

PRODUCER AGREEMENT

This Producer Agreement ("Agreement") is made by and between GRIFFIN UNDERWRITING SERVICES or in CA, DBA: Griffin Insurance Services ("Griffin") and _____ ("Producer"), collectively referred to as the "Parties." In consideration of the agreements and mutual covenants contained in this Agreement, the sufficiency of which is acknowledged by both Parties, it is hereby agreed as follows.

SECTION 1. RECITALS/SCOPE OF AGREEMENT

1.1 Griffin is a wholesale insurance brokerage firm. Griffin procures specialized insurance coverages for agents and brokers. Griffin is not an insurer of any type and its delivery of insurance products under this Agreement is entirely dependent upon the continued availability of those products from insurers with whom Griffin has a relationship. Griffin shall not be liable to Producer if those insurers discontinue providing any insurance products.

1.2 Producer requires the services of Griffin in order to place insurance for its clients, commonly referred to as insureds. This Agreement applies to the placement of insurance for (check all that apply):

- Commercial Lines Products described on Schedule A***
**Completion of Allstate's Commercial Expanded Markets course is required*
- Personal Lines Products described on Schedule A**

1.3 Griffin and Producer desire to enter into this Agreement, which includes a commission arrangement and independent control by Producer of the insurance business placed by Griffin and an understanding of the rights and obligations of each of the Parties.

1.4 There are no minimum production requirements under this Agreement.

1.5 "Territory" means the jurisdiction(s) as set forth in Schedule A.

SECTION 2. TERM AND TERMINATION

2.1 This Agreement will become effective on _____ ("Effective Date") and will continue in effect until terminated as provided in this Section.

2.2 Griffin may terminate this Agreement without cause upon at least ninety (90) days' advance written notice to Producer.

2.3 Griffin may terminate this Agreement immediately for cause upon written notice to Producer, if:

2.3.1 Producer fails to remit or make available funds due and owing to Griffin when and as required by this Agreement;

2.3.2 Producer abandons its business. Producer will be deemed to have abandoned its business if it ceases to maintain a published telephone number or office location open to the public or it changes its telephone number or office location without providing prior written notice of the change to Griffin and to Producer's clients who are placed through Griffin; Griffin will service those clients placed through Griffin until they can be moved to another producer that is recommended by Allstate and has entered into a new Producer Agreement with Griffin.

2.3.3 Producer's license(s) are suspended or revoked;

2.3.4 Producer engages in any fraudulent act against Griffin or any applicant for or insured under an insurance policy placed by Griffin; or

2.3.5 Producer otherwise fails, in any material respect, to comply with this Agreement and does not cure such failure, or such failure is incapable of being cured, within thirty (30) days after the date of Griffin's written notice thereof.

2.4 Producer may terminate this Agreement at any time immediately upon written notice to Griffin, provided that Producer's obligations to pay premiums, fees or other amounts due Griffin and otherwise to account to Griffin for insurance business placed under this Agreement prior to its termination shall survive termination of this Agreement.

SECTION 3. PRODUCER'S STATUS AND DUTIES

3.1 It is understood that Producer is an independent contractor and not an agent of Griffin or any insurance company or underwriter represented by Griffin. It is understood that no employer-employee relationship has been or will be created by this Agreement.

3.2 Producer agrees to keep complete records and accounts of all transactions and shall allow Griffin to inspect and audit all such records and documents within seven (7) days' written notice of Griffin's intent to audit such records.

3.3 Producer acknowledges its duty to inform all of its clients of the terms, conditions, exclusions, and limitations of any insurance placed through Griffin. Producer further acknowledges its responsibility to request proper coverages for its clients, to review all quotes, policies, binders, and any other related document for accuracy and to keep the Producer's clients fully informed of the terms, conditions, exclusions, and limitations of any such documents.

3.4 Producer is solely responsible for any legally required disclosure of premiums, fees, charges, and commissions of any kind to its clients.

3.5 With respect to any insurance procured under this Agreement, Producer has no authority and agrees that it will not make or issue financial responsibility filings, certificates of insurance, filings with any government agency, binders, policies, endorsements, evidence of property insurance, renewal or cancellation notices, or any similar document without Griffin's prior written consent.

3.6 Producer and/or its client shall immediately report any and all claims or losses, whether actual or potential, per the terms of the policy. In addition, Producer shall immediately forward to Griffin any inquiry or report concerning any claim or loss that Producer may receive.

3.7 Producer shall cooperate with Griffin fully in the investigation of any claim or loss involving insurance placed pursuant to this Agreement.

3.8 Producer shall not offer nor shall pay any rebates on any line of insurance covered by this Agreement, nor shall Producer accept any merchandise or service of any character in payment of premiums and fees.

3.9 Producer shall not publish or issue any advertising respecting Griffin without first obtaining the written consent of Griffin.

3.10 Producer shall take every reasonable opportunity to keep informed as to the condition of all risks covered by Griffin and will promptly inform Griffin of any material change that might render any risk undesirable. The parties agree that all state laws relating to mid-term cancellations, if any, shall be adhered to.

SECTION 4. LICENSING

4.1 Producer warrants that it is properly licensed to sell insurance in its state of domicile, as well as in all other states in which Producer sells insurance, and agrees to act in compliance with all laws and regulations regarding placement of insurance with admitted and/or non-admitted insurance companies in each such state.

4.2 Producer warrants that it has obtained and will maintain throughout the duration of this Agreement all proper business and insurance licenses in each jurisdiction within which it operates and covenants that it will provide Griffin with copies of such licenses at the request of Griffin.

SECTION 5. AUTHORITY

5.1 Subject to and in accordance with this Agreement, Producer has the authority in the Territory to solicit, receive applications, and collect and provide receipts for premiums for the insurance products described in Schedules A, as applicable ("Authorized Insurance Products").

5.2 Producer is not authorized to bind, effect, or underwrite insurance coverage on Griffin's behalf in any manner. All binding authority rests solely with Griffin, as Griffin's markets prohibit the extension of any binding authority to Griffin's producers. For coverage to be bound, Producer must request that Griffin do so in writing prior to the desired effective date of coverage. Coverage will bound only if and when Griffin has manifested its acceptance of the request through issuance of a written binder by Griffin.

5.3 Producer has no authority (1) to make, alter, vary, or discharge any insurance policy relating to this Agreement; (2) to extend a time for payment of premiums and fees; (3) to waive or extend any obligation or condition; (4) to incur any liability on Griffin's behalf; or (5) to withhold any monies due or to become due to Griffin.

SECTION 6. ERRORS AND OMISSIONS INSURANCE

6.1 For the duration of this Agreement, Producer shall maintain an errors and omissions insurance policy, covering Producer and each of its past, present, and future employees, with minimum limits of liability of at least \$1,000,000 per occurrence. This insurance coverage shall, at all times, be insured with an insurance company that has (1) an A.M. Best's Rating of A- or higher and (2) a Financial Size Category of Class VIII or higher, as such ratings and categories are assigned by A.M. Best.

SECTION 7. PAYMENT OF PREMIUMS AND/OR FEES

7.1 Producer shall be responsible for all premiums and fees of any kind placed on Griffin's books, through Producer's office together with all premiums and monies collected by Producer in connection with such business. This includes, but is not limited to, premiums and fees for new business, renewal business, endorsements, and audits.

7.2 Griffin will bill each transaction to the Producer separately by invoice or credit memorandum. Griffin will submit a statement to Producer at the end of each month. Producer guarantees payment of all premiums and fees due to insurance that Producer writes through Griffin.

7.3 Producer agrees to pay all premiums and fees due Griffin within fifteen (15) days of the monthly statement date.

7.4 If the monies due to Griffin by Producer are not paid within fifteen (15) days after the monthly statement date, Producer shall pay interest at an annual rate equal to the prime rate plus one percent (1%). Prime shall mean the prime rate as published in the Wall Street Journal.

7.5 This Section does not apply if the policy in question is a non-auditable, direct billed policy, in which case the Producer shall abide by the payment requirements imposed by the insurance company.

SECTION 8. COMMISSIONS AND FEES

8.1 During the term of this Agreement, Griffin will pay, as full compensation for all services rendered in connection with premiums paid on policies issued effective on and after the Effective Date, commission to Producer per the terms of Schedule A of the Master Expanded Market Agreement, as applicable.

8.2 Subject to the terms of this Agreement, Producer shall also be entitled to the above mentioned commission upon premiums paid on all policies renewed by it and upon additional premiums and on policies written or renewed by it during the term of this

Agreement. The Producer shall not be entitled to any commission on additional premiums for policies not written or renewed by it. If Griffin shall return to any insured produced by Producer premiums for any period, Producer shall repay to Griffin the commission on the portion of the premiums so returned at the same rate that the commission was originally paid.

8.3 Upon termination of this Agreement, Producer shall be entitled to commissions that are paid or payable as of the date of termination, but in no event shall Producer be entitled to commissions on insurance in force, or any renewal thereof, after the date of termination.

8.4 At Griffin's discretion, Griffin may charge a service fee in connection with any policies it arranges on Producer's behalf. Any such service fee will be conspicuously noted by Griffin in quotes and/or policies as a "service fee," and if a service fee is shown, Producer shall fully disclose the service fee to its client before Griffin will bind any coverage.

SECTION 9. FIDUCIARY RESPONSIBILITIES

9.1 Producer shall be responsible in a fiduciary capacity for all funds received or collected as Producer and shall not, without the written consent of Griffin, commingle such funds with Producer's own funds held by it in any other capacity.

9.2 If Producer fails to remit or make available funds to which Griffin is entitled in a timely fashion, as required by this Agreement, Griffin shall have a first lien on such funds. After the expiration or termination of this Agreement, Producer shall continue to hold these funds in a fiduciary capacity for Griffin's benefit until Producer remits or makes these funds available to Griffin.

9.3 Notwithstanding anything in this Agreement to the contrary, Griffin may set off any amounts due and owing to Producer under this Agreement or any other agreement between Griffin and Producer, against any amounts due from Producer to Griffin under this Agreement or any other agreement between Griffin and Producer.

SECTION 10. NO FLAT CANCELLATIONS BY PRODUCER AND/OR PRODUCER'S CLIENT

10.1 No flat cancellations are allowed by Producer and/or Producer's client after a risk has been bound by Griffin. Producer shall explain to all of its clients in writing before Griffin binds a policy that no flat cancellations will be allowed by Producer and/or Producer's client. If Producer effects a flat cancellation, Producer shall be responsible for all of the earned premiums and fees for said policy. Nothing in this Section shall affect an insurer's or Griffin's right to void or cancel a policy subject to applicable law or policy provisions.

SECTION 11. APPLICATIONS

11.1 Pursuant to Washington law and in compliance with WAC 284-30-560, all applications for Homeowners, Dwelling Fire, Private Passenger Auto, Motorcycles, and Motor Homes shall contain the following wording:

IMPORTANT NOTICE: COVERAGE HAS/HAS NOT COMMENCED. IF COVERAGE HAS COMMENCED, STATE EFFECTIVE DATE AND TIME: _____. THERE WILL BE NO COVERAGE UNLESS AND UNTIL THE APPLICATION HAS BEEN ACCEPTED BY GRIFFIN UNDERWRITING SERVICES, WHICH ACCEPTANCE CANNOT OCCUR UNTIL THE APPLICATION HAS BEEN PHYSICALLY DELIVERED TO GRIFFIN UNDERWRITING SERVICES, P.O. BOX 3867, BELLEVUE, WA 98009. WHERE GRIFFIN UNDERWRITING SERVICES IN ITS SOLE AND ABSOLUTE DISCRETION BELIEVES IT APPROPRIATE, THE ABOVE REQUESTED EFFECTIVE DATE WILL BE THE DATE REQUESTED, BUT: GRIFFIN UNDERWRITING SERVICES RESERVES THE RIGHT AND DISCRETION TO ESTABLISH A LATER EFFECTIVE DATE, AND UNDER NO CIRCUMSTANCES WILL GRIFFIN UNDERWRITING SERVICES ESTABLISH AN EFFECTIVE DATE PRIOR TO THE LATER OF (1) THE ACTUAL DATE OF SIGNATURE ON THIS APPLICATION OR (2) THE ACTUAL DATE OF MAILING OF THIS APPLICATION TO GRIFFIN UNDERWRITING SERVICES.

SECTION 12. PRIVACY COMPLIANCE

12.1 Producer warrants that it will maintain the security, confidentiality, and integrity of nonpublic personal information obtained in connection with this Agreement and that it has implemented appropriate business practices to safeguard nonpublic personal information in accordance with applicable regulatory mandates and/or laws.

SECTION 13. INDEMNIFICATION

13.1 Producer shall defend, indemnify, and hold Griffin harmless against all claims, loss, liability, cost and expense, including attorneys' fees, incurred by Griffin in connection with any negligence, errors, or omissions by Producer, breach of any portion(s) of this Agreement by Producer, or the enforcement of Griffin's rights with respect thereto.

SECTION 14. GENERAL TERMS

14.1 Time is of the essence in this Agreement.

14.2 The waiver by Griffin of any breach, default, neglect, or misconduct of Producer shall not be construed as a waiver of any of the terms, provisions, or conditions hereof nor shall it be construed as authority for the continuance of any such breach, default, neglect, or misconduct.

14.3 This Agreement shall be binding on Producer and its officers, directors, shareholders, or principals listed, who shall be deemed to have joined in this Agreement as if a party hereto.

14.4 This Agreement is personal to Producer and is non-assignable.

14.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflict of laws rules. Any disputes arising out of or relating to this Agreement or the relationship created between the Parties hereto shall be resolved in the Superior Court of Washington. Venue shall be in King County Superior Court, Seattle Division. Producer hereby agrees and consents to the jurisdiction of the court designated in this Section.

14.6 This Agreement constitutes the entire understanding between the Parties and supersedes all previous agreement between the Parties, oral or written, with respect to any Authorized Insurance Products. Such previous agreements are hereby terminated by the mutual agreement of the Parties as of the Effective Date of this Agreement. Griffin reserves the right to change or modify any of the terms and conditions contained in this Agreement at any time and from time to time in its sole discretion. If Griffin makes changes or modifications to terms and conditions in this Agreement, it shall give at least thirty (30) days' prior written notice of such changes or modifications to Producer. Producer's continued use of Griffin's services following Griffin's notice of any changes or modifications will constitute Producer's acceptance of such changes or modifications. Producer shall have no right to change or modify the terms and conditions of this Agreement without Griffin's prior written consent.

14.7 Producer agrees to maintain all requirements required of it in this Agreement throughout the term of this Agreement, including but not limited to its applicable business licenses, insurance licenses, public liability insurance and errors and omissions insurance.

14.8 The descriptive headings of this Agreement are intended for reference only and do not affect the construction or interpretation of this Agreement.

14.9 Written notices required in this Agreement shall be provided in hard copy and shall be mailed via first-class mail to the intended recipient's last known address.

14.10 The determination by a court of competent jurisdiction that any provision of this Agreement is unenforceable will in no way impair or affect the validity or enforceability of any other provision of this Agreement.

14.11 The following Sections will survive the termination of this Agreement: 3; 4; 7; 9; 10; 12; 13; and 14.

14.12 Nothing herein shall in any manner create any obligations or establish any rights against Griffin or Producer in favor of any third party or any persons not parties to this Agreement. This Agreement is solely between Griffin and Producer.

Schedule A

Commercial & Professional Lines Personal Lines

You are authorized to write the following product(s) within the States listed below where you hold the proper state licenses:

All Commercial & Professional Lines Products

Personal Lines (except Dwelling Earthquake & Earth Movement)

Alabama	Alaska	Arizona	Arkansas
California	Colorado	Connecticut	Delaware
District of Columbia	Florida	Georgia	Hawaii
Idaho	Illinois	Indiana	Iowa
Kansas	Kentucky	Louisiana	Maine
Maryland	Massachusetts	Michigan	Minnesota
Mississippi	Missouri	Montana	Nebraska
Nevada	New Hampshire	New Jersey	New Mexico
New York	North Carolina	North Dakota	Ohio
Oklahoma	Oregon	Pennsylvania	Rhode Island
South Carolina	South Dakota	Tennessee	Texas
Utah	Vermont	Virginia	Washington
West Virginia	Wisconsin	Wyoming	

Personal Lines Dwelling Earthquake

Alaska	Idaho	Montana	Nevada
Oregon	Texas	Utah	Washington

Personal Lines Earth Movement

Alaska	Oregon	Washington
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