Losses are the result of the other party's breach of the aforementioned Representations and Warranties. These indemnity provisions are subject to the Limitation of Liability set forth herein.
- 4) This Section shall survive termination of this Agreement.

**Limitation of Liability:**

- 1) The Company's liability to you, in total, for the duration of our business relationship for any and all damages, costs, and expenses (including but not limited to attorneys' fees), whether based on contract, tort (including negligence), or otherwise, in connection with or related to our services (including a failure to provide a service) or any other service that we provide shall be limited to a total aggregate amount of US \$1 million, ("Liability Limitation"), to the fullest extent permitted by law.
- 2) This Liability Limitation shall apply to you and extend to your parent(s), affiliates, subsidiaries, and their respective directors, officers, employees and agents (hereinafter, each a "Producer Group Member" and together, "Producer Group") wherever located that seek to assert claims against the Company, and its parent(s), affiliates, subsidiaries and their respective directors, officers, employees and agents (each an "Aon Group Member" and together, "Aon Group"). Nothing in this Liability Limitation section implies that any Aon Group Member owes or accepts any duty or responsibility to any Producer Group Member.
- 3) If the Producer or any Producer Group Member asserts any claims or makes any demands against the Company or any Aon Group Member for a total amount in excess of this Liability Limitation, then the Producer agrees to indemnify the Company for any and all liabilities, costs, damages and expenses, including attorneys' fees, incurred by the Company or any Aon Group Member that exceeds this Liability Limitation.
- 4) This Section shall survive termination of this Agreement.

#### **Additional Terms and Undertakings:**

- 1) Producer warrants that it will abide by all federal, state and local laws and regulations applicable to the transaction of business under this Agreement.
- 2) In instances where Producer has sister companies, branch offices, or other related entities ("Producer Related Companies") that are intended to benefit from this Agreement, Producer represents and warrants that i) it has the requisite authority to act on behalf of the Producer Related Companies with respect to matters arising under this Agreement; ii) Producer's execution of this Agreement and any amendments to the Agreement binds the Producer Related Companies; iii) Producer shall disclose the terms of this Agreement to the Producer Related Companies; and iv) notice to Producer constitutes notice to Producer Related Companies.

#### **Termination**

- 1) This Agreement may be terminated by either party, without cause, by providing the other party a ninety (30) day advance written notice of such termination.
- 2) This Agreement may also be terminated with cause immediately by either party providing written notice to the other party. The term "cause" as used herein shall include failure of performance of any covenant or provision of this Agreement, and, in addition, any of the following:
  - a) Non-payment of commissions due Producer or return commissions due to the Company or the failure of either party to pay any other sums due hereunder in a timely manner beyond a 30-day cure period allowing the offending party to remedy the breach (during which period this Agreement is subject to suspension).
  - b) The perpetration of any fraud or misrepresentation by any party to this Agreement.
  - c) The termination or expiration of the Producer's errors and omissions insurance policy.
  - d) Insolvency, the filing of a voluntary petition in bankruptcy, or reorganization under bankruptcy laws, the assignment of property for the benefit of its creditors, or consent to the appointment of any receiver or trustee.
  - e) The entry of any order pursuant to the bankruptcy laws approving any involuntary petition in bankruptcy against any party to this Agreement.
  - f) The expiration, suspension or revocation of the license of any party to transact business hereunder.
  - g) The failure of Producer to pay the Company, and properly account for, all premium and other sums due hereunder.
- 3) In the event this Agreement is terminated, the Producer shall immediately cease to exercise such power or powers in accordance with such notice. Should the Producer fail to comply with any such suspension or termination notice, the Producer agrees to indemnify, defend, and hold harmless the Company for any claims, liability, losses or expenses incurred or for any damages related to such failure to comply.

- 4) At the time of the termination and thereafter, any indebtedness owed by Producer to the Company shall be deducted by the Company from any future monies owed to the Producer.
- 5) The Producer agrees that in the event of the termination of this Agreement, the Producer shall continue to perform all customary and necessary services regarding all policies or certificates issued by the Producer on behalf of the Company until all such policies or certificates have been cancelled, non-renewed, or otherwise terminated.
- 6) If the Producer fails in any respect to fulfill this continuing service obligation, then any expense incurred by the Company as a result thereof shall be fully reimbursed to the Company by the Producer, either directly or as an offset against future monies owed to the Producer under this Agreement.

**Notice**

Any notice required by this Agreement shall be sent to "Aon Edge Insurance Agency, Inc. contracting 1327 Hwy 2 W Ste 100, Kalispell, Montana 59901", and to the Producer at the Mailing Address set forth on page 5 to the Attention of the Primary Contact.

**Entire Agreement and Governing Law:**

This Agreement shall be governed by the laws of the State of Illinois. This Agreement constitutes the entire agreement between Producer and the Company with respect to the subject matter of this Agreement and supersedes all prior agreements or understandings, whether written or oral, about such subject matter.

This Agreement, together with all Schedules, Exhibits and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

	(Signature) <span style="float: right;">(Date Signed)</span>
John A. Dickson	
(Name)	(Name)
President	
(Title)	(Title, if applicable)

I confirm that I am an officer, owner or managing member of the Agency and am authorized to sign this agreement.

**INCLUDE: Copy of License, Form W-9, Verification of E&O Coverage and a List of Office Addresses this agreement would be applicable for.**

**IMPORTANT NOTE:** If the Producer is doing business as an individual, he or she must personally sign this Agreement in his or her own name and not in his or her name or capacity as an Agent. If the Producer is a partnership, this Agreement must be executed by the firm and by each member thereof in his or her individual capacity. If the Producer is a corporation, an authorized corporate officer must execute this Agreement.

## PRODUCER PROFILE & BOOK OF BUSINESS

Please provide a list of the agency's current corporate officers and include the following information for each person listed.

- Full Name
- Title
- Email Address
- Phone Number
- Office Address
- State of Resident License
- Resident License Number
- Lines of Authority
- Effective Date
- Expiration Date

Has agency, or any officer, partner, or associate of the agency, ever been fined, suspended, placed on probation, reprimanded, entered into a consent order, or is currently under investigation by any insurance department or any other regulatory authority?

Yes       No

If Yes, please provide a detailed explanation on separate sheet.

The following information is needed for administrative and regulatory purposes. Please complete the all fields before returning the documents.

PRODUCER CONTACT INFORMATION	
Legal Name: _____ DBA or Assumed Names (If Any): _____	
Mailing Address: _____ City: _____ State: _____ Zip Code: _____	
Primary Contact*: _____	Title: _____
E-mail Address: _____	
Compliance Contact: _____	Title: _____
E-mail Address: _____	
*Please attach an employee contact list	
Main Phone Number: _____	Fax Number: _____
Web Site: _____	General Email Address: _____

PRODUCER COMPLIANCE INFORMATION	
Federal Tax ID Number: _____	
Ownership: <input type="checkbox"/> Individual/Sole Proprietor or Single Member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> LLC – C-Corp <input type="checkbox"/> LLC – S-Corp <input type="checkbox"/> LLC – Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> Trust / Estate	
Other (Please Indicate): _____	
E&O Carrier: _____ Other Carrier: _____ Per Claim Limit: \$ _____ Expiration Date: _____	
Agency Resident State License #: _____ Lines of Authority: _____ Expiration Date: _____ Perpetual <input type="checkbox"/>	

**PRODUCER PROFILE & BOOK OF BUSINESS**

Total Employees at this Location (please attach a list if available): \_\_\_\_\_

Number of Office Locations (please attach a list of office addresses): \_\_\_\_\_

Year Agency Established: \_\_\_\_\_

Agency Management System: \_\_\_\_\_

Annual P&C Premium Volume: \$ \_\_\_\_\_

Percent Commercial Lines: \_\_\_\_\_ %    Percent Personal Lines: \_\_\_\_\_ %    Percent Life & Health: \_\_\_\_\_ %