

Commodore Insurance Services, Inc.

2000 Powell Street., Suite 1005
Emeryville, CA 94608
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License #: 0799348

PRODUCER AGREEMENT

AGREEMENT, made this day of, by and between Commodore Insurance Services, Inc., a California corporation having its principal office in Emeryville, California (hereinafter referred to as "COMMODORE") and

Producer:
Address:
City: CA Zip:
(Hereinafter referred to as "PRODUCER").

WHEREAS, the PRODUCER warrants that PRODUCER holds an insurance license issued by the State of ___California_____, currently in force; and

WHEREAS, the PRODUCER desires COMMODORE to place risks of PRODUCER's clients (hereinafter referred to as the "INSURED") with and for acceptance by admitted companies and/or non-admitted companies, in compliance with the laws, rules and regulations pertaining thereto, regarding the placement of such business; and

WHEREAS, COMMODORE agrees to allow PRODUCER a commission on such business, if and when placed, at such rates as are agreed from time to time by the parties hereto:

NOW, THEREFORE, IT IS AGREED FOR PAYMENT OF PREMIUM:

1. Producer Responsible for Payment of Premium

PRODUCER shall be primarily liable to COMMODORE for the full amount of the premium and applicable state taxes, less commission, including but not limited to additional premiums developed under audits or retrospective penalties, on every insurance contract placed for PRODUCER. COMMODORE will invoice PRODUCER on each risk where coverage is effective at the request of the PRODUCER. Such invoice will be due and payable as indicated in the invoice and may vary based upon the credit terms of the issuing company. Otherwise, premiums are to be remitted no later than the 10th day of the first succeeding month after the effective date of such contract. PRODUCER agrees that payment of any minimum earned premium required by the issuing company will be the responsibility of the PRODUCER. PRODUCER shall be and remain liable to COMMODORE for all earned premiums, whether or not collected from the INSURED by PRODUCER. Any credit extended to the INSURED shall be the sole risk and responsibility of PRODUCER.

Direct Collection

If, after the expiration of sixty (60) days from the date liability was assumed by the insurance carrier, COMMODORE has not received the amount due it, COMMODORE may, at its option, collect from the INSURED the premium due. In the event COMMODORE collects the premium or any part thereof from the INSURED, PRODUCER shall not be entitled to any commission on the premium so collected. Attempts by COMMODORE to collect from the INSURED shall not relieve PRODUCER of liability to COMMODORE except to the extent of amounts actually collected by COMMODORE from the INSURED, less expense of such collection.

Costs of Collection

In any action or proceeding brought by COMMODORE to recover sums due from PRODUCER to COMMODORE under the terms of this Agreement, PRODUCER agrees to pay costs incident thereto, including reasonable attorneys' fees incurred by reason of such action or proceeding.

2. Flat Cancellations

No insurance contract may be returned to COMMODORE by PRODUCER for flat cancellation unless it is returned prior to the inception, or effective date, of the contract. Earned premium shall be computed and charged on every contract cancelled after inception in accordance with the cancellation provisions of such contract.

3. Unearned Commissions

PRODUCER AGREES TO REFUND TO COMMODORE unearned commissions on all business placed with COMMODORE on cancelled policies, or reduced premiums, at the same rate at which such commissions were originally allowed PRODUCER. Such refund shall be paid to COMMODORE and paid by the due date indicated on the billing invoice.

4. Auditable Policies

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN SET FORTH, in the situation where premium for a policy or policies which have been issued cannot be fully determined in advance and where an adjustment or determination, after a specific time period, by audit or otherwise shall have been made, then the amount of such additional premium due shall be paid by the PRODUCER to COMMODORE and paid by the due date indicated on the billing invoice. COMMODORE shall extend to PRODUCER the same turnback privileges, if any, as are granted COMMODORE by the insuring company.

5. No Binding Authority

The parties hereto understand and agree that in no event, nor under any circumstances whatsoever, shall this Agreement ever be interpreted or construed to the effect that the PRODUCER may bind COMMODORE or any company or underwriter represented by COMMODORE. It is further understood that the PRODUCER is not the employee, agent or authorized representative of COMMODORE.

6. Notice of Expiration and Renewal Requests

COMMODORE shall be under no obligation to give PRODUCER advance notice of expiration of any policies of insurance which PRODUCER, from time to time, procures through COMMODORE.

7. Ownership of the Business

The parties agree that in the event of termination of this Agreement, the PRODUCER having accounted for and paid over all premiums for which he or she is or may be liable, the PRODUCER's records and use and control of expirations shall remain the property of the PRODUCER.

8. Other Agreements

It is specifically understood and agreed that notwithstanding anything to the contrary herein set forth, this Agreement shall not be interpreted or construed so as to:

- (a) prevent the PRODUCER from executing other similar agreements with competitive markets; or
- (b) compel COMMODORE to accept or place all or any of the business offered to it by the PRODUCER.

9. Hold Harmless

The PRODUCER shall indemnify and hold COMMODORE harmless against any claims, liabilities or costs (including attorneys' fees and expenses) which COMMODORE may become obligated to pay as a result of loss to INSUREDS caused directly by an error or omission of the PRODUCER in the processing of any business placed and/or attempted to be placed by the PRODUCER with COMMODORE. In addition, COMMODORE shall indemnify and hold PRODUCER harmless against any claims, liabilities or costs (including attorneys' fees and expenses) which PRODUCER may become obligated to pay as a result of loss to INSUREDS caused directly by an error or omission of COMMODORE in the processing of any business placed and/or attempted to be placed by COMMODORE for PRODUCER.

10. Acceptance of Agreement by COMMODORE

The parties hereto agree that this Agreement shall not become effective until accepted by COMMODORE. The parties agree that this Agreement contains all of the contractual arrangements existing between them relative to the brokerage relationship, and all other written or oral arrangements are deemed to be merged herein.

11. Current Policies in Force

This Agreement shall apply to current policies already placed through COMMODORE and in force at the date hereof and all future policies which may be placed by COMMODORE for PRODUCER.

12. Modification of This Agreement

This Agreement may not be changed or modified except in writing and signed by the parties hereto.

13. Termination of This Agreement

This Agreement may be terminated at any time, by either party, upon ten (10) days written notice to the other party. Such termination, however, shall in no event affect the respective rights or liabilities of either party accruing up to the date of termination.

14. Conformity to Statute

Any portions of this Agreement that are not in conformity with state or local laws are hereby amended to conform to those laws; however, this does not abrogate the remainder of this Agreement.

15. Proof of Errors and Omissions Coverage

The PRODUCER agrees to furnish COMMODORE with a copy of the current "in force" Errors and Omissions policy on an annual basis. If the Errors and Omissions policy is cancelled or changed in any manner, the PRODUCER agrees to immediately notify COMMODORE in writing of the cancellation or change. COMMODORE reserves the right to terminate this Agreement in the event that the PRODUCER is unable to secure Errors and Omissions coverage through an acceptable company and for limits that are

acceptable to COMMODORE.

16. Waiver

The failure of COMMODORE to enforce, at its discretion, any terms or conditions of the Agreement shall not be deemed a waiver of this agreement.