

**ABA Insurance Services Inc. DBA CABINS Insurance Services  
PRODUCER AGREEMENT**

THIS AGREEMENT ("Agreement") is made effective as of the date set forth below between **ABA Insurance Services Inc. DBA CABINS Insurance Services** ("ABAIS") located at 5910 Landerbrook Drive, Suite 100, Mayfield Heights, OH 44124 and \_\_\_\_\_ ("Producer") located at \_\_\_\_\_

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**1. Scope of Agreement**

This Agreement governs the relationship between ABAIS and the Producer with respect to all policies of insurance issued by ABAIS through the Producer. This is not an exclusive Agreement.

**2. Authority**

For coverage to be bound, Producer must request that ABAIS do so, in verbal, written or electronic format. Producer is not authorized to effect, bind or underwrite coverage, adjust claims or make representations concerning the adjustment of claims, or make any representations on behalf of ABAIS. Further, Producer is not authorized to make or issue any Policies, Renewals or Certificates of Insurance on behalf of ABAIS or any insurance company for which ABAIS transacts business.

**3. Obligations of Producer**

Producer agrees to:

- a. pay to ABAIS any and all premium amounts hereunder within the time specified in the invoice, or if not specified, within thirty (30) days after receipt of the invoice;
- b. use all reasonable efforts to ensure that applications contain complete and accurate information;
- c. maintain errors and omissions insurance, covering Producer and each of the Producer's employees, in the amount of at least \$300,000;
- d. present each applicant or insured all notices that ABAIS determines legally necessary and all informational materials ABAIS asks Producer to provide;
- e. pay all licensing fees, countersignature fees or surplus lines taxes or other fees that are due and payable as a consequence of any policy issued as a result of this Agreement;
- f. instruct each insured to immediately report to ABAIS all claims or losses, immediately refer to ABAIS any inquiry or report concerning any claim or loss, and cooperate fully in ABAIS' investigation of any claim or loss;
- g. allow ABAIS full access to its books and records for the purpose of verifying policies issued, or premiums, commissions, or fees due to the insurance company and/or to ABAIS as a result of this Agreement.
- h. comply with all applicable laws relating to the performance of this Agreement, including, without limitation, any privacy and producer licensing laws.

**4. Obligations of ABAIS**

ABAIS agrees to:

- a. issue all policy contracts and related forms in a timely manner;
- b. adjust or arrange for adjustment of all claims;
- c. notify Producer of any material change to any Policy or Renewal;
- d. pay Producer commissions as provided by this Agreement;
- e. pay all its operating expenses, including without limitation, personal license fee and taxes, and occupational or municipal license fees and taxes; and
- f. comply with all applicable laws relating to the performance of this Agreement, including without limitation, privacy, producer licensing and anti-steering laws.

5. **Premium Collection**

- A. Producer agrees to use all reasonable good faith efforts to collect and remit all premiums, commissions and fees due to ABAIS or any company issuing a policy as a result of this Agreement. Producer shall retain, as its full compensation out of the amounts so collected, its commission for all policies to be issued.
- B. If the Producer fails to remit premium within the time specified in the invoice or if not specified, within 30 days after receipt of the invoice, the Producer authorizes ABAIS to cancel the binder/policy. A copy of the Notice of Cancellation to the Insured will be sent to Producer, where permitted by law. ABAIS reserves the right to suspend any of Producer's authorities under any section of this Agreement if the Producer does not make good faith collection efforts to remit premiums when due. In the event that the Producer's good faith collection efforts are not successful, ABAIS may request from the Producer all information and records necessary to initiate its own collection efforts on behalf of ABAIS.

6. **Producer's Commissions**

Producer's commission for each policy issued as a result of this Agreement shall be established by mutual agreement between ABAIS and Producer. Producer acknowledges and agrees that its right to receive commissions, fees or other compensation arises solely from its contractual relationship with ABAIS. If any policy for which Producer received a commission is canceled or terminated for any reason or if the premium on an existing policy is reduced, Producer agrees to return to ABAIS any unearned commissions on such policy.

7. **Representations and Warranties**

Producer represents and warrants that:

- a. it is a legally licensed agent/broker/producer in the state or states in which the Producer engages in the business of insurance or suretyship. Upon request, Producer agrees to provide ABAIS with evidence of such license(s); and to immediately notify ABAIS if any public authority cancels or declines to renew any of Producer's licenses or Producer is subject to disciplinary action by the Department of Insurance in any of the states in which Producer is currently licensed or becomes licensed during the term of this Agreement;
- b. it is in compliance with the Violent Crime Control and Law Enforcement Act [U.S. Code, Title 18, Part I, Chapter 47, Section 1033] in that it does not and will not employ any individual convicted of a criminal felony involving dishonesty or breach of trust;
- c. it will adhere to all insurance and/or suretyship laws and regulations of the state or states in which it engages in business during the term of this Agreement;
- d. it has the authority to enter into this Agreement and to perform all obligations and transactions contemplated by this Agreement; and
- e. it will comply with the underwriting rules, regulations and instructions of ABAIS as may be issued from time to time.

8. **Ownership of Expirations**

- A. ABAIS recognizes the Producer's ownership of all business placed under this Agreement.
- B. Notwithstanding the foregoing, ABAIS may contact, or use any third party to contact, any applicant, insured, or former insured to:
  - i. provide customer service including claims related service;
  - ii. offer to and change the terms of policies/renewals written hereunder;
  - iii. process an Agent of Record change with respect to a policy, renewal or application;

- iv. request, receive or verify any information related to any such insured or applicant with respect to a policy or renewal or application for the same;
  - v. notify any such insured or applicant of, and collect premiums due on any policy or Renewal;
  - vi. provide information regarding insurance-related issues; or
  - vii. refer to another independent insurance producer any such insured or applicant who moves to a jurisdiction where Producer is not licensed or authorized to solicit insurance products by ABAIS.
- C. Notwithstanding the foregoing, ABAIS may not:
- i. use any expiration information for the purpose of soliciting any policy, renewal, or other insurance product, except to offer to renew policies written hereunder;
  - ii. disclose expiration information to a third party, except for the purposes set forth in (B) above.
- D. In the event any premiums are due to ABAIS at the termination of this Agreement, the use and control of all expirations and renewals shall become the property of ABAIS until all of ABAIS' interests have been satisfied.

9. **Termination of Agreement**

- A. This Agreement shall be continuous until terminated. Either party may terminate this Agreement:
- i. by giving written notice to the other party sixty (60) days prior to the effective date of termination;
  - ii. immediately if the license which allows the other party to transact the business of insurance or brokering of products is revoked or suspended in one or more states;
  - iii. immediately upon giving written notice to the other party in the event of fraud, abandonment, insolvency, gross or willful misconduct, flagrant violation of underwriting rules or letters of authority, or failure to remit monies due or other material breach of this Agreement on the part of the other party; or
  - iv. any time by written agreement of all parties to this Agreement.
- B. This Agreement shall terminate automatically upon the sale or transfer of the Producer's business, or its consolidation with a successor firm, unless the Producer notifies ABAIS prior to the sale or transfer and ABAIS agrees to the continuation of this Agreement.

10. **Attorneys' Fees**

In any proceeding brought to enforce this Agreement or to determine the rights of the parties under this Agreement, the prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, all costs and expenses incurred in connection with such a lawsuit, including attorneys' fees, costs and expenses of any appeal of a judgment. The term "proceeding" shall mean and include arbitration, administrative, bankruptcy and judicial proceedings including appeals.

11. **Privacy Compliance**

- A. ABAIS will notify Producer in writing if it is required to provide a privacy notice to applicants on behalf of ABAIS or an insurer. ABAIS may provide to Producer information regarding applicants, insureds or claimants that is not collected by Producer. Producer agrees not to disclose or use any such information, except as necessary to carry out the purpose for which it is provided, or as expressly authorized by the person to whom it pertains.
- B. Producer will ensure the security and confidentiality of information concerning applicants, insureds and claimants under policies and renewals. This includes taking reasonable steps to destroy, or arrange for the

destruction of, records containing such information that are no longer to be retained by Producer by shredding, erasing or otherwise modifying the personal information in those records to make it unreadable or undecipherable through any means.

12. **General Provisions**

A. **Notices**

All notices required or permitted hereunder shall be in writing and sent by certified mail, return receipt requested, and shall be deemed received on the sooner of the actual date of receipt or five (5) days after deposited in the mail, postage prepaid, addressed to ABAIS or Producer at the address set forth in the introductory paragraph of this Agreement. Notice of a change of address shall be given by notice in the manner detailed above.

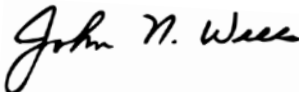
B. **Indemnification**

- i. ABAIS shall indemnify, defend and hold harmless Producer and its directors, officers and employees from any and all loss, liability, damage and expense (including attorneys' fees and expenses of litigation and costs of appeal) which Producer may incur or suffer by reason of ABAIS's material inaccuracy of any representation or by reason of any material breach of any term, condition, or warranty contained in this Agreement.
- ii. Producer shall indemnify, defend and hold harmless ABAIS and its directors, officers and employees from any and all loss, liability, damage and expense (including attorneys' fees and expenses of litigation and costs of appeal) which ABAIS may incur or suffer by reason of the Producer's material inaccuracy of any representation or by reason of any material breach of any term, condition, or warranty contained in this Agreement.

EFFECTIVE DATE OF AGREEMENT: \_\_\_\_\_

EXECUTED:

**ABA Insurance Services Inc. DBA CABINS Insurance Services**

By 

Printed Name: John N. Wells

Title: President and CEO, ABA Insurance Services Inc.

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

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

Fed Tax ID: \_\_\_\_\_

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

Printed Name: \_\_\_\_\_

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

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