

PRODUCER'S AGREEMENT

This Producer's Agreement ("Agreement") is entered into as of _____, 200__ by and between S.A. Freerks & Associates, Inc., a Missouri corporation, having its principal place of business at 911 Park Avenue, St. Louis, Missouri 63104 ("SAFA") and _____, having its principal place of business at _____, _____ ("Producer").

This Agreement states the terms under which SAFA will seek to place insurance risks submitted by Producer with insurers whose facilities may be available to SAFA. Producer and SAFA acknowledge the receipt and sufficiency of consideration for this Agreement.

Producer and SAFA agree as follows:

I. Producer's Obligations

1. Placement of Risks. SAFA shall be the sole judge of whether it will attempt to place risks submitted by Producer and shall incur no liability for failure to place any risk or to provide the coverage(s) or any part of a requested coverage.

2. No Actual or Implied Authority. Under this Agreement, Producer may only submit applications for attempted placement by SAFA. Producer is not authorized to act as an agent of SAFA, nor as an agent of any insurer. This Agreement does not create any employment relationship between SAFA and Producer.

Producer further agrees that it has no authority, either implied or actual, without the prior written consent of SAFA to:

- (a) bind any risk or to issue any binder, policy endorsement, or certificate on behalf of SAFA or any insurer; or
- (b) waive or to extend any insurance application or insurance policy conditions or to make, vary, or discharge any policy contract; or
- (c) extend the time for payment of premium; or
- (d) make any representations on behalf of SAFA including, but not limited to, representations regarding the suitability of coverage to specific situations; or
- (e) incur any liability whatsoever on behalf of SAFA; or
- (f) act in any way as an agent of SAFA to modify, accept performance of, or terminate contractual obligations between SAFA and any third party.

3. Producer's Duties and Responsibilities. Producer's additional duties and responsibilities are listed in the Producer Notification exhibit, attached hereto as Exhibit "A" and

incorporated into this Agreement by reference. The Producer Notification exhibit is subject to change at any time without notice, and all such changes are part of this Agreement.

4. Professional Liability Insurance. Producer shall maintain during the term of this Agreement, errors and omissions insurance or other professional liability coverage with limits of no less than \$1,000,000.

5. Producer's Obligation to Remit Monies on Behalf of Insured. Producer shall be independently liable to SAFA for all net premiums due or to become due upon contracts of insurance, whether new or renewal, or by endorsement, secured by SAFA. If the insured(s) fails to pay premiums or any other monies due SAFA, then Producer shall pay SAFA, upon demand, such premium or monies.

Producer agrees that any extension of credit by Producer to the insured is solely at Producer's own risk.

Any and all fees or expenses in addition to premiums shall be payable at the time of inception of coverage. Producer shall pay such fees or expenses when due. No commission is paid or allowed on fees or expenses *which are fully earned*.

If Producer fails to pay any monies due SAFA under this Agreement, Producer shall be deemed to assign to SAFA as security all sums due or to become due Producer from the insured, with unrestricted authority granted to SAFA to demand and collect the same. On premiums so collected by SAFA, Producer shall be entitled to no commission whatsoever. ***Enforcement of this provision does not waive any duty or ultimate responsibility for payment to SAFA by producer.***

II. Additional Conditions, Rights and Obligations of the Parties

6. Payment of Premiums. Upon SAFA's acceptance of Producer's request to bind coverage, Producer shall remit the deposit premium, tax, and fee specified in the quotation within forty-eight (48) hours of the effective date. The remaining premium balance shall be paid as invoiced by SAFA. ***This does not apply to brokers operating under an account current.***

7. Return Premium. If any return premium becomes due under any contract of insurance, SAFA shall (promptly) pay to Producer such return premium less the unearned portion of any commission previously retained by Producer, ***when received by SAFA from the insurance company.*** If Producer is on an account current basis, the net credit shall be applied to Producer's agency account.

8. Set off. SAFA shall have the right to set off any monies due SAFA from Producer against amounts payable to Producer from SAFA.

9. Flat Cancellations. Flat cancellations shall have no force or effect unless effected by notice to SAFA from the insured, or surrender to SAFA of the policy or other written

evidence of coverage prior to the inception date of the contract of insurance, and acceptable to the insuring company.

10. Premium Financing. Under premium financing arrangements:

- (a) Producer's receipt of premium from any premium finance company shall not constitute payment to SAFA or payment to any insurer;
- (b) Neither SAFA nor any insurer shall be deemed to be a party to any premium financing agreement entered into by Producer's client or the insured; and
- (c) ***Unless otherwise agreed to in writing***, When premium is financed, the premium finance company shall remit the premium directly to SAFA. Upon cancellation, SAFA will remit return premium less return commission directly to the premium finance company ***less any amounts due on the account from the producer***. The Producer will remit their return commissions directly to the finance company. ***Any shortage due the Finance company shall be the responsibility of the producing broker and their insured.***

11. Commissions. Producer's commission under this Agreement shall be calculated in accordance with the commission schedule then in effect unless otherwise agreed in advance.

12. Premium Tax. Producer shall pay or file surplus lines premium tax, affidavits, attestations, and any other required documentation in such manner as requested by SAFA.

13. Producer's Form of Organization. This Agreement shall continue to be binding and in full force and effect regardless of any change whatsoever in Producer's form of organization.

14. Indemnification. In the event SAFA institutes any legal action or proceeding to enforce the obligations of Producer under this Agreement, or is required to defend any legal action or proceeding brought against SAFA because of SAFA having entered into this Agreement, Producer agrees to indemnify and hold SAFA harmless from any and all claims, losses, liabilities, damages, costs, expenses, judgments, and attorney's fees incurred by SAFA in connection with any such legal action or proceeding.

15. Choice of Law and Severability. Producer agrees to submit to the jurisdiction and venue of the courts of the State of Missouri in the event of any dispute or disagreement arising under this Agreement. This Agreement shall be interpreted under the laws of the State of Missouri. The invalidation of any provision(s) herein shall not be deemed to invalidate the remaining provisions.

16. Arbitration. Any controversy or claim arising out of or relating to this Agreement or the breach or validity thereof shall be settled by arbitration in St. Louis, Missouri in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

17. Waiver. The failure of SAFA to enforce any or all of the provisions of this Agreement or to insist upon strict compliance by Producer shall not be construed as a waiver of any rights or privileges of SAFA. A waiver of a past act or circumstance shall not constitute a waiver of any subsequent action or circumstance.

18. Termination. This Agreement supersedes all other agreements between SAFA and Producer and shall continue in force until terminated by mutual agreement of the parties or by one of the parties giving thirty (30) days written notice to the other. Termination of this Agreement shall not relieve Producer of those obligations undertaken during such time as this Agreement is in effect.

19. Amendment. No procedure, custom, or practice shall alter this Agreement unless a specific written addendum is signed and agreed to by both parties.

20. Assignment. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors, trustees, administrators, liquidators, receivers, and assigns. This Agreement shall not be assigned without the written consent of the parties, and any attempt to do so without such written consent shall be void.

21. Notices. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or mailed by first class registered mail, return receipt requested, addressed to the parties at the addresses set forth above (or at such other address as any party may specify by notice to all other parties given as aforesaid).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

“SAFA”

“Producer”

S.A. Freerks & Associates, Inc.

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Exhibit “A”

PRODUCER NOTIFICATION

1. Producer is not an agent of SAFA, or of the insurer(s) of this policy.
2. Producer is aware of the insuring conditions provided under this policy and its subsequent endorsements and will review all the material provisions of the policy with the insured.
3. All certificates of insurance must be approved in advance and in writing by SAFA. Unauthorized certificates which do not accurately reflect the coverage provided under this policy are the sole responsibility of Producer.
4. All PUC filings must be issued by SAFA. Producer is not authorized to submit any regulatory filing to any Public Utilities Commission or similar entity.
5. Each and every future increase in coverage or change to this policy must be authorized, quoted, and received by SAFA.
6. All notices of loss received by Producer, must be promptly provided to SAFA in writing. The policy should be referred to for specific requirements for claim reporting.
7. If coverage is placed in the surplus lines or non-admitted market, Producer is responsible for documenting diligent search requirements, and compliance with applicable insurance law.
8. Refer any questions regarding this policy to an SAFA manager.