

Producer Agreement

Agreement is made and entered into in Brighton, Michigan, this ____ day of _____, 20____, by and between Mackinaw Administrators, LLC, a Michigan Limited Liability Company, hereinafter called "General Agent" (GA), and _____, hereinafter called "Producer".
(State) (Legal Form – Corporation, LLC etc.)

WITNESSETH:

WHEREAS, GA acts as an Insurance Representative of Companies in the placement and writing of Insurance generally; and

WHEREAS, GA and Producer desire to enter into an Agreement, which includes a commission arrangement and independent ownership by Producer of the insurance business covered by this agreement.

NOW, THEREFORE, in consideration of the mutual covenants, sufficiency hereby acknowledged, it is mutually agreed as follows:

SECTION 1. CONDUCT OF PRODUCER. Producer acknowledges that they understand the limitations contained in Agreement, and that no insurance submitted for consideration is effective until acceptance by GA, verification of which is only to be indicated in writing and or faxed to the Producer from GA. Producer is **not** authorized to **BIND or CANCEL ANY** insurance coverage. Coverage is **NOT BOUND OR CANCELLED** by telephone communication.

Producer shall be liable to GA for any loss paid by GA, necessitated by Producer's negligence, including, but not limited to binding coverage or accepting any risk on behalf of GA beyond or outside the authority GA specifically granted to Producer and / or any addendum to this Agreement.

Producer agrees to be properly licensed to transact Casualty and Property Insurance Business and comply with all Insurance Codes and Regulations in the state of origin of contracts of Insurance or endorsements written through GA, and in the State of Producer's domicile.

Producer agrees to carry \$1,000,000 of Errors and Omissions Insurance at all times, during the length of this contract. Furthermore, the policy should be written through a carrier with an A.M. Best rating of B+ or better.

SECTION 2. DEFINITIONS. Neither term "Producer" nor anything contained herein, or any of the by-laws, Rules or Regulations of GA shall be construed, as creating the relationship of employer and employee between GA and Producer. Producer shall act **ONLY** as an independent contractor. Producer is not an Agent of GA or any insurer with whom GA may place a risk at the request of Producer.

SECTION 3. PREMIUMS. Producer agrees to remit to GA, all premiums, earned premiums, audits and fees billed by GA and shall be liable to GA for such payment, the inability of Producer to collect from insured notwithstanding, within fifteen (15) days after the rendering of monthly account statement by GA.

In the event that any policy or portion thereof is on an agency bill basis, any uncollectible premium audits not returned within thirty (30) days will be the producer's responsibility.



Direct Bill: For policies where the carrier, bills the policyholder directly, the carrier will bill the policyholder or payor directly for all premiums due, and the carrier will be responsible for collection of directly billed premium following producer's collection of any initial premium.

Uncollectible monies may not be offset by any credits to Producer or by cancellation of policies. All fees and expenses incurred in Producer's collection efforts, are at Producer's own cost.

SECTION 4. CANCELLATION. GA DOES NOT AND WILL NOT under any circumstances permit FLAT CANCELLATION of any insurance coverage bound and / or written by GA at the request of Producer. All coverage effected by GA at the request of Producer are submitted with the understanding that they are NOT SUBJECT TO FLAT CANCELLATION and WILL BE CANCELLED SHORTRATE.

SECTION 5. ACCOUNTING. PRODUCER WILL PAY TO GA ALL MONIES DUE ON ANY OUTSTANDING BALANCE NOT LATER THAN FIFTEEN (15) DAYS FROM THE END OF THE MONTH, BASED UPON THE ACCOUNT RENDERED BY GA TO PRODUCER. ALL DIRECT BILL PROGRAMS REQUIRE A DEPOSIT CHECK WITH AN ORDER TO ISSUE, MADE PAYABLE TO THE INSURANCE COMPANY RISK IS PLACED WITH.

When discrepancy exists in accounting between GA and Producer, it shall be the Producers responsibility to notify, GA, in writing, within fifteen (15) days from the month end of policy(s) effective date, of amounts in variance with GA records. If no written notice is received by GA within this period, GA's accounts will stand as correct and agreed to by Producer.

Receipt of cash with or without application for a policy(s) will not constitute automatic binding coverage for said policy(s).

SECTION 6. CLAIMS AND REPORT OF LOSSES. Producer has no authority, either expressed or implied, to handle claims of risks placed through GA. The knowledge of any claim by Producer shall be transmitted in writing to GA IMMEDIATELY AFTER RECEIPT.

SECTION 7. TERMINATION. Agreement may be terminated by either party at any time upon written notice mailed to the last known address of the other party. In event of termination of Agreement, Producer shall pay all monies due to GA within 48 hours after demand of payment by GA.

The producer agrees that upon termination of the agreement by either party, that all material and information relating to the GA regarding products and programs will be returned within 15 days of said termination date.

SECTION 8. BINDING EFFECT. Agreement shall be binding upon and inure to the benefit of GA and Producer and their respective heirs, legal representatives, executors, administrators, successors and assigns. **EVIDENCE OF IN FORCE ERRORS & OMISSIONS COVERAGE REQUIRED.**

SECTION 9. INVALID PROVISION. The invalidity or unenforceability of any particular 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.



SECTION 10. GOVERNING LAW.

Agreement shall be subject to and governed by the laws of the State of Michigan, County of Livingston, City of Brighton, notwithstanding that producer may be, or may become a resident of a different state, or that this Agreement may be signed in a different state.

SECTION 11. INDEMNIFICATION

We will indemnify and hold you harmless against all civil liability, including reasonable attorney's fees and reasonable costs of investigation and defense, arising as a direct result of: 1) Our error or omission in preparing, processing, billing or servicing any policy or endorsement, except to the extent that you caused, contributed to, or compounded such error; or 2) Failure of a policyholder to receive notice of cancellation, non-renewal, or any notice affecting coverage on direct bill business, where the carrier sends notices directly to the policyholder, except to the extent that you caused contributed to or compounded such error.

SECTION 12. AMENDED MODIFICATION.

Agreement constitutes the entire Agreement among the parties and contains all of the Agreements among the parties with respect to the subject matter hereof. Agreement supersedes any and all other Agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof.

No change or modification of Agreement shall be valid unless the same be in writing and signed by Producer and GA. No waiver or any provision of Agreement shall be valid unless in writing and signed by the person or party against whom charged. In the event Producer under Agreement is a Corporation or Limited Liability Company (LLC), it is further understood, agreed, and guaranteed by the undersigned Individuals, principal stockholders or members of said Corporation or LLC, that all Conditions of Agreement shall be binding upon them severally and jointly in the same Manner as upon the Corporation named as producer.

EXECUTED ON THE _____ day of _____, 20__.

Signed and Delivered in Presence of:

(Producer)

(Title)

PRODUCER NUMBER _____
Attach evidence of E & O Coverage

Mackinaw Administrators, LLC
By _____
11801 E Grand River, Brighton, Mi. 48116

MA-02/01

