



PRODUCER NUMBER \_\_\_\_\_

**PRODUCER AGREEMENT**

AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ \_\_, by and between Aces Commercial Insurance Services, Inc., a California corporation having its principal office in Richmond, California (hereinafter referred to as "ACES") and

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ 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 ACES 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, ACES 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 ACES 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. ACES 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 10<sup>th</sup> 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 Aces 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, ACES has not received the amount due it, ACES may, at its option, collect from the INSURED the premium due. In the event ACES 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 ACES to collect from the INSURED shall not relieve PRODUCER of liability to ACES except to the extent of amounts actually collected by ACES from the INSURED, less expense of such collection.

## **Costs of Collection**

In any action or proceeding brought by ACES to recover sums due from PRODUCER to ACES 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 ACES 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 ACES unearned commissions on all business placed with ACES on cancelled policies, or reduced premiums, at the same rate at which such commissions were originally allowed PRODUCER. Such refund shall be paid to ACES 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 ACES and paid by the due date indicated on the billing invoice. ACES shall extend to PRODUCER the same turnback privileges, if any, as are granted ACES 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 ACES or any company or underwriter represented by ACES. It is further understood that the PRODUCER is not the employee, agent or authorized representative of ACES.

### **6. Notice of Expiration and Renewal Requests**

ACES 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 ACES.

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 ACES 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 ACES harmless against any claims, liabilities or costs (including attorneys' fees and expenses) which ACES 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 ACES. In addition, ACES 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 ACES in the processing of any business placed and/or attempted to be placed by ACES for PRODUCER.

10. **Acceptance of Agreement by ACES**

The parties hereto agree that this Agreement shall not become effective until accepted by ACES. 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 ACES and in force at the date hereof and all future policies which may be placed by ACES 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 ACES 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 ACES in writing of the cancellation or change. ACES 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 ACES.

**16. Waiver**

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

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

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

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

Date Executed: \_\_\_\_\_

Type of Company: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Individual	Federal Tax I.D. Number:
Social Security Number (if Individual):	Agent's License Number:
Errors & Omissions Carrier:	Surplus Lines License Number:

AGREEMENT ACCEPTED AND AFFECTED BY ACES COMMERCIAL INSURANCE SERVICES, INC.  
this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

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

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

Witnessed by: \_\_\_\_\_