

# **ALEXANDER MORFORD & WOO INCORPORATED**

**Db: Alexander Morford & Woo Insurance Services**

**Db: Alexander & Brown Insurance Services**

## **PRODUCER BROKERAGE AGREEMENT**

This agreement, effective June 1, 2010 is made between **ALEXANDER MORFORD & WOO, INCORPORATED** (hereafter "AMW" or "us"), located at 1015 3<sup>rd</sup> Avenue, Suite 800, Seattle, WA 98104 and

\_\_\_\_\_  
(Hereafter referred to as "PRODUCER" or "you"), located at:  
\_\_\_\_\_

Whereas, AMW has certain facilities for accessing and placing insurance and has agreements with various insurance companies to submit, underwrite, and/or bind contracts of insurance, and PRODUCER, a duly licensed insurance agent or broker in his state of domicile, desires to place contracts of insurance with insurance companies represented by AMW;

NOW, THEREFORE, AMW and PRODUCER agree as follows:

1. **SCOPE OF AGREEMENT:** This agreement shall apply to all insurance policies or coverages transacted by you through the facilities of AMW. You agree that all employees, independent contractors and agents operating under your name who contact us regarding the placement of insurance are authorized to act on your behalf.
2. **RELATIONSHIP OF AMW AND PRODUCER; INSURANCE LICENSES:** You agree that you are a customer of AMW and not an employee, agent or independent contractor of AMW. You represent and warrant that you are properly licensed to transact insurance business submitted to AMW.
3. **PRODUCER IS ORIGINATOR:** You agree that you are deemed as the originator of all business placed with, by, or through AMW, regardless of whether another producer is involved in the production of such business.
4. **OWNERSHIP OF BUSINESS:** AMW expressly recognizes the independent ownership by you of insurance policies transacted through AMW.
5. **FIDUCIARY ACCOUNTS:** You shall hold funds in trust in a fiduciary account for business generated under this agreement to the extent required by applicable insurance laws of each state in which you conduct insurance business. Provided you are in compliance with the terms of this agreement, you are entitled to any interest earned on said funds while so held by you.
6. **COMMISSION AND RETURN COMMISSION:** You may retain commission out of premiums collected by you at the rate stipulated by AMW. You agree to refund return commission to AMW on any cancellations, audits or endorsements resulting in return premiums at the same rate at which commission was retained by you.
7. **PREMIUM TAXES:** In the event a portion of the premium is returned by reason of adjustment or cancellation, premium tax will not be returned to Producer until recovered by AMW, and any amount returned will not exceed the amount recovered.
8. **FINANCED PREMIUMS:** On any premiums which have been financed, you will remit payment for any return premium, less unearned commission, directly to the premium finance company unless otherwise required or agreed. The ultimate liability of AMW for payment to any premium finance company, you, or insured, shall never exceed the amount of return premium less unearned commission developed. You agree to hold AMW harmless from any

responsibility for payment to a premium finance company and further agree that financing arrangements do not diminish your responsibility for timely payment of premium to AMW or insurer, as the case may be.

9. **PAYMENT OF PREMIUMS AND GUARANTEE OF PREMIUMS:** You unconditionally agree to remit payment to AMW of all premiums due (including applicable taxes and fees) as a result of transacting policies, binders and endorsements. If such amounts are delinquent as respects time of payment you shall pay such amounts to AMW upon demand, whether or not collected by you. If you advance premiums on behalf of policyholders, you do so at your sole risk. If monies are returned to you that are due to a finance company or intermediary you agree to remit them as requested. If monies are returned to a finance company or intermediary net of your commission, you agree to remit your commission to the appropriate party as requested.
10. **AUDIT AND/OR MINIMUM EARNED PREMIUMS GUARANTEED WHEN YOU ARE NOTIFIED PRIOR TO PLACEMENT:** On business placed with certain insurance companies AMW is required to guarantee payment of premiums resulting from minimum earned requirements or insurance policy audits whether or not collectible by AMW. Inasmuch as AMW has no direct relationship with or knowledge of your insurance clients, it is not possible for AMW to assess the ability or willingness of those insurance clients to pay such premiums. Therefore, you agree that in cases where AMW has notified you in writing prior to the time coverage is effective that such premiums must be guaranteed, you agree to indemnify AMW against loss in the event such premiums cannot be collected. If such amounts are delinquent as respects time of payment, you will pay such amounts to AMW upon demand, whether or not collected by you.
11. **ERRORS & OMISSIONS INSURANCE:** You agree to maintain an Errors and Omissions insurance policy issued by an insurance carrier acceptable to AMW in the amount of \$1,000,000 (one million dollars) or more. You agree to notify us if that policy is canceled or non-renewed. You agree that time is of the essence and to notify us in a timely manner of any allegation of an error or omission on an insurance policy or coverage transacted with AMW, or any circumstances which, in your opinion, might lead to a claim against you or AMW.
12. **COMMUNICATIONS FROM REGULATORS:** You agree to forward copies of communications received from insurance departments or other regulatory authorities if such communications relate to insurance policies transacted with AMW.
13. **CLAIMS:** AMW is not a claims representative for the insurance companies it places business with, and some insurance contracts require that claims must be reported to the company or its representative *by the Insured*. In the event of an incident, any event or claim involving any insurance policy or coverage transacted under this agreement you agree that it is the Insured's responsibility to report such incident, event or claim *in accordance with the notification provisions of the insurance policy*. If a copy of claim notices is provided to AMW, it is agreed that such notice is for the information of AMW only and is not to be construed to be notification to the insurance company.
14. **INSURED IS RESPONSIBLE FOR VERIFYING COVERAGE PROVIDED:** AMW assumes no duty or responsibility for you, any insured party, any claimant, or any other entity regarding the adequacy, type, appropriateness, or amounts of coverage provided by any insurance policy or coverage. You acknowledge that insurance policies and coverages obtained through AMW are often not as requested in applications, specifications, or proposals submitted to AMW. You agree to review the terms of insurance policies or coverages with the Insured to determine their applicability to and acceptability for your insurance clients' needs. AMW will assume you have copies of forms and policies available for review unless you request them from AMW.
15. **WHAT YOU MAY NOT DO:** Without prior written consent of AMW *and prior notice to AMW*, you may not:
  - a. Represent to anyone that any insurance coverage or policy is bound;
  - b. Waive or extend any conditions of a policy, coverage or application, or make, vary, cancel or

- discharge any policy contract;
- c. Make representations on behalf of AMW regarding any insurance policy, including but not limited to representations regarding the application of coverage to specific situations;
- d. Extend the time for payment of premiums;
- e. Offset premiums due on policies against return premiums on any other policy;
- f. Incur any liability on behalf of AMW or any insurance company;
- g. Cancel any insurance policy, binder or coverage "flat" unless the insurer agrees to flat cancellation;
- h. Insert any advertisement with respect to AMW in any publication or other media without the express written permission of AMW.

16. **INSURER SOLVENCY DISCLAIMER:** Producer understands and agrees that AMW is not an insurer, does not guarantee the financial condition of any insurer with whom it may place risks, and shall have no liability for non-payment of any claim due to the insolvency of any insurer, or otherwise, in connection with contracts of insurance placed by AMW.

17. **INDEMNIFICATION & HOLD HARMLESS:** Producer agrees to hold harmless and indemnify AMW and AMW agrees to hold harmless and indemnify Producer, from any and all respective negligent or wrongful acts, omissions, or conduct that would result in a financial or other obligation to the other party.

18. **ARBITRATION:** In case of any dispute arising between the parties hereto with respect to this Agreement, any party may request, in writing, that the dispute be referred to binding arbitration, which shall proceed as follows:

Within 30 days from receipt of notice, each party shall name an arbiter, and a third arbiter shall be chosen by the two arbiters before they enter upon arbitration, all of whom shall be active or retired disinterested executive officers of insurance companies or insurance brokerages or wholesale insurance brokerages or managing general agencies. In the event that any party should fail to choose an arbiter within 30 days, the other party may choose two arbiters, who shall in turn choose a third arbiter before entering upon arbitration. If the two arbiters fail to agree upon the selection of the third arbiter within 30 days following their appointment, the parties shall petition the American Arbitration Association to appoint a third arbiter pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

Arbitration shall take place at King County, Washington, or such other location mutually agreed upon by the parties to this agreement. Each party shall submit its case within 30 days following the selection of the third arbiter. The arbiters shall not be required to observe formal rules of evidence or procedure. The arbiters shall render their decision in writing at the earliest convenient date, but not later than 60 days from the end of the 30-day period provided for submission of the case by the parties. The decision rendered by a majority of the arbiters shall be final and binding on both parties. Judgment upon the final decision of the arbiters may be entered in any court having jurisdiction thereof.

Each party shall bear the expense of its own arbiter and attorneys fees, and all parties shall equally bear the expenses of the third arbiter and the common arbitration expenses. Each party waives any claim, right or entitlement to punitive or exemplary damages or any other damages of any kind or nature in excess of compensatory damages, and any arbitral panel is specifically divested of any power to award any damage in the nature of punitive or exemplary or any other damages of any kind or nature in excess of compensatory damages.

19. **AMENDMENT OF AGREEMENT:** This agreement may be amended only by a written Agreement executed by the parties-in-interest at the time of the agreement.

20. **TERMINATION OF AGREEMENT AND SURVIVAL OF AGREEMENT:** This agreement may be terminated at any time by either of the parties by giving thirty (30) days written notice to the other. This agreement

automatically terminates without notice in the event of the transfer of ownership or management control of Producer, in the event you fail to maintain Errors & Omissions insurance as aforementioned, or in the event you lose your license authorizing you to engage in the business of insurance. In the event of termination, all agreements stated hereunder shall continue to apply to both parties on all insurance business that was transacted while this agreement was in effect.

21. **ENTIRE AGREEMENT:** This instrument and any future amendments thereto embrace the entire agreement between AMW and you.

IN WITNESS WHEREOF, AMW and PRODUCER have executed this agreement on the date first mentioned above.

**ALEXANDER MORFORD & WOO, INC.**

\_\_\_\_\_  
**Producer Name**

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name: Sam Alexander  
Title President

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

v.0309

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

Telephone #: \_\_\_\_\_

Fax #: \_\_\_\_\_