



**PRODUCER AGREEMENT**

This AGREEMENT is made and entered into in this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Burns & Wilcox Ltd. ("B&W"), a Michigan corporation and \_\_\_\_\_  
(Name of Entity)  
a \_\_\_\_\_  
(State) (Type of Entity)

**WITNESS**

WHEREAS, B&W and all its various subsidiaries represent insurance companies and other similar entities in the placement and writing of Insurance and reinsurance generally; and

WHEREAS, Producer requires the services of B&W to place insurance for its clients commonly referred to as insureds; and

WHEREAS, B&W and Producer desire to enter into an Agreement, which includes a commission arrangement, and independent control by Producer of the Insurance business placed through B&W 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 B&W and Producer and is binding upon the parties and 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 independent contractor and not an agent of B&W. Producer has no authority to bind B&W or any insurance company or underwriter represented by B&W.
- b. Producer shall have ownership of all business subject to this Agreement. Producer agrees to keep complete records and accounts of all transactions and will allow B&W to inspect and audit all such records and accounts.
- c. Producer acknowledges its duty to fully inform all clients of the terms, conditions, exclusions and limitations of any insurance placed through B&W. Producer further acknowledges its responsibility to request proper coverages for its clients, review all quotes, policies and binders for accuracy and keep Producer's clients fully informed.

**SECTION 3. PLACEMENT OF ORDERS**

Producer shall follow all applicable state statutes prior to placing any order for insurance or excess surplus lines insurance with B&W. Coverage may only be bound in writing; oral telephonic communication is not sufficient. Facsimile or email communications are acceptable if signed and originals forwarded on the day of signing to B&W. Receipt of cash with or without application for a policy will not constitute automatic binding coverage for said policy.

#### 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.

#### SECTION 5. PREMIUM PAYMENT

Producer guarantees payment to B&W 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 B&W within the time specified, B&W is authorized to cancel any certificates or policies for which B&W has not been paid, and Producer agrees to pay the earned premium on such canceled documents.

#### SECTION 6. CANCELLATION

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 effected by B&W at the request of Producer are 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. In consideration of the commission allowed to Producer on all premiums and additional premiums, the Producer agrees to refund commission on all returned premiums at the same rate at which such commission was originally paid.

#### SECTION 7. ACCOUNTING

Producer will pay in accordance with terms indicated by B&W invoices provided to Producer. The payment must be made in accordance to the payment instructions on your invoice or statement in time to be recorded by our accounting department no later than the date indicated on each invoice. When a discrepancy exists in accounting between Producer and B&W, it shall be Producer's responsibility to notify B&W, in writing, within ten (10) days from receipt of invoice, or within fifteen (15) days from the month end of policy(ies) effective date, whichever shall occur earlier, of amounts in variance with B&W's records. If no written notice is received by B&W within this period of time, B&W's accounts will stand as correct and agreed to by Producer.

#### SECTION 8. CLAIMS AND REPORTS OF LOSSES

Producer agrees to report, immediately upon receipt, any claim, loss or possible claim or loss it has knowledge of, in writing, to B&W, and to immediately report, in writing, any fact, occurrence, or incident that may result in a loss or claim, under any policy of insurance placed through B&W. Producer does not have authority to adjust, handle, investigate or provide coverage opinions regarding any claim, loss or occurrence.

#### SECTION 9. ADVERTISING

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

#### SECTION 10. INDEMNITY AGREEMENT

B&W shall indemnify and hold the Producer harmless from and against any and all claims, suits, actions, judgements, loss or expense the Producer may incur or become obligated to pay as a result of any act, omission or negligence of B&W in its processing or handling of insurance business placed by the Producer through B&W under this Agreement, except to the extent that the Producer has caused, exacerbated or contributed to such error.

Producer shall indemnify and hold B&W harmless from and against any and all claims, suits, actions, judgements, loss or expense B&W may incur or become obligated to pay as a result of any act, error, omission, negligence or breach of this Agreement by Producer, including, but not limited to, any failure of Producer or any of its agents, servants or employees to act, except to the extent that B&W has caused, exacerbated or contributed to such error.

Each party shall promptly provide written notice to each other party of any claimed obligation of the other party arising under this indemnification provision, but in no event may such notice be provided by the party seeking indemnification after thirty (30) days after receipt of notice of the possible claim, suit, action, judgment, loss or expense giving rise to the obligation to indemnify.

**SECTION 11: ERRORS AND OMISSIONS INSURANCE**

Producer agrees to maintain, at all times this Agreement is in effect, errors and omissions coverage for itself and its agents, solicitors, servants and employees in an amount not less than \$1,000,000. A copy of the **policy** or confirmation of coverage will be submitted annually to B&W. This agreement will terminate automatically in the event Producer fails to provide the required confirmation of coverage.

**SECTION 12. 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 and 13 with regard to any policy of insurance placed through B&W during the term of this agreement or any prior or subsequent agreement between the parties.

**SECTION 13. GOVERNING LAW**

Agreement shall be subject to and governed by the laws of the State of Michigan. Venue for any suit or against Producer and/or B&W shall be proper only in the Oakland County, Michigan Circuit Court or United States District Court for the Eastern District of Michigan, Southern Division.

**SECTION 14. 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\_\_

**WITNESSED BY:** (2 Signatures)

\_\_\_\_\_  
\_\_\_\_\_

(2 Signatures)

\_\_\_\_\_  
\_\_\_\_\_

**PRODUCER**

Agency: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

(For Partnerships)

Title: \_\_\_\_\_

**WITNESSED BY:** (2 Signatures)

\_\_\_\_\_  
\_\_\_\_\_

**BURNS & WILCOX LTD. BRANCH** \_\_\_\_\_

By: \_\_\_\_\_

(Burns & Wilcox Ltd. Manager)

Title: \_\_\_\_\_