



PROFESSIONAL PROGRAM  
INSURANCE BROKERAGE  
Division of SPG Insurance Solutions, LLC

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## PRODUCER AGREEMENT

This agreement is made and entered into as of the date set forth below by and between Professional Program Insurance Brokerage division of Specialty Program Group, LLC, a Delaware corporation ("PPIB"), and the agent or agency ("Producer") set forth below.

### **RECITALS**

Whereas, PPIB represents insurance companies and similar entities in the placement and writing of insurance; and

Whereas, Producer requires the services of PPIB to place insurance for its clients also referred to as insured's and/or the insured's agent, broker or representative; and

Whereas, PPIB and Producer desire to enter into an Agreement, which includes a commission arrangement and independent control by Producer of the insurance business placed through Professional Program Insurance Brokerage, and an understanding of the rights and obligations of each:

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

### **ARTICLE 1: SCOPE OF AGREEMENT**

This Agreement governs the relationship between PPIB 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.

### **ARTICLE 2: PRODUCER'S STATUS AND DUTIES**

- a. It is understood that Producer is an independent contractor and not an agent of PPIB. Producer has no authority to bind business on behalf of PPIB or any insurance company or underwriter represented by PPIB.
- 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 PPIB to inspect and audit all such records and accounts.
- c. Producer acknowledges its duty to fully inform its clients of the terms, conditions, exclusions and limitations of any insurance placed through PPIB. Producer further acknowledges its responsibility with respect to proper coverage for its clients, disclosure of all fees, review of all quotes, policies and binders for accuracy and to keep Producer's clients fully informed about issues, including but not limited to the use of non-admitted insurers.

### **ARTICLE 3: PLACEMENT OF ORDERS**

Producer shall follow all applicable state laws prior to placing any order for insurance or excess and surplus lines insurance with PPIB. Coverage may only be bound in writing; oral telephonic communication is not sufficient. Facsimile or electronic communications are acceptable. Receipt of payment with or without subjectivities for a policy will not constitute automatic binding of coverage for said policy.

Producer shall not have authority to bind any coverage with any of PPIB's insurance facilities, or make any changes in the terms or conditions of any coverage placed through PPIB until approved in writing by PPIB. Producer shall not have authority to issue binders for coverages placed through PPIB. However, once coverage has been bound, Producer may issue certificates of insurance reflecting coverages bound. PPIB shall have no legal responsibility for Producer issued certificates.

Producer Initials: \_\_\_\_\_

PPIB Initials: \_\_\_\_\_



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#### **Article 4: DEPOSIT REQUIREMENT and APPLICATION**

Producer shall obtain authority **and a deposit of premium** from any of Producer's insureds before placing their insurance through the insurance facilities of PPIB. Wholesalers/MGAs will confirm their retail Producer has a deposit. If Wholesaler/MGA does not confirm a deposit from their retail Producer, the Wholesaler/ MGA is still responsible for payments to PPIB. Due to the unique nature of PPIB's program, Producer cannot sign any application for insurance on behalf of any insured.

#### **ARTICLE 5: 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 state.

#### **ARTICLE 6: PREMIUM PAYMENT**

##### **PPIB BILLED: (AGENCY BILL)**

Producer guarantees payment will be posted to PPIB, all premiums, including fees, taxes, and return commissions billed to Producer by PPIB on or before the 10<sup>th</sup> of the following month, 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 PPIB within the time specified, PPIB and the carrier are authorized to cancel any certificate or policy for which PPIB or the carrier have not been paid, and Producer agrees to pay the earned premium on such canceled documents. In the event the Producer is unable to collect audit premium from the insured, the Producer may return an uncollected invoice to PPIB along with documentation of its efforts to collect the premium, within 30 days of the invoice date provided the insurance company accepts such a returned invoice for its direct collection.

Producer agrees that consistent failure to send payments as outlined will result in termination of ANY binding consideration by PPIB on behalf of the Producer.

##### **CARRIER BILLED: (DIRECT BILL)**

Producer guarantees payment to PPIB and its direct bill carrier, all initial or deposit premiums, including fees and taxes billed by either PPIB or its direct bill carrier, on or before the due date for all policies ordered or placed by Producer, notwithstanding the ability of the Producer to collect premiums from the insured and without regard to any financing agreement. If Producer or its client does not pay PPIB or PPIB's direct bill carrier within the time specified, PPIB and the direct bill carrier are authorized to cancel any certificate or policy for which PPIB or its direct bill carrier have not been paid, and Producer agrees to pay the earned premium on such canceled documents.

#### **ARTICLE 7: CANCELLATION**

There shall be no flat cancellation of any insurance coverage bound and/or written at the request of Producer, except as prescribed by law. Any and all coverage affected by PPIB 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, the Producer agrees to refund commission on all returned premiums at the same rate at which such commission was originally paid.

#### **ARTICLE 8: ACCOUNTING**

Producer will pay in accordance with terms provided by PPIB or its carrier on invoices provided to Producer. The payment must be mailed, wired or electronically transmitted in time to reach our California office noted herein or the carriers direct bill address no later than the date indicated on each invoice. When a discrepancy exists in accounting

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PPIB Initials: \_\_\_\_\_



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between Producer and PPIB, it shall be Producer's responsibility to notify PPIB within ten (10) days from receipt of invoice of amounts in variance with PPIB's records.

**ARTICLE 9: CLAIMS AND REPORTS OF LOSSES**

Producer agrees to report, immediately upon receipt, any claim, loss or possible claim or loss it has knowledge of to PPIB or the insuring carrier 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 PPIB. Producer does not have authority to adjust, handle, investigate or provide coverage opinions regarding any claim, loss or occurrence.

**ARTICLE 10: INDEMNIFICATION**

Producer shall indemnify and hold harmless PPIB and the insurance companies it represents from any and all claims, suits, actions, judgments, loss or expense, including legal fees which PPIB may incur as a result of any act, error or omission, or breach of this agreement, including any failure of Producer or any of its agents or employees to act.

PPIB shall indemnify and hold harmless Producer from any and all claims, suits, actions, judgments, loss or expense, including legal fees which Producer may incur as a result of any act, error or omission, or breach of this agreement, including any failure of PPIB or any of its agents or employees to act.

**ARTICLE 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 and employees in an amount not less than \$1,000,000 per incident. A Certificate of Insurance confirmation of coverage will be submitted annually to PPIB.

**ARTICLE 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 this Agreement with regard to any policy of insurance placed through PPIB during the term of this Agreement.

**ARTICLE 13: GOVERNING LAW**

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

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PPIB Initials: \_\_\_\_\_



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FOR THE PRODUCER		FOR PROFESSIONAL PROGRAM INSURANCE BROKERAGE	
Printed Name and Title		<b>Susan Preston, President</b> Printed Name and Title	
Signature		Signature	
Date		Date	
COMPANY/AGENCY NAME		<b>Professional Program Insurance Brokerage</b> COMPANY/AGENCY NAME	
Physical Address		<b>371 Bel Marin Keys Blvd., #220</b> Physical Address	
City	State	Zip	
Mailing Address (if different from above)		<b>Novato, CA 94949</b> City	
City	State	Zip	
Telephone Number		<b>415-475-4300</b> Telephone Number	
Fax Number		<b>415-475-4303</b> Fax Number	
E-mail Address			
Federal ID#			
<input type="checkbox"/> Retail Agent <input type="checkbox"/> Wholesaler – if yes, do you wish to file your own taxes? <input type="checkbox"/> Yes <input type="checkbox"/> No			
List all states you are licensed in:			
<b>How did you learn about Professional Program Insurance Brokerage?</b>			
<input type="checkbox"/> PPIBcorp.com	<input type="checkbox"/> Trade Publication	<input type="checkbox"/> E-Mail Blast	
<input type="checkbox"/> Employee: _____	<input type="checkbox"/> Referral: _____	<input type="checkbox"/> Other: _____	

Producer Initials: \_\_\_\_\_

PPIB Initials: \_\_\_\_\_



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*Please complete and return with a copy of your current agency license(s) and proof of current E&O insurance.*

1) **Additional Office Location(s)** a) \_\_\_\_\_  
b) \_\_\_\_\_

2) **Agency Principal or Executive Officer** Name \_\_\_\_\_  
E-mail \_\_\_\_\_  
Phone \_\_\_\_\_

3) **Accounting Contact** Name \_\_\_\_\_  
E-mail \_\_\_\_\_  
Phone \_\_\_\_\_

4) **Number of Producers** \_\_\_\_\_

5) **Name & Email address of all producers you would like to have added under your agency contract:**

Name	Email

### **Premium Payment Mailing Address**

Professional Program Insurance Brokerage  
Division of Specialty Program Group LLC  
371 Bel Marin Keys Blvd # 220  
Novato, CA 94949

Producer Initials: \_\_\_\_\_

PPIB Initials: \_\_\_\_\_