

This agreement is made and entered into between **JH Insurance Services** (License # 0F19717), hereinafter called **JHIS** and

Producer:

Located at:

City:

State:

Zip:

Phone:

Fax:

Email:

Website:

hereinafter called **Producer**.

In consideration of JHIS placing risks from time to time hereafter for Producer with an insurer, or insurers, and for the mutual promises and covenants hereinafter set out, it is agreed as follows:

A. Producer's Warranty

- 1) Producer warrants that it is properly licensed to transact insurance in accordance with the insurance laws of the state(s) where such risks are located.
- 2) Producer agrees to maintain Errors and Omissions Insurance coverage at all times with coverage limits of at least \$1,000,000, to provide JHIS with proof of such coverage and to promptly notify JHIS if coverage is ever discontinued or cancelled.

B. Commission

- 1) JHIS will share with the Producer the commission they receive from the insurer(s) in a proportion to be determined by JHIS, and which will vary from risk to risk. The commission will be a percentage rate of the premium for each policy written. In the event of return premium becoming due for any reason, the Producer shall be responsible to refund its share of the commission at the same rate at which it was originally allowed.

C. Premiums

- 1) Producer shall remit all premiums to JHIS within thirty (30) days after coverage is bound or endorsements are effective. This does not include premiums due insurers requiring payments within a shorter period of time, in which case Producer will be notified of the revised payment terms.
- 2) Producer guarantees the payment of all premiums, taxes, and fees, including amounts developed under audits, earned under any policies for which JHIS has effected insurance on Producer's behalf, whether or not Producer has been paid by the insured. Any and all costs incurred by JHIS to enforce this provision and/or to collect premiums, taxes, and fees which are not paid within JHIS's payment terms, including but not limited to attorney's fees and collection agency's fees, shall be the responsibility of the Producer and shall be immediately paid to JHIS upon demand. Producer further agrees that any extension of credit it gives to any insured is solely at its own risk.
- 3) Additional premiums developed by premium audit may be accepted by some insurers for direct collection. Any additional premium the Producer would like to have the insurer accept for direct collection must be returned to JHIS within 30 days of JHIS's billing date. Producer must have made every reasonable effort to collect the additional premium and provide written evidence of such efforts. Producer shall not be responsible for audit premiums that

are accepted by the insurer for direct collection. No commission will be payable to the Producer on premiums collected directly by JHIS or the insurer. Producer agrees to cooperate with JHIS or the insurer on direct collections.

4) All premiums received by the Producer shall be held in trust until delivered to JHIS. JHIS grants its permission to the Producer to invest such funds in accordance with applicable insurance laws and to retain the resulting interest.

D. Limited Authority

1) Producer understands that nothing in this Agreement obligates JHIS to accept, quote or bind any risk submitted to JHIS by Producer.

2) Producer understands that it is not an agent of JHIS and has no authority to bind insurance on any risk submitted to or quoted by JHIS, nor make any changes in the terms and conditions of any certificate or policy issued by JHIS or its insurers.

3) Producer understands that no flat cancellation shall be allowed on any risks for which JHIS has effected coverage, unless Producer notifies JHIS in writing prior to the date such coverage is effective.

4) Producer understands that JHIS assumes no responsibility toward any policyholder with regard to the adequacy, amount or form of coverage obtained from its insurers or the financial stability of any insurer.

E. Expirations

1) Producer understands that JHIS shall be under no obligation to furnish the Producer with advance notice of the expiration of any policies. JHIS may furnish the Producer with advance notice of such expirations, but the failure of JHIS to do so shall not render JHIS liable to the Producer.

2) The ownership and control of the expirations of policies written through JHIS belong to the Producer. In the event this Agreement is terminated and the Producer has not paid JHIS all premiums and other monies due in accordance with the payment terms of this Agreement, then at JHIS's option the ownership and control of the expirations may be vested in JHIS until such time as all sums are paid in full. If JHIS assumes control of the Producer's expirations, then commissions, if any, received by JHIS from such expirations, less applicable expenses, will be credited against balances due JHIS from the Producer.

F. Indemnitees

1) Producer will be liable to JHIS, its shareholders, directors and employees for any and all proven, foreseeable and fully mitigated claims, demands actions, proceedings, liability, losses, damages, judgments, costs and expenses, including without limitation, attorneys' fees, disbursements and court costs, made or instituted against JHIS, its shareholders, directors and employees which arise directly or indirectly out of any act or omission of the Producer, or its employees or representatives.

2) JHIS will be liable to Producer, its shareholders, directors and employees for any and all proven, foreseeable and fully mitigated claims, demands actions, proceedings, liability, losses, damages, judgments, costs and expenses, including without limitation, attorneys' fees, disbursements and court costs, made or instituted against Producer, its shareholders, directors and employees which arise directly or indirectly out of any act or omission of JHIS, or its employees or representatives.

G. Termination

This Agreement may be terminated by either party, without cause and for any reason, by giving the other party advance written notice of such termination. The termination of this

Agreement shall not affect the rights and obligations of the parties with respect to policies in effect at the time of termination.

H. Communication:

Producer agrees to receive communications from JHIS via mail, facsimile or electronically.

I. Applicability of Agreement

- 1) This agreement shall apply to current policies already placed and in force at the date hereof and all future policies which may be placed by JHIS for Producer.
- 2) This Agreement supercedes and terminates any previous Agreement, including amendments thereto, oral or written, between Producer and JHIS.

J. GOVERNING LAW

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

IN WITNESS WHEREOF the Producer has executed this agreement as set forth below:

Producer

Signature: _____

Printed Name:

Title:

Date: