

# Desert Specialty Underwriters, Inc.

## PRODUCER AGREEMENT

Agreement between Desert Specialty Underwriters, Inc. (hereinafter referred to as D.S.U.) and the undersigned person, firm, or organization (hereinafter referred to as PRODUCER).

In consideration of D.S.U. effecting coverage from time to time for PRODUCER with an insurer or insurers, and the mutual promises and covenants set forth herein, it is agreed as follows:

1. LICENSING. PRODUCER is duly licensed as an insurance agent in accordance with the laws and regulations of the state or states in which business is to be transacted with D.S.U. and will furnish a copy or copies of the appropriate license or licenses upon request by D.S.U..

2. AUTHORITY. PRODUCER is not an agent or employee of D.S.U. and has no authority to bind D.S.U. or any other insurer represented by D.S.U. to any contract of insurance or other contractual obligation. PRODUCER shall not cause to be issued any advertisement respecting D.S.U. or any insurer represented by D.S.U..

3. GUARANTEE OF PAYMENT. PRODUCER guarantees payment of all premium, taxes, fees and additional premiums to D.S.U. resulting from contracts of insurance effected by D.S.U. for PRODUCER.

D.S.U. is due payment of premium in accordance with terms established from time to time, whether or not PRODUCER has collected such premium. Such payment obligation shall not be contingent upon issuance of a policy. If PRODUCER does not make payment of any sums due in accordance with established terms, D.S.U. may, without waiver or any other remedy, cancel the appropriate contract of insurance for non-payment of premium.

Respecting all return premiums from adjustments or cancellations of contracts of insurance, PRODUCER shall pay D.S.U. return commission at the same rate as originally credited.

4. FINANCED PREMIUMS. If D.S.U. receives payment directly from a finance company, any return premium, less unearned commission, will be remitted by D.S.U. directly to such finance company. If D.S.U. receives payment directly from the PRODUCER but also receives proper notice of financed premium from a premium finance company, the return premium, less unearned commission, will be remitted by D.S.U. directly to the finance company.

The ultimate liability of D.S.U. for payment to a finance company shall not exceed the amount of return premium less unearned commission developed.

PRODUCER agrees to hold D.S.U. harmless from any responsibility for payment of return premium to a finance company other than as covered above and further agrees that financing arrangements do not relieve responsibility for payment by PRODUCER to D.S.U..

5. PREMIUM TAX. In the event that a portion of the premium shall be returned by reason of an adjustment or cancellation of a contract of insurance for whatever reason, no amount of premium tax shall be returnable until recovered by D.S.U. and the amount to be returned shall in no event exceed the amount so recovered.

6. CANCELLATION OF INSURANCE. No contract of insurance may be returned to D.S.U. for flat cancellation unless such contract is returned prior to the coverage inception date. Earned premium shall be computed and charged on every contract of insurance

canceled subsequent to the inception date, in accordance with the cancellation provisions of such contract.

7. OWNERSHIP OF BUSINESS. D.S.U. recognizes the independent ownership by PRODUCER of the business covered by this agreement.

8. TERMINATION OF AGREEMENT. This agreement shall apply retroactively to contracts of insurance in force as of the effective date of this agreement and all future contracts of insurance which may be effected by D.S.U. for PRODUCER. This agreement may be terminated with or without cause by either party upon thirty (30) days written notice. The day the notice is deposited in the United States mail addressed to the other party's last known address, or if the mail is not used, the day it is delivered to the party, shall be the first day of the thirty-day period.

The death of the PRODUCER shall automatically terminate this agreement. In the event of the termination of this agreement, the PRODUCER having promptly accounted for and paid over all premiums for which he may be liable, the PRODUCER'S records, use and control of expirations shall remain the property of the PRODUCER and be left in his undisputed possession, provided, however, that D.S.U. shall have the right to provide customary service of sending out renewal notices, rewrite notices , or notices of policy changes and the handling of claims, until expiration of business that remains in force.

9. NON WAIVER. The failure or neglect of D.S.U. to enforce any provision of this agreement or to insist upon the strict compliance of any such provision, shall not serve to waive any other provision of this agreement, nor constitute a waiver of such provisions.

10. DISPUTES. The parties shall not litigate any dispute between them upon any matter covered by this agreement, but any such dispute, if not resolved by the parties, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

11. OTHER PROVISIONS. PRODUCER acknowledges that D.S.U. has no responsibility to any insured or sub-producer of PRODUCER, with regard to the adequacy, amount or form of coverage and agrees to defend, indemnify and otherwise fully hold D.S.U. or any insurer represented by D.S.U. harmless from and against any and all claims asserted against the aforementioned, if such claim or claims involves or arises from a representation of PRODUCER to any party that is not consistent with the contract of insurance.

12. PROFESSIONAL LIABILITY INSURANCE. PRODUCER hereby agrees to purchase and keep in force a professional liability insurance policy and to provide D.S.U. with a copy of the policy at the signing of this agreement and at all future renewal dates of this policy.

SIGNED AND AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

PRODUCER: \_\_\_\_\_

BY: \_\_\_\_\_ ← Sign Here

TITLE: \_\_\_\_\_

DESERT SPECIALTY UNDERWRITERS, INC.

BY: \_\_\_\_\_