



EXCLUSIVE PRODUCER AGREEMENT

THIS AGREEMENT, made and entered into between Russ Insurance & Financial Services, Inc DBA Pipeline Insurance General Agency a California Corporation and

PRODUCER: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____

(Hereinafter “Producer”.)

WHEREAS, Pipeline Insurance General Agency and all its various subsidiaries represent insurance companies and other similar entities in the placement and writing of insurance, and

WHEREAS, Producer requires the services of Pipeline Insurance General Agency to place insurance for its clients commonly referred to as insured’s; and

WHEREAS, Pipeline Insurance General Agency and Producer desire to enter into an Agreement, which includes a compensation arrangement, for the insurance business placed by Pipeline Insurance General Agency and an understanding of the rights and obligations of each;

NOW, THEREFORE, in consideration of these mutual agreements the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. SCOPE OF AGREEMENT

This Agreement governs the relationship between Pipeline Insurance General Agency and Producer and is binding upon the parties of their respective heirs, successors and assigns. It is further understood that this Agreement replaces any prior agreement between the parties, constitutes the entire agreement of the parties, and may not be changed or modified unless in writing, signed by the parties.

SECTION 2. PRODUCER'S STATUS AND DUTIES

- a. It is understood that Producer is an exclusive agent of Pipeline Insurance General Agency or any insurance company or underwriter represented by Pipeline Insurance General Agency.
- b. Producer shall have no ownership of business subject to this Agreement. If Producer should opt to leave Pipeline Insurance General Agency and take their book it may be purchased for "1 Times the Annual Income from all policies written". Producer agrees to keep complete records and accounts of all transactions and will allow Pipeline Insurance General Agency to inspect and audit all such records and accounts.
- c. Producer acknowledges its duty to inform all clients of the terms, conditions, fees, exclusions and limitations of any insurance placed through Pipeline Insurance General Agency. Producer further acknowledges its responsibility to request proper coverage's for its clients, review all quotes, policies and binders for accuracy and keep Producer's clients fully informed.
- d. Producer agrees to not seek other appointments with any other Insurance company, wholesalers, general agents unless prior written approval has been obtained from Pipeline. If this provision is violated Producer forfeits all clients and will be terminated immediately.
- e. Producer acknowledges the need for certain types of software to transact business. The following is a list of software provided with a \$350 one time admin fee and \$150 monthly affiliation fee.
 1. Quomation - Personal Lines Rater
 2. Ez-Lynx – Personal Lines Rater
 3. Agent Secure – Commercial Lines Rater

SECTION 3. PLACEMENT OF ORDERS

- a. Producer shall follow all applicable state statutes prior to placing any order for insurance or excess surplus lines insurance with Pipeline Insurance General Agency. No insurance submitted for consideration is effective until accepted by receiving insurance company. Coverage may only be bound in writing; oral telephonic communication is not sufficient. Facsimile communications are acceptable if signed and originals forwarded on the day of signing to receiving insurance company and Pipeline Insurance General Agency. Receipt of cash with or without application for a policy will not constitute automatic binding coverage for said policy.
- b. Producer shall have no authority to issue a binder in the name of Pipeline Insurance General Agency and/or any Company(s) represented by Pipeline Insurance General Agency without the express written authorization of Pipeline Insurance General Agency.

- c. In the event an unauthorized binder is issued by the Producer, and Pipeline Insurance General Agency and/or the Company represented by Pipeline Insurance General Agency suffers loss, the Producer agrees to indemnify, hold harmless and defend Pipeline Insurance General Agency and/or the Company against any judgment or settlement and for all loss and expense, including attorney's fees and investigation incurred by Pipeline Insurance General Agency and/or by the Company in the payment of defense of claim or loss resulting from said unauthorized binder.

SECTION 4. LICENSING

Producer warrants that it is properly licensed to sell insurance in its state of domicile, and all other states in which Producer sells insurance, and agrees to act in compliance with all laws and regulations regarding placement of insurance with admitted and/or non-admitted insurance companies in each such state. Producer shall keep on record with Pipeline Insurance General Agency proof of licensing to maintain this agreement.

SECTION 5. PREMIUM PAYMENT

Producer guarantees payment to Pipeline Insurance General Agency of all premiums, earned premiums, including fees and taxes, billed to Producer, on or before the invoice date specified, for all policies placed by Producer, notwithstanding the ability of Producer to collect premiums from the insured and without regard to any financing agreement. If Producer does not pay Pipeline Insurance General Agency within the time specified, Pipeline Insurance General Agency is authorized to cancel any certificates or policies for which Pipeline Insurance General Agency has not been paid, and Producer agrees to pay the earned premium on such canceled documents

SECTION 6. CANCELLATION

- a. There shall be no flat cancellation of any insurance coverage bound and/or written at the request of Producer under any circumstances, except as prescribed by state law. All coverage affected by Pipeline Insurance General Agency at the request of the Producer is submitted with the understanding that they are not subject to flat cancellation, and will be canceled in accordance with the policy issued and the insurance carrier's procedures. The Producer agrees to refund compensation on all returned premiums & fees to Pipeline Insurance General Agency at the same rate at which such compensation was originally paid.

- b. It is agreed that there will be no commission paid on any policy or fees, inspection fees, or broker fees added to a policy. In the event of cancellation, these fees will be fully earned.

SECTION 7. NOTICE OF EXPIRATION AND RENEWAL REQUESTS

- a. Producer agrees that it is Producer's responsibility to properly notify policyholders of the expiration date of any and all policies written with a non-admitted carrier through the underwriting facilities of Pipeline Insurance General Agency.
- b. Pipeline Insurance General Agency shall own all renewal business and not be obligated to provide producer renewal fees collected or commissions earned unless producer is in good standing with Pipeline Insurance General Agency.
- c. Pipeline Insurance General Agency will renew policies only upon written request of the producer if applicable and appropriate premium due plus all fully earned fees.
- d. Producer shall indemnify and hold harmless Pipeline Insurance General Agency and/or any Company(s) as a result of any claim, judgment or settlement arising out of a Producer's failure to notify the insured of cancellation or expiration. In addition thereto Producer shall pay all costs and attorney's fees incurred by Pipeline Insurance General Agency and/or Company(s) in defense of such claims.

SECTION 8. ACCOUNTING

- a. Producer will pay in accordance with terms provided by Pipeline Insurance General Agency on invoices provided to Producer. Full payment must be mailed/emailed in time to reach our office no later than the date indicated on each invoice. When a discrepancy exists in accounting between Producer and Pipeline Insurance General Agency, it shall be Producer's responsibility to notify Pipeline Insurance General Agency, in writing, within ten (10) days from receipt of invoice, or within fifteen (15) days from the month end of policies) effective date, whichever shall occur earlier, of amounts in variance with Pipeline Insurance General Agency's records. If Pipeline Insurance General Agency receives no written notice within this period of time, Pipeline Insurance General Agency's accounts will stand as correct and agreed to by Producer.
- b. Producer specifically agrees that any extension of credit by him to an insured or to any other person is solely at his own risk and that he has no authority to extend credit or terms on behalf of Pipeline Insurance General Agency.

- c. Producer recognizes that in agreeing to pay Pipeline Insurance General Agency he does so as an original undertaking on his own part and not as guarantor or surety of another's obligation.

SECTION 9. ADVERTISING

Producer may not, without the express written consent of Pipeline Insurance General Agency, issue, print, or circulate any letter, pamphlet, advertisement, publication or statement, oral or written, referring in any way to Pipeline Insurance General Agency or representing any relationship of any kind between Producer, Pipeline Insurance General Agency, or any market represented by Pipeline Insurance General Agency. Producer specifically agrees to indemnify Pipeline Insurance General Agency for any loss, legal fees, or other expense it may sustain from any unauthorized advertisement, publication or statement by Producer.

SECTION 10. INDEMNIFICATION

- a. Producer shall indemnify and hold harmless Pipeline Insurance General Agency from and against any and all claims, suits, actions, judgments, loss or expense, including legal fees which Pipeline Insurance General Agency may incur, directly or indirectly, as a result of any act, error or omission, or breach of this agreement, including any failure of Producer or any of its agents, servants or employees to act.
- b. If Producer is a corporation or limited liability company, its principals, by accepting and executing this Agreement, personally guarantee the obligations, if any, that Producer assumes under this Agreement.

SECTION 11. ERRORS AND OMISSIONS INSURANCE & BONDING

Producer will be covered under Pipeline Insurance General Agency's E&O Policy.

Producer shall maintain the required \$10,000 Broker bond on file with Pipeline Insurance General Agency.

SECTION 12. COMPENSATION

Producer will be compensated in the following manner:

*65% from \$1 - \$500,000 in earned premium

*70% from \$500,001 + in earned premium

SECTION 13. TERMINATION

This Agreement may be terminated at any time by either party upon written notice mailed to the last known address of the other party. Termination of this Agreement will not affect the provisions of Sections 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14 with regard to any policy of insurance placed through Pipeline Insurance General Agency during the term of this Agreement or any prior or subsequent agreement between the parties.

SECTION 14. GOVERNING LAW

Agreement shall be subject to and governed by the laws of the State of California.

SECTION 15. PRIVACY AGREEMENT

- a. Producer warrants that it will maintain the security, confidentiality, and integrity of nonpublic personal information obtained in connection with this agreement with Pipeline Insurance General Agency and that it has implemented appropriate business practices to safeguard nonpublic personal information in accordance with the applicable regulatory mandates and/or laws.
- b. Producer shall indemnify and hold harmless Pipeline Insurance General Agency from and against any and all claims, suits, actions, judgments, losses, damages, costs or expenses, including legal expenses and attorney's fees which Pipeline Insurance General Agency may incur, directly or indirectly, as a result from or arise out of your failure to maintain, in compliance with law, the security, confidentiality, and integrity of all nonpublic personal information obtained in connection with this agreement with Pipeline Insurance General Agency.

SECTION 16. SAVINGS CLAUSE

The invalidity or unenforceability of any provision of Agreement shall not affect the other provisions hereof, and Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Executed on the _____ day of _____, 20__.

PRODUCER:

Printed Name

Date

Signature

Pipeline Insurance General Agency Authorized Representative:

Printed Name

Date

Signature

Title