

OAIA Eagle Agency Agency Agreement

This Agreement, effective _____ 20__, is by and
between _____ (the “**Agent**”) and
OAIA Service Corporation doing business as OAIA Eagle Agency (“**Eagle Agency**”)
PO Box 13490, Oklahoma City, OK 73113.

The **Agent’s** principal place of business:

Agency Name: _____
Street Address: _____ Zip: _____
Mailing Address: _____ Zip: _____
City: _____ State: _____
Telephone: _____ Fax: _____
Producer Code: _____ FEIN: _____

The purpose of this Agreement is to state the terms and conditions under which **Eagle Agency** will endeavor to place insurance risks submitted by the **Agent** with insurers whose facilities may be available to **Eagle Agency**.

1. GENERAL AGREEMENT

This OAIA Eagle Agency – Agency Agreement (this “Agreement”) shall remain in force for an initial term of ____ years, unless earlier terminated in accordance with Section 8. At the end of the initial term, or any renewal term, this Agreement shall be automatically renewed for an additional year, unless either party gives written notice to the other at least ninety (90) days prior to the end of the then term.

Eagle Agency and the **Agent** agree as follows:

- 1.1 The **Agent** has the authority to submit for insurance coverage, risks located in Oklahoma, through insurance programs available through **Eagle Agency**.
- 1.2 The **Agent’s** authority described in this Section is subject to the laws of the State of Oklahoma and to the terms and conditions set forth in this Agreement. The **Agent** represents that it is authorized to write business in the State of Oklahoma.
- 1.3 The **Agent** agrees to maintain an Oklahoma insurance license for property and casualty insurance and to adhere to the laws and responsibilities that apply.
- 1.4 The **Agent** agrees to maintain, at its own expense, Errors & Omissions insurance coverage of at least \$1,000,000, and shall furnish **Eagle Agency** with a Certificate of Insurance indicating the effective and expiration dates and limits of such coverage. **Eagle Agency** shall also maintain Errors & Omissions insurance coverage of at least \$1,000,000.
- 1.5 The **Agent** has no authority or power under this Agreement to bind insurance risks, but only to submit applications for placement or attempted placement by **Eagle Agency**.
- 1.6 Insofar as transactions under this Agreement are concerned, the **Agent** is an independent contractor and not the agent of **Eagle Agency**.
- 1.7 **Eagle Agency** is not responsible for the expenses of the **Agent**.

2. COLLECTION, ACCOUNTING AND PAYMENT OF PREMIUMS

The **Agent** shall be liable to **Eagle Agency** for all gross premiums due or to become due upon contracts of insurance, whether new or renewal or by endorsement, secured by **Eagle Agency** in connection with risks submitted by the **Agent**. **Eagle Agency** shall have

the right to collect from the **Agent** rather than the insured or insureds for the payment of such premiums. Therefore:

- 2.1 If a return premium becomes due under any contract of insurance, **Eagle Agency** will, unless otherwise agreed in writing, promptly pay to the **Agent** such return premium, less the unearned portion of any commission previously retained by the **Agent**.
- 2.2 **Eagle Agency** shall have the right to set off any amounts due **Eagle Agency** from the **Agent** against amounts due the **Agent** from **Eagle Agency**.
- 2.3 **Eagle Agency** will not recognize flat cancellations unless affected by notice to **Eagle Agency** from the insured or by surrender to **Eagle Agency** of the policy or other written evidence of coverage prior to the inception date of the contract of insurance.
- 2.4 **Eagle Agency** shall at all times have the right to cancel the insurance contract in full, subject to the laws of the State of Oklahoma, or other applicable law. The **Agent** shall remain obligated to pay **Eagle Agency** the earned premium thereon, less the **Agent's** earned commission. All return premiums will be computed by **Eagle Agency**. The parties recognize that some insurers have minimum premiums and earned premiums.
- 2.5 All special fees, charges or expenses constant charged in addition to premiums upon contracts or endorsements are to be regarded as fully earned at the time of inception of the insurance contract or endorsement. The obligation of the **Agent** to pay them shall be the same as if they were premiums except that no commission will be allowed upon them.

3. COMMISSIONS

The **Agent's** commissions under this Agreement shall be calculated in accordance with **Eagle Agency** Commission Schedule currently in effect.

The **Eagle Agency** Commission Schedule, shown as Exhibit A, is attached to and made a part of this Agreement.

4. AMENDMENTS TO THIS AGREEMENT

- 4.1 This Agreement may be amended at any time by written agreement signed by both the **Agent** and **Eagle Agency**, and each party agrees to negotiate with the other party in good faith in pursuing such changes and amendments.
- 4.2 The parties agree that any changes in, or amendments to, this Agreement, including changes in commissions, shall be in writing and signed by both parties. Each party further agrees to negotiate with the other party in good faith in pursuing changes and amendments.
- 4.3 Commission rates, once established, shall remain in effect for at least a twelve (12) month period. Changes in commission rates will apply to policies, and endorsements and audits on policies that renew or are effective on or after the effective date of any such change in commission.

5. CLAIMS

- 5.1 The **Agent** shall, as expeditiously as possible, report all claims and forward all legal process involving **Eagle Agency** to the **Eagle Agency** office at the address stated on Page 1.
- 5.2 The **Agent** may not commit **Eagle Agency** to any liability in connection with any claim.

6. ARBITRATION

If any dispute or disagreement shall arise in connection with any interpretation of this Agreement, its performance or nonperformance, or the figures and calculations used, the parties shall make every effort to meet and settle their dispute in good faith informally.

If the parties cannot agree on a written settlement to the dispute within thirty (30) days after it arises, or within a longer period agreed upon by the parties, the matter in controversy shall be settled by arbitration in Oklahoma City, Oklahoma, in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction.

The parties may agree to submit the dispute to one arbitrator; otherwise, there shall be three, one named in writing by each party within ten (10) days after the notice of arbitration is served by either party upon the other, and a third arbitrator selected by these two arbitrators within fifteen (15) days thereafter. If the arbitrators are unable to agree upon a third arbitrator, then the third arbitrator shall be chosen impartially by the American Arbitration Association.

The determination of the arbitrator(s) shall be final and binding on all parties, provided such determination is made in writing and signed by a majority of the arbitrator(s). Where arbitration results in an award, such award shall include interest in the amount of ten percent (10%) per annum, accruing from the date when the amount that is the subject of the award first became due.

The costs of arbitration shall be borne equally by the parties, provided, however, that the arbitrators may assess one party more heavily than the other for these costs upon finding that the party did not make a good-faith effort to settle the dispute informally when it first arose. Each party shall be responsible for its own attorneys' fees.

7. INDEMNIFICATION

Eagle Agency shall indemnify and hold the **Agent** harmless against all civil liability, including attorney's fees and costs of investigation and defense incident thereto, arising as a result of:

- (a) **Eagle Agency's** negligent acts or omissions, except to the extent the **Agent** has caused such acts or omissions;
- (b) Any actions or inaction of the **Agent** based upon the **Agent's** use of forms supplied by **Eagle Agency**, or following instructions or procedures established by **Eagle Agency**, except to the extent the **Agent** has failed to properly use such forms or comply with such instructions or procedures; or
- (c) Damages sustained by any persons as a result of information furnished by the **Agent** to **Eagle Agency** unless the **Agent** knowingly or recklessly furnished false information.

The **Agent** shall indemnify and hold **Eagle Agency** harmless against all civil liability, including attorney's fees and costs of investigation and defense incident thereto arising

as a result of the **Agent's** breach of this Agreement or the errors and omissions caused by the **Agent**.

8. TERMINATION

- 8.1 The Agreement may be terminated at any time by either party's giving at least 180 days prior written notice to the other.
- 8.2 **Eagle Agency** may terminate this Agreement immediately (for "**cause**") upon giving written notice to the **Agent** if:
 - 8.2.1 The **Agent's** authority to engage in the business of property/casualty insurance is canceled, suspended, revoked, or not renewed.
 - 8.2.2 The **Agent** materially breaches any provision of this Agreement, including any **Eagle Agency** rules or regulations, or any other agreement between the **Agent** and **Eagle Agency**.
 - 8.2.3 The **Agent** commits fraud, gross negligence, or willful misconduct related to the business of insurance.
 - 8.2.4 The **Agent** abandons its business, becomes insolvent, is placed in receivership, or a petition is filed proposing the adjudication of the **Agent** or any of its principals as bankrupt.
 - 8.2.5 The **Agent** or any of the **Agent's** principals are convicted of a crime for activity related to the business of insurance.
 - 8.2.6 The **Agent** terminates membership or has membership terminated in the Oklahoma Association of Insurance Agents, or any successor organization.
- 8.3 **Eagle Agency** will offer the **Agent** a written plan of rehabilitation prior to giving notice of termination under Section 8.2.2. Such a written plan will be the basis of a good faith effort by both parties to reach a mutual agreement on the steps necessary to continue this Agreement and will include:
 - 8.3.1 Identification of the specific problem areas.
 - 8.3.2 Performance objectives and specific dates for accomplishment.
 - 8.3.3 Periodic review of performance objectives by both parties.
 - 8.3.4 A specific length of the rehabilitation plan, negotiated by both parties in good faith.
- 8.4 After termination, **Eagle Agency** will offer the **Agent** renewals on all accounts which expire during the first 90 days after the effective date of termination, subject to underwriting rules and regulations of **Eagle Agency**.

9. OWNERSHIP OF EXPIRATIONS

The use and control of expirations, including those on direct billed business, the records thereof, and the **Agent's** work product, shall remain in the undisputed possession and ownership of the **Agent**, and **Eagle Agency** shall not use its records of those expirations in any marketing method for the sale, service, or renewal of any form of insurance coverage, or other product which shall abridge the **Agent's** right of ownership, use, and control, nor shall **Eagle Agency** refer or communicate this expiration information or work product to any other agent or broker.

However, in the event of termination of this Agreement, if the **Agent** has not then properly accounted for and paid all premiums to **Eagle Agency** for which the **Agent** is liable, the use and control of such expirations including all right, title, and interest in and to the records thereof shall be vested in **Eagle Agency** as of the date of such termination.

In the exercise of its right to collect any indebtedness due from the **Agent** through use and control of such expirations, **Eagle Agency** shall use reasonable business judgment in selling such expirations and shall be accountable to the **Agent** for any sums received which, net of expenses, exceed the amount of indebtedness to **Eagle Agency**. The **Agent** shall remain liable for the excess of the indebtedness over the sums received by **Eagle Agency**. Any indebtedness due from the **Agent** shall not prevent the application of the "Ownership of Expirations" clause in favor of the **Agent** if the **Agent** furnishes collateral security acceptable to **Eagle Agency** in the amount of such indebtedness to be held by **Eagle Agency** until the indebtedness is satisfied. A difference of opinion with the respect to balances owed by the **Agent** does not constitute a failure to pay and does not have the effect of vesting title to expirations in **Eagle Agency**.

Nothing in this section shall interfere with **Eagle Agency's** obligation to renew policies containing contractual renewal guarantees or which must be renewed pursuant to Oklahoma state law, regulation, or by order of government authority, and the **Agent** shall be entitled to receive commissions on such policies at the prevailing rate of commission then in effect.

10. SALE OF AGENT'S BUSINESS

The **Agent** may assign or transfer this Agreement with the written consent of **Eagle Agency** in the event the **Agent** sells its book of business to another agent. The **Agent** shall provide written notice at least 90 days prior to the effective date of the sale, assignment, or transfer.

Consent of the sale, assignment, or transfer will be granted by **Eagle Agency** subject to the general guidelines established by **Eagle Agency** for the contracting of agents, including the requirement that the assignee be a member of the Oklahoma Association of Insurance Agents.

11. MISCELLANEOUS PROVISIONS

- 11.1 **Eagle Agency** will provide the **Agent** with a written statement of its underwriting standards and requirements.
- 11.2 The failure of **Eagle Agency** or the **Agent** to insist on strict compliance with this Agreement, or to exercise any right of remedy, shall not constitute a waiver of any rights contained in this Agreement, stop the parties from demanding full and complete compliance, or prevent the parties from excising such remedy in the future.
- 11.3 If any provision of the Agreement should be invalid under some conflict with governing laws, this Agreement shall be deemed amended to comply with the requirements of those laws without effecting the remaining provisions of this Agreement.
- 11.4 All forms, materials, and other supplies furnished to the **Agent** shall remain the property of **Eagle Agency**. The **Agent** shall return all unused forms, materials, and supplies to **Eagle Agency**, as expeditiously as possible, upon **Eagle Agency's** request.

Exhibit A

Schedule of Commissions

Subject to the terms and conditions of the attached OAIA Agency Agreement, OAIA Eagle Agency agrees to pay the commissions on all premiums remitted at the percentage shown in the following schedule:

1. American Reliable Insurance Company

Farm Insurance Program

1.1 Farmers and Ranchers Package Policy	10%
1.2 Farm Liability Policy	10%
1.3 Farm Fire Policy	10%

2. RLI Insurance Company

Personal Insurance Program

2.1 Personal Umbrella Policy	10%
2.2 In-Home Business Policy	10%

3. Swiss Re/Westport

Commercial Insurance Program

3.1 Insurance Agents & Brokers Professional Liability (E&O)	5%
3.2 Employment Practices and Discrimination Liability	5%
3.3 Commercial Umbrella Policy	5%

4. CompSource Oklahoma

Worker's Compensation Program	TBD
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Accepted By: _____ Date: _____

Agency Name: _____

Approved by: OAIA Eagle Agency

_____ Date: _____

AGENT

By: _____ Title: _____

Witness: _____ Date: _____

OAIA EAGLE AGENCY

By; _____ Title: _____

Witness: _____ Date: _____

RE: Important Tax Information Requested

In order for Eagle Agency to comply with IRS requirements for 1099 reporting and to ensure that all Federal IRS guidelines are met, please complete the enclosed W-9 and Eagle Agency Agreement and return to my attention:

Fax: 405-840-4450

Email: Malinda@iiaok.com

Mail: PO Box 13490

Oklahoma City, OK 73113

Please note that payments may be subject to backup withholding without this information.

Your prompt response to this request is greatly appreciated.

Sincerely,

Malinda Day,
Business Manager/Comptroller