

# Partners Specialty Group, LLC Retailer Brokerage Agreement

As used in this Agreement, Partners Specialty Group, LLC. (PSG) shall refer to any business unit or entity that may be affiliated through common ownership and/or managed by PSG.

## An Agreement between PSG and

\_\_\_\_\_ (Producer).

Whereas, Producer is desirous of placing contracts of insurance with companies represented by PSG (those companies referred herein as Insurer) and utilizing the underwriting facilities, knowledge, and/or services of PSG, and in consideration of PSG placing risks of Producer's clients (Insured) from time to time with an Insurer or Insurers and for mutual promises and covenants set forth in this document it is agreed as follows:

### **AUTHORITY**

Producer is an agent for the Insured, and acts on behalf of the insured for insurance, and is not acting as an agent, subagent or broker for PSG. This agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between PSG and Producer. Producer is for all purposes an independent contractor. PSG shall be the sole judge of whether to accept, reject, or submit to Insurer for acceptance any applications of insurance for risks submitted by Producer and shall incur no liability for failure to place any such risk. Producer shall have no authority to bind any Insurer for PSG, commit to or issue binders, policies, or other written evidence of insurance on behalf of PSG or to make representations not strictly in accordance with the provisions of the insurance policies and/or contracts placed under the terms of this agreement. Producer shall not make, alter or vary any terms of coverage, or modify terms of payment of any premium or deposit, or incur any liability for PSG.

### **RESPONSIBILITY**

Producer warrants and represents that Producer is properly licensed to transact business as an agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this agreement and will furnish proof of such licensing upon request by PSG. Producer will promptly notify PSG of any suspension, cancellation or disciplinary action in respect of the Producer's license(s). Producer shall not place an order with PSG for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring the Producer to attempt to procure such insurance from insurers authorized to do business in the State of residence of the proposed Insured. As respects any transaction whereas the Producer accepts the responsibility for handling the surplus lines filings, the Producer agrees to: (i) comply with all surplus lines laws and regulations and (ii) report the transactions and file the surplus lines affidavit and (iii) calculate, collect and remit of all surplus lines taxes and (iv) provide the appropriate statutory and/or regulatory disclosure stamps/legends on all documents as required.

### **GUARANTEE OF PREMIUM AND ACCOUNTS**

Producer guarantees the full payment due PSG of all premiums including deposit, earned, extension and adjustable premiums, fees, plus applicable state and local taxes, less commission, on every insurance contract bound or written for Producer pursuant to this Agreement. Producer shall be liable to PSG for the payment of all premiums, fees and taxes whether or not collected by the Producer. PSG's billings may take the form of binders, invoices or statements. The net balance will be due and payable as indicated on such billings and may vary based upon the credit terms of the issuing company. The

omission of any item(s) from a monthly statement or separate invoice shall not: (1) affect the Producer's responsibility to account for and pay all amounts due; (2) prejudice the rights of PSG to collect all amounts due from Producer; or (3) extend the time within which Producer must make payment. Producer's obligation to make payment to PSG is not contingent upon the issuance of a policy. Any credit extended to the Insured or others shall be at the sole risk and responsibility of the Producer unless agreed to in writing by PSG.

### **ADJUSTABLE PREMIUMS**

Producer shall be responsible for premium payments of additional earned premium due from endorsements and audits invoiced by PSG or the insurance company unless all of the following exist;

- A.) Producer has made a reasonable effort to collect such additional premiums earned and
- B.) Producer notifies PSG in writing of the uncollectable amount within twenty (20) days after the invoice date for the additional earned premiums and
- C.) The insurer releases PSG from the additional earned premium payment obligation and
- D.) Producer forfeits their commission on the uncollectable amount of the premium.

### **FUNDS HELD IN TRUST**

Producer shall hold funds in a fiduciary account for business generated under this Agreement to the extent required by the insurance laws of each state in which Producer conducts business. Provided Producer is in compliance with all terms of this Agreement, Producer shall be entitled to any interest earned on said funds while so held by the Producer.

### **UNEARNED COMMISSIONS**

Producer shall be responsible to pay return commissions at the same rate as originally allowed to Producer for all return premium adjustments or cancellations, including return premium on cancellations ordered or made by the Insurer or Finance Company. Such return commission shall be paid to PSG by the due date indicated on the billing document. If a return premium becomes due under any contract of insurance and PSG has been issued a credit, or payment has been rendered, for such premium by PSG's Insurer; PSG will pay to Producer such return premium less the unearned portion of any commission previously retained by the Producer.

### **WAIVER OR DEFAULT**

Failure of PSG to enforce any provision of this Agreement or to terminate it because of a breach hereof shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer.

### **SEVERABILITY**

If any clause or provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the Agreement shall be enforceable independently of any other provision unless expressed otherwise herein.

### **ERRORS AND OMISSIONS COVERAGE**

Producer now has and shall maintain insurance agent's Errors and Omission coverage with a minimum policy limit of one million dollars (\$1,000,000) while this Agreement is in force and will furnish proof of such coverage upon request by PSG. Producer will provide PSG with prompt written notice of any change, cancellation or other termination of this Policy.

**CONFIDENTIALITY**

The Producer shall neither disclose nor use Nonpublic Personal Information (as that term and similar terms are defined in the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 *et. seq.* and the applicable state insurance laws and regulations enacted or adopted pursuant to the Gramm-Leach-Bliley Act, individually and collectively referred to as the "Act") that is received from or collected on behalf of the PSG in connection with insurance used primarily for personal, family or household purposes, except as necessary to permit the Producer to perform its duties under this Agreement, or as otherwise permitted or authorized by the Act. The Producer shall also implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of such Nonpublic Personal Information.

**GOVERNING LAWS**

This Agreement shall be deemed to have been made and performed in Montgomery County, Pennsylvania and shall be governed by, and construed and enforced in accordance with the laws of the State of Pennsylvania. The rights, duties and obligations of the parties to this agreement to such extent they are not dealt with specifically or by necessary implication in this instrument shall be in accordance with the customs prevailing in the surplus lines and special risks insurance business in the state in which the Producer is domiciled.

**ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between PSG and Producer and supersedes and replaces any previous agreements between PSG and Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by PSG. This Agreement shall apply to current policies already placed through PSG and in force at the date hereof and all future policies which may be placed by PSG for Producer.

**EXECUTION AND ACCEPTANCE OF AGREEMENT**

Producer acknowledges that a breach of any of the terms, conditions, or provisions of this Agreement by the Producer may give rise to a cause of action by PSG against the Producer and/or may result in disciplinary action by PSG, including but not limited to, the termination of this Agreement, all in the sole discretion of PSG. Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs.

Producer: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Partners Specialty Group, LLC.

Signature: *Maureen Caviston*  
Print name: Maureen Caviston  
Title: President  
Date: 3-27-06