



BRAZOS SPECIALTY RISK, INC.
dba BSRI

PRODUCER AGREEMENT
Between

BRAZOS SPECIALTY RISK, INC
And

Agency Code:
Assigned:

(To be completed by BSR)

(Agency Name) "Producer"

This Agreement is made between Brazos Specialty Risk, Inc. (referred to in this agreement as BSR, Inc.) and, _____ (referred to in this agreement as Producer). BSR, Inc. is licensed as a Managing General Agent in the states where it is applicable. Producer is licensed as a General Lines Agent in the states and for the lines of coverages in which it desires to write business. Since Producer desires to place business with insurance companies represented by BSR, Inc. and BSR, Inc. desires to write the acceptable insurance coverage, BSR, Inc. and Producer enter into the following agreement:

ARTICLE IGENERAL

- 1.1 BSR, Inc. authorizes Producer to receive and submit applications for insurance coverage to BSR, Inc. for approval, subject to restrictions placed upon Producer by the laws of any state in which it is licensed to write business, and further subject to the terms of this agreement.
- 1.2 Producer agrees to collect, receive and account for premiums on insurance submitted by Producer and accepted by BSR, Inc. and to retain from premiums the Producer collects as sole and full compensation for business so placed, commissions at the rates or terms as are available and published periodically.
- 1.3 It is expressly agreed that Producer has no authority to bind BSR, Inc. or the companies it represents. Coverage is not bound until accepted and acknowledged by BSR, Inc. Producer understands that Producer has no authority to issue policies, endorsements, binders, notices of cancellation, nor to waive, alter or amend conditions, exclusions or other provisions of policies, nor otherwise to exercise any of BSR, Inc. authority.
- 1.4 It is further agreed the Producer is an independent contractor. Producer agrees that he shall act solely as the agent of the insured and this Agreement is not to be construed to create the relationship of employer and employee, principle and agent or master and servant between BSR, Inc. and Producer.
- 1.5 Producer agrees not to represent or advertise to any insured, to any other agent or to the public at large that any agency relationship exists between Producer and BSR, Inc or any company that BSR, Inc. represents. Producer shall disclose to all prospective insured's that Producer is not an authorized or appointed agent of the company with which insurance is placed by BSR, Inc.
- 1.6 It is further agreed that Producer has no authority, expressed or implied, to make any oral or written representation, promise or warranty of any nature to any insured, to any other agent or to the public at large on BSR, Inc.'s behalf.

ARTICLE II.....DUTIES OF PRODUCER

- 2.1 Producer will promptly forward to BSR, Inc. all applications, inspection reports and other information necessary for underwriting decisions regarding new policies and renewal policies.
- 2.2 Producer will keep complete records and accounts of all transactions pertaining to insurance written under this agreement and make these records available to BSR, Inc. for examination purposes upon request at any reasonable time during business hours.
- 2.3 Producer agrees to promptly contact BSR, Inc. in writing and forward all pertinent details in the event the Producer receives any loss notification pertaining to policies written under this agreement. Producer agrees to promptly furnish to BSR, Inc. copies of all such notices and correspondence relating thereto.
- 2.4 Producer will obtain and keep all state and local licenses required in the states and for the lines of coverage in which it desires to write business, to perform the duties and obligations under this agreement.
- 2.5 Producer will pay all expenses with respect to performance of Producers duties under this agreement, including but not limited to rentals, transportation, clerical expense, postage, advertising, exchange fees or personal and local license fees.
- 2.6 It is expressly understood any application forms or other supplies furnished to Producer by BSR, Inc. will remain BSR, Inc. property and shall be returned to BSR, Inc. in the event this agreement is violated or terminated.
- 2.7 Solicitation of renewal policies shall be the responsibility of Producer. Producer understands and agrees that policies will not be automatically renewed upon expiration.
- 2.8 Producer agrees to review all binders, policies, and endorsements upon receipt and promptly notify BSR, Inc. of any variance from coverage or terms requested.
- 2.9 Producer agrees to and shall maintain during the term of this agreement Errors and Omissions insurance coverage with a limit of liability of not less than \$1,000,000 per claim. The Producer shall furnish BSR, Inc. evidence of such coverage and its continued renewal.

ARTICLE III.....PREMIUMS

- 3.1 Producer shall be primarily liable to BSR, Inc. for the full amount of premium and applicable state taxes, less commission, **including additional premium developed under audits or retrospective penalties** on every insurance contract placed pursuant to this agreement. Such premiums, fees and taxes shall be due by Producer to BSR, Inc. as follows:
 - (a) BSR, Inc. shall furnish Producer a monthly billing statement. Producer agrees unless otherwise directed, to collect all premiums due to BSR, Inc. and to pay the net balance(s) due thereon so as to reach BSR, Inc. not later than 20 days after the effective date of the policy, unless previously stated or agreed to in writing from BSR, Inc. Acceptance of any late payments shall not be deemed a waiver as to time of premium payments. Premium payments not made by the due date shall bear interest from the due date at the applicable maximum legal rate.
Exception: Certain markets that may be used for Producers business may request earlier payment. Any credit terms differing from those stated in 3.1 (a) above will be conveyed to Producer prior to binding of any risk. As a condition of binding, Producer agrees to pay premium as required and as set forth on invoice.
- 3.2 All premiums collected or received by Producer pursuant to this agreement shall be held in a fiduciary capacity as trustee for BSR, Inc.
- 3.3 Producer may relieve himself of responsibility for additional premium developed by final audit on any policy, subsequent to the termination of same, by written notice to BSR, Inc. within thirty (30) days after the end of the month during which such premium appeared on the monthly billing

statement. This notice shall include any written evidence of attempts by the Producer to collect such audit premiums. In such event, BSR, Inc. shall have the right to collect such premium, with no commission payable to producer.

- 3.4 BSR, Inc. shall be entitled to reimbursement for costs of collection, including reasonable attorney's fees, incurred in an effort to collect unpaid premium from any Agent or other person(s) responsible for payment of the same.
- 3.5 All premium financing contracts must fund BSR, Inc., directly. Producer shall be responsible for returning all unearned commissions as a result a return premium directly to the finance company

ARTICLE IV.....CANCELLATIONS

- 4.1 Nothing in this agreement shall be construed as limiting or restricting the right of BSR, Inc. to reject, cancel or non-renew any binder, policy or other contract of insurance issued under this agreement in accordance with the cancellation provisions of such binder, policy or contract and any applicable law.
- 4.2 The Producer may not return any insurance contract to BSR, Inc. for flat cancellation unless it is returned prior to the inception date, or effective date of contract. Earned premium shall be computed and charged on every insurance contract cancelled after inception in accordance with the cancellation provisions of such contract.
- 4.3 In cases where regulatory filings have been made, or certificates of insurance issued requiring notice to certificate holder, return of original policies does not constitute complete cancellation. In such cases BSR, Inc. will send regular cancellation notices attaching Postal Receipt #38, or other required methods, and earned premium must be figured to the actual date of cancellation.
- 4.4 Cancellation, unless requested by BSR, Inc. will be computed on the Standard Short Rate Table, or such table indicated in the policy.
- 4.5 In consideration of commissions allowed Producer on all premiums, and additional premiums, Producer agrees to pay BSR, Inc. the commission on all returned premiums at the same rate such commissions were originally retained.

ARTICLE V.....TERMINATION

- 5.1 This agreement may be terminated for any reason by thirty (30) days written notice of either party to the other.
- 5.2 This agreement may be terminated immediately by BSR, Inc. at its sole discretion, by, and effective upon delivery of, written notice to Producer's last known address, upon occurrence of any one of the following events:
 - (a) Suspension of Producer's license by appropriate authority.
 - (b) Sale, Transfer or other substantial change of Producer's ownership.
 - (c) Producer's insolvency, inability to pay debts as they mature, making of an assignment for benefits of creditors, dissolution of any agency partnership, appointment of a receiver or liquidator for Producer or for a substantial part of Producer's property or the institution of bankruptcy, reorganization, arrangement or similar proceedings by or against it under laws of any jurisdiction.
 - (d) Misappropriation of BSR, Inc.'s. funds or property or of funds received for BSR, Inc. by Producer, commission by Producer of any fraud against BSR, Inc. or conduct injurious to BSR, Inc.'s standing or good name.
 - (e) Failure to cure breach of any obligation to be performed by Producer, within 30 days of receipt of written notification of alleged breach from BSR, Inc.
 - (f) Violation of the insurance laws of any state, province or nation whatsoever.

- 5.3 In the event of termination of this agreement for any reason, Producer agrees to pay, when due, all sums owed to BSR, Inc. including unearned commissions on return premiums which may become due because of subsequent cancellations.

ARTICLE VI.....EXPIRATIONS

- 6.1 Producer’s records and expirations shall remain Producer’s property and shall be left in its possession upon termination of this Agreement, provided that it has accounted for and have made payment for all amounts due BSR, Inc. and that Producer continues to do so.
- 6.2 In the event that Producer fails to account for or to make payment of all amounts due to BSR, Inc. upon termination of this agreement, then the records and the use and control of all expirations of the business placed with BSR, Inc. by Producer, including future commissions, shall be vested in BSR, Inc. and shall become its property for such use or disposal as it deems fit to reduce the amount of indebtedness. Producer will remain liable to BSR, Inc. for any amounts by which the indebtedness exceeds the sum received by BSR, Inc., plus expenses incurred in disposing of such records or expirations.

ARTICLE VII.....INDEMNITY

- 7.1 The parties to this Agreement agree to indemnify, defend and hold the other party, its officers, directors and employees harmless from and against all claims, suits, liability and expenses, including reasonable attorney’s fees, incurred in defense of any claim which the other party may become legally obligated to pay, arising out of or caused by:
- (a) Negligence in the performance of their duties under this agreement;
 - (b) Violation of any state or federal statute or regulation, including Texas Insurance Code, Section 21.21, or the Texas Deceptive Trade Practices Act;
 - (c) Errors, omissions, nonperformance or breach of any obligation under this Agreement;
 - (d) Any oral or written representation, promise or warranty, including to a policy holder, regarding insurance placed with a company under this Agreement.
- 7.2 Producer understands that coverages may be written through surplus lines companies of which are not subject to the protection and benefits of the Texas Insurance Guaranty Association.

ARTICLE VIII.....MISCELLANEOUS

- 8.1 No assignment of this agreement or any commissions or fees hereunder, except by BSR, Inc., shall be valid unless authorized in advance in writing by BSR, Inc.
- 8.2 This Agreement shall be interpreted in accordance with the laws of the State of Texas. Place of payment and performance of obligations to be performed under this Agreement, as well as venue of any suit arising out of the terms of this Agreement, are agreed to be in Tarrant County, Texas.
- 8.3 The failure of BSR, Inc. or Producer to insist upon strict compliance with this Agreement or to exercise any right or remedy hereunder shall not constitute a waiver of any right contained herein nor stop the parties from thereafter demanding full and complete compliance therewith nor prevent the parties from exercising such remedy in the future.
- 8.4 The obligations under this Agreement are severable. Breach or nonperformance under one paragraph or article shall not affect the rights or obligations of the parties under the other section in absence of an election to terminate under Article V herein.
- 8.5 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 8.6 Acknowledgement of Agreement between Producer and Brazos Specialty Risks, Inc.:

EXECUTED this _____ day of _____ Year _____

ON BEHALF OF _____
(Agency Name – Please PRINT)

Agency Code:
Assigned:

(To be completed by BSR)

WITNESS:

(Producer's Signature)

(Witness' Signature)

(PRINT Producer's Name)

(PRINT Witness' Name)

(Title)

(Date)

(Date)

Federal Tax Identification: _____ Telephone: _____

Fax: _____

Address: _____

City: _____ State: _____ Zip: _____

E-mail Address: _____

E-mail Address: _____

E-mail Address: _____

E-mail Address: _____

ON BEHALF OF BRAZOS SPECIALTY RISK, INC.:

(Officer or Director's Signature)

(Title)

(Date)