

PRODUCER AGREEMENT

BETWEEN

**U. S. RISK, LLC its Underwriting and Wholesale Brokerage Subsidiaries,
and Each Division Thereof**

Each hereinafter referred to as "U.S. Risk"

AND

hereinafter referred to as "Producer"

1. AUTHORITY AND RESPONSIBILITY

In submitting business to U.S. Risk, Producer is Agent for the applicant for insurance and is not acting as an agent, subagent or broker for U.S. Risk. This Agreement or the relationship between the parties and their officers and employees is not intended, and shall not be construed, to create a partnership, joint venture or employment relationship between U. S. Risk and Producer. Producer is for all purposes an independent contractor.

U.S. Risk shall have the sole right to accept or reject applications for insurance. Producer shall have no authority to bind any insurer for U.S. Risk, or act as agent for U.S. Risk, or commit to or issue binders, policies, or other written evidence of insurance or make, alter or vary any terms of coverage, or waive or modify terms of payment of any premium or deposit, or incur any liability for U.S. Risk.

Producer understands that U.S. Risk assumes no responsibility for the adequacy of coverage, amount of insurance, or form of coverage with regard to any policy Producer procures through U.S. Risk . U.S. Risk is not an insurer and does not guarantee the financial condition of the insurers with whom it may place risks. U.S. Risk shall have no liability for the non-payment of claims due to the insolvency of any insurer, lack of coverage, or otherwise, under contracts of insurance placed by U.S. Risk.

2. LICENSING AND INSURANCE

Producer hereby warrants to U. S. Risk that Producer is properly licensed to transact business as an agent or broker in accordance with the provisions of insurance laws of any state in which Producer shall transact such business. Producer further warrants that it shall maintain Errors and Omissions Insurance while this agreement remains in effect in amounts acceptable to U. S. Risk. Producer shall, at least annually, provide U. S. Risk evidence of (i) all insurance agents or producer license(s) for the state(s) in which Producer may transact business, and (ii) its Errors and Omissions insurance policy, or in lieu of the policy, a certificate showing U.S. Risk as a certificate holder and requiring no less than thirty (30) days notice from the insurer of cancellation or non renewal.

3. COLLECTION OF PREMIUM AND GUARANTEE OF PAYMENT

Except in the case of direct billing from an insurance market, all collection of premiums from Producer and reporting of net premiums to insurers in respect of the business of Producer shall be done by U.S. Risk.

In consideration of U. S. Risk handling such Producer's business as is accepted and for other good and valuable consideration, Producer guarantees the payment to U. S. Risk of all premiums and fees invoiced by U.S. Risk, including

deposit and adjustable premiums (except as noted in Section 4) on policies of insurance placed by Producer through U.S. Risk.

Such payment is due and shall be paid to U.S. Risk by Producer at U.S. Risk's Dallas, Texas office in accordance with payment terms established from time to time by U.S. Risk and is due and payable whether or not Producer has collected the premium or fees. Producer shall be liable to U.S. Risk and shall pay return commissions at the same rate as originally credited to Producer for all return premium adjustments or cancellations made at the option of U. S. Risk, the insured or otherwise. Producer assumes the credit risk of advancing premiums to U.S. Risk before collecting premiums from an insured.

This guarantee shall be performed by Producer upon demand of U.S. Risk at any time with respect to any uncollected premium and fees or unpaid return commission then outstanding. Producer acknowledges that U.S. Risk, without limitation of other remedies, reserves the right to cancel policies for non-payment of premium to U.S. Risk.

4. **UNCOLLECTIBLE ADJUSTABLE PREMIUMS**

Premiums which have been determined by audits, retrospective rating adjustments or interim reports are fully earned at the invoice date of such audits, adjustments, or reports as evidenced by U.S. Risk or insurance company invoice. Producer will be relieved of responsibility for such premiums, provided the insurer releases U.S. Risk of liability for such premiums, or Producer notifies U.S. Risk in writing within 30 days after said invoice date, stating that Producer has made diligent efforts and is unable to collect such premiums. Failure to give U.S. Risk such timely notice shall constitute Producer's acceptance of responsibility to pay such premiums. Timely notice shall be a letter sent by mail, express mail, fax, or electronic mail if confirmed by return receipt dated within 30 days after the appropriate invoice date and received at the office of U.S. Risk. If commission applies to these adjustments, none will be allowed to Producer on premiums collected directly by U.S. Risk under this provision. In addition, such notice shall not relieve Producer of responsibility to make any and all attempts at collection of such premiums within said 30 days after invoice date. This section four may be modified by U.S. Risk as to a specific coverage if the insurer does not permit U.S. Risk to return the item or if the insurer requires a shorter return period than 45 days.

Producer understands and agrees that the business of U.S. Risk is dependent on maintaining a good credit relationship with its various insurance markets and that failure to pay upon the demand of U.S. Risk poses a great risk of harm and may result in damages to the business of U.S. Risk. Therefore, regardless of whether Producer agrees that such payments should be made, Producer agrees and understands that it will make such payments and, if made in protest, shall seek resolution at a later date. Producer will be granted any extension of payment which is afforded U.S. Risk by the specific insurance market.

5. **CLAIMS**

Producer shall notify U.S. Risk, or the designated representative of the insurance company, promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a claim, suit or notice of loss) and shall cooperate fully with U.S. Risk to facilitate the insurer's investigation and adjustment of any claim when, if and as requested by U.S. Risk, including the inspection of all of Producers' files that pertain to business transacted under this Agreement.

6. **FIDUCIARY RESPONSIBILITY OF PRODUCER**

Any monies collected by Producer for the account of U.S. Risk shall be held by Producer in a fiduciary account in accordance with the laws or regulations of the state where Producer resides or, if there are no such laws, in accordance with the laws and regulations of Texas. Provided Producer is in compliance with all terms of this Agreement, Producer shall be entitled to any interest earned on said monies while so held by Producer.

7. **COMPLIANCE WITH STATUTES**

The Producer warrants that it will comply with all applicable laws and regulations governing the conduct of business subject to this Agreement in the jurisdiction(s) involved: it is at all times properly licensed to transact business as an Agent or Broker in accordance with the provisions of insurance laws of any state in which business is transacted: and Producer will promptly, or in no event later than 30 days, notify U.S. Risk of any suspension, cancellation, or disciplinary action in respect of its license or licenses.

8. **ADVERTISING**

The Producer shall not cause any advertisement referring to or using the name of U.S. Risk or its insurance companies or issue or cause to have issued any letter, circular, pamphlet or other publication or statement so referring without the express prior written consent of U.S. Risk. In the event U.S. Risk shall be subjected to loss or expense arising out of any unauthorized advertisement, publication or statement of the Producer, the Producer shall be liable for and hereby indemnifies and saves U.S. Risk harmless from all resulting damages, fines, penalties and costs.

9. **GOVERNING LAWS**

This Agreement shall be deemed to have been made and deemed performed in Dallas County, Texas and shall be governed by the laws of the State of Texas. Producer agrees that the exclusive venue in any dispute arising under this Agreement shall be Dallas County, Texas.

10. **TERMINATION OF AGREEMENT**

This Agreement may be terminated at any time by either party giving written notice to the other by certified mail, return receipt requested. After the date of termination of this Agreement, the Producer shall complete the collection and accounting to U.S. Risk for all premiums, commissions and other transactions unaccounted for on the date of termination or arising thereafter in respect of outstanding insurances, including but not limited to return premium and return commissions. Producer shall, after termination, continue to provide prompt notice and cooperate fully with U.S. Risk and the insurer regarding claims as set forth in Section 4 and 5 of this Agreement. Producer shall, at the request of U.S. Risk, or any insurer whose policy is affected, give notice of cancellation or non renewal of a policy, subject to applicable laws or regulations.

11. **WAIVER OR DEFAULT**

Failure of U. S. Risk to enforce any of the provisions of this Agreement or to terminate it because of a breach hereof, shall not be deemed to be a waiver of such provisions or of any breach committed by the Producer.

12. **CONFIDENTIALITY AND NON-PIRACY**

Producer agrees that in the course of submitting business to U.S. Risk, U.S. Risk may provide Producer with information about U.S. Risk's business, clients or programs that is proprietary to U.S. Risk and highly confidential ("Confidential Information"). Producer agrees to treat all Confidential Information strictly confidential, and not to use it or disclose it to any one for any reason other than for legitimate business involving U.S. Risk, and then only with the written permission of U. S. Risk. Information which (i) was already in Producer's possession prior to the date hereof, (ii) Information which is obtained by Producer from a third person who is not prohibited from transmitting the information and has not obtained such information wrongfully, (iii) Information which was independently developed without the use of Confidential Information, and (iv) Information which is or becomes generally available to the public other than as a result of disclosure by Producer shall not be deemed Confidential Information.

13. **PLACEMENT OF SURPLUS LINES ORDERS**

Producer shall not place an order with U.S. Risk for any excess or surplus lines insurance unless Producer shall have first complied with any applicable state laws requiring Producer to attempt to procure such insurance from insurers authorized to do business in the State of residence of the proposed insured.

14. **COLLECTION OF AMOUNTS DUE**

If a party hereto shall bring suit to enforce collection of any amount claimed due, in addition to the amount owed the prevailing party shall be entitled to receive reasonable attorney's, fees, costs of court and interest on the amount owed computed from the date the obligation became owing at the lesser of ten per cent (10%) per annum or the maximum lawful rate of interest per annum that may be incurred by contract in the state where the action is brought.

15. **PREMIUM FINANCE**

It is further understood between the parties that it is the responsibility and obligation of the Producer to disclose to U.S. Risk, any policy or policies that are premium financed. It is also required that Producer identifies U.S. Risk in order to ensure that U.S. Risk receives notification by the premium finance company or companies.

16. **ESCHEAT**

It is understood between the parties that it is the responsibility of the Producer to have written escheat procedures in place as required and outlined with the various state statutes.

17. **INDEMNITY OBLIGATIONS**

Producer agrees to defend, indemnify and hold U.S. Risk harmless against all claims, causes of action, judgments, fines, penalties and all costs and fees, resulting directly or indirectly from (1) U.S. Risk following Producer's instructions, (2) any breach of Producer's obligations under this Agreement, (3) any act error or omission of Producer, or (4) any action brought by a regulatory body as a result of Producer's conduct. In addition, if the Producer fails to observe, keep or perform any provision of this Agreement and U.S. Risk incurs costs and expenses (including reasonable attorneys' fees) in enforcing this Agreement, the Producer shall pay promptly, indemnify, save and hold harmless U.S. Risk from all such costs and expenses incurred by U.S. Risk in enforcing provisions of this Agreement.

U.S. Risk agrees to indemnify and hold Producer harmless against all claims, causes of action, judgments, fines, penalties and all costs and fees, asserted against Producer based upon alleged acts or omissions of U.S. Risk if same resulted solely and directly from strict adherence by Producer to this Agreement and were not the result of Producer's independent acts or omissions. If U.S. Risk fails to observe, keep, or perform any provision of this agreement and Producer incurs costs and expenses (including reasonable attorney's fees) in enforcing this Agreement, U.S. Risk shall pay promptly, indemnify, save and hold harmless Producer in enforcing provisions of the Agreement.

18. **POWER AND AUTHORITY TO EXECUTE**

Each individual who executes this Agreement in a representative capacity represents and warrants that he or she has full right and power to execute this Agreement and to bind the entity or individuals on whose behalf he or she so signs.

19. **ENTIRE AGREEMENT**

This Agreement, together with any addenda or schedules, constitutes the entire agreement between U.S. Risk and the Producer and supersedes and replaces any previous agreements between U.S. Risk and the Producer. No oral promises or representations shall be binding, nor shall this Agreement be modified, except by agreement in writing and executed by U.S. Risk. This Agreement shall apply to current policies already in force at the date hereof and all future policies which may be placed by U.S. Risk for the Producer. Producer shall not assign and affirmatively represents to U.S. Risk that Producer has not assigned this agreement or any commissions payable hereunder. This Agreement may be executed in counterparts.

EXECUTED THIS _____ day of _____, _____.

Name of Producer*

By _____
Producer's Signature

Agent/Broker License Number

Surplus Lines Broker Number (if applicable)

Social Security Number/or Federal I.D. Number

Address

City State Zip

() _____
Area Code Telephone Number

U. S. RISK, LLC

BY _____

- If the Producer is an individual, the individual must sign; if the Producer is a partnership, one of the partners must sign and indicate the title of such partner; if the Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer.