

**SPECIAL RISKS FACILITIES, INC.**  
**SUB AGENTS AND/OR PRODUCERS AGREEMENT**

This agreement by and between Special Risks Facilities, Inc., (hereinafter referred to as "S.R.F."), and the "Producer" designated on the reverse side.

Pursuant to the request that the underwriting and placement facilities of S.R.F. be made available to the undersigned, as Producer, S.R.F. hereby authorizes the Producer to receive proposals for such contracts of insurance covering risks located in the state(s) in which Producer may lawfully solicit such insurance subject, however, to the restrictions placed upon such Producer by the laws of the state(s) in which such insurance is effected and to the terms and conditions hereinafter set forth.

It is hereby agreed between S.R.F. and the Producer as follows:

1. Producer warrants and represents that it is an agent duly licensed by the laws of the state(s) in which such risks are domiciled and desires to effect and/or continue to effect insurance coverages for its clients through S.R.F. with admitted and non-admitted insurance carriers in accordance with the laws and regulations of the state(s) pertaining thereto.
2. S.R.F. authorizes Producer to receive, **BUT NOT TO ACCEPT OR BIND COVERAGE WITHOUT PRIOR WRITTEN AUTHORIZATION FROM S.R.F.**, proposals for insurance covering such classes of risks as the various companies which S.R.F. places coverage with may, from time to time, authorize to be insured; and to collect; receive and receipt for premiums on insurance tendered by the Producer to and accepted by said various companies.
3. Producer agrees that if to comply with the provisions of the insurance laws of the state(s) in which Producer is domiciled, S.R.F. causes Producer to be licensed with the Company and/or Companies for whom S.R.F. acts as General Agent, such licenses shall be issued with the understanding that Producer has no authority to accept or bind risks on behalf of such companies unless previously authorized, in writing to do so by S.R.F.
4. S.R.F. agrees to allow Producer commission on insurance coverages effected by S.R.F. in accordance with S.R.F.'s usual scale of commissions applicable under the circumstances. Producer agrees to refund ratably to S.R.F. commissions allowed to Producer on all placements that may be cancelled and/or the premiums that may be reduced at the same rate at which such commissions were originally allowed to Producer.
5. Producer agrees to make payment to S.R.F. of the net premium of each item of coverage effected by S.R.F. at the request of the Producer in accordance with the account rendered to the Producer by S.R.F. Said account shall be due and payable on the fifteenth day of the month following the month for which the account is rendered whether or not the premiums for the item(s) shown thereon have been collected by the Producer from the insured. S.R.F. shall apply all payments of Producer on account, unless Producer, in the course of the submission of a payment to S.R.F., designates that the payment is to be applied to the premium due on a specific insured.
6. Producer acknowledges that coverages effected by S.R.F. at the request of the Producer are not subject to flat cancellation after the inception date of the policy, and that the Producer assumes full responsibility for all premiums on all policies issued at his request.
7. Producer agrees to maintain records of all policies issued through S.R.F. and assumes full responsibility for notifying it's insureds of policy expirations. Producer acknowledges that expiration notices furnished by S.R.F. are supplied as a convenience only and that S.R.F. assumes no responsibility for the accuracy of such notices.
8. Producer agrees to maintain and will continue to maintain during the life of this Agreement errors and omissions coverage for itself and its agents, solicitors and employees in an amount no less than \$1.0 million with an insurance company rated A- or better by A.M. Best Company. Upon S.R.F.'s request, the Broker shall furnish to S.R.F. evidence of such insurance and shall notify S.R.F. in the event such coverage is discontinued for whatever reason.

9. Producer shall indemnify and hold S.R.F. harmless for any and all actions, causes of action, claims, demands, settlements, judgements or any other expense, including but not limited to attorney fees which S.R.F. is legally obligated to pay as damages arising out of an act, omission, fraud, negligence, breach of duty or any unauthorized activity by Producer in performance of its obligations under this agreement. S.R.F. agrees that, in the event any actions included hereunder are covered by errors and omissions insurance, S.R.F. will not, except at its own expense, retain additional counsel. S.R.F. further agrees not to, except at its own expense, enter into any settlement agreement without the consent of the "Errors and Omissions" carrier involved. It is agreed that the provisions of this paragraph shall survive the termination of this agreement.
10. This agreement supersedes all previous agreements and understandings, whether oral or written, and may be terminated by either party upon written notice of termination. Such termination, however, shall not effect the rights of the parties as respects coverages in effect on the date of termination.
11. In the event of termination of this agreement, the Producer having promptly accounted for and paid over 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; otherwise the records, use and control of expirations shall be vested in S.R.F.
12. Upon the execution of this agreement by Producer, the terms hereof shall apply to all coverages then in effect or which may thereafter be effected by S.R.F.
13. The failure of S.R.F. to enforce any of the terms, covenants and provisions of this agreement shall not be deemed a waiver thereof.

DATED AND EFFECTIVE THIS \_\_\_\_\_ Day of \_\_\_\_\_ 20 \_\_\_\_\_

Witness:

\_\_\_\_\_

By

\_\_\_\_\_  
SPECIAL RISKS FACILITIES, INC.

\_\_\_\_\_

TITLE

Witness:

**X**

\_\_\_\_\_

**X**

By

\_\_\_\_\_  
SIGNATURE OF PRINCIPAL/PARTNER/OFFICER

\_\_\_\_\_

PRINT: NAME AND TITLE