

Producer Code: _____
(filled out by Pioneer)

PRODUCER AGREEMENT

This Agreement is entered into by and between Pioneer Programs Insurance Solutions, LLC (hereinafter referred to as "General Agent") and _____ (hereinafter referred to as "Producer").

Whereas Producer desires to obtain insurance coverage for its clients (hereinafter referred to as "Applicants" and/or "Insureds") provided under various insurance programs available through insurance companies (hereinafter called "Insurers") represented by General Agent, and whereas General Agent desires to place insurance on Insureds that meet the qualifications of one of the aforementioned insurance programs, now, therefore, Producer and General Agent agree as follows:

I. Appointment

A. Scope Of Producer's Authority Under This Appointment: Producer shall have the authority to submit risks to General Agent for placement with one or more Insurer(s) under Program(s) managed by General Agent, subject to the terms and conditions contained in Producer's Program Appointment(s) which are incorporated by reference to this Agreement. Producer does not have authority to bind Insurer or General Agent to any contract of insurance unless such authority is specifically granted to Producer under the particular Program Appointment(s). Once a risk is bound, Producer shall professionally handle any changes or other requests related to the Applicant's policy in accordance with General Agent's written procedures provided in advance to Producer, and as amended from time to time at the sole discretion of General Agent.

1. Producer shall not bind or otherwise submit applications to General Agent for quoting or binding if such business was produced by independent sub-producers without the prior written approval of General Agent, except where Producer is authorized by General Agent to serve in the capacity of a wholesale Producer.

2. Producer shall have no authority to waive any term or condition of any insurance policy. Producer shall have no authority to accept service of any lawsuit or process on behalf of General Agent or any Insurer, nor shall it authorize any claim settlement, or bind General Agent or any Insurer in any claim matter.

3. Producer shall not use the name of General Agent or that of any of its' Insurers in any advertisement, publication, circular or paper without first obtaining written consent from General Agent.

B. Modification Of Appointment & Producer's Authority Under This Agreement: General Agent may, at its sole discretion, modify this Agreement at any time subsequent to its execution by providing at least 30 days advance notice to Producer, except such advance notice is not required where the modification is by mutual agreement or where one or more Program Appointments are terminated in their entirety, a moratorium or similar restriction is placed on writing new business for the Program(s) by the Insurer, and/or binding authority is suspended pursuant to section XI of this Agreement. Such modification may include, but is not limited to (1) appointment of Producer to additional Programs; (2) modification of Producer's appointment and authority under any Program(s); (3) modification of Producer's commission for new or renewal policies of insurance to be written under any Program Appointment(s); (4) extension or revocation of binding authority under any Program Appointment(s). Such modification shall be made by sending written notice to Producer via facsimile or U.S. mail at the address provided in this Agreement, or to Producer's last known address. Producer's acceptance of the modification(s) of a current or additional Program Appointment, including any and all conditions, restrictions, commission rate(s), underwriting guidelines, requirements and limitations specific to the Program, shall be conclusively established when Producer, subsequent to receipt of

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notification of the modification from General Agent, submits one or more applications for insurance to General Agent for placement of Insureds with the Program(s) so modified. Where Producer's appointment to one or more Programs is terminated, Producer will immediately discontinue solicitation of new business and shall not submit applications to place business with said Program(s).

By submitting applications for insurance under any Program Appointment, Producer agrees to comply with all conditions, underwriting guidelines, restrictions, requirements and limitations applicable to all Program Appointments under this Agreement as outlined in quotes, binders and other correspondence provided to Producer by General Agent.

C. Procedure For Submission Of Binding Requests To General Agent: Producer shall follow the procedure for binding coverage as described in the applicable Program Appointment and any written instructions provided by General Agent. Any extension of coverage by Producer not in accordance with such procedures may result in General Agent seeking reimbursement from Producer for any loss or claim arising from such improperly bound risk.

II. Compensation

As full and complete compensation due Producer under this Agreement, General Agent shall pay Producer, as commission, a percentage of the collected premium received by General Agent for policies produced under this Agreement by Producer (excluding all fees charged by Insurer or General Agent) on each policy produced and paid for under this Agreement at the rate stipulated by General Agent. Producer shall be liable for returning commissions (at the same rate as they were paid) on all return premiums, including return premiums arising from policy cancellations. It is expressly acknowledged that Producer may charge the Insured a broker's fee where permitted by law in addition to the compensation due Producer under this Agreement.

III. Collection and Distribution of Funds

A. Producer agrees to promptly remit the down payment to General Agent on all policies bound in accordance with the Program Appointment, and Producer shall abide by each Program(s) premium payment requirements and General Agent's credit and collection policies as outlined in quotes, binders and other correspondence provided to Producer by General Agent. In the event a policy is cancelled mid-term, Producer shall return its unearned commission to the appropriate party within thirty (30) days of the cancellation.

B. If premium financing is permitted by General Agent under the specific Program(s) to which Producer has been appointed, Producer, his agents, employees, and representatives shall not arrange any Premium Financing wherein the premium advanced under such agreement is paid to anyone other than General Agent. All premium finance contracts arranged by Producer must require direct payment of the financed premium to General Agent. Producer's failure to comply with this requirement shall be deemed a material breach of this Agreement, and shall constitute grounds for immediate termination of Producer's appointment with General Agent. Producer shall further request that all premium finance agreements arranged by Producer contain a provision requiring the premium finance company to notify General Agent of said premium financing. The parties agree that this paragraph shall not apply to premium financing contracts arranged directly by an applicant or insured without Producer's involvement.

C. General Agent shall have the right to offset compensation due Producer under this Agreement by the amount of (1) past due premiums, or other amounts currently due and owed by Producer to General Agent and/or its Insurer(s) arising out of any policy of insurance issued under this Agreement; and (2) liabilities incurred by General Agent or the

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Insurers caused by the negligent or illegal acts or omissions of Producer. Producer's failure to timely submit applications, premium payments, or otherwise comply with General Agent's then-current underwriting rules, procedures as outlined in quotes, binders, or written instructions for one or more Program(s) provided to Producer may, at General Agent's sole discretion, result in a reduction in or forfeiture of all or part of Producer's commission amount for the particular business submission in violation of this provision to the extent of General Agent's financial loss due to Producer's action or inaction.

D. Producer shall have the right to offset compensation due General Agent under this Agreement by the amount of (1) past due commissions currently due and owed to Producer by General Agent arising out of any policy of insurance issued under this Agreement; and (2) liabilities incurred by Producer caused by the negligent or illegal acts or omissions of General Agent. However, nothing in this section III(D) is intended to create a right of offset where the insurer(s) to which Producer's program appointment applies has been placed under conservation, liquidation, rehabilitation, or similar insolvency proceedings by any state insurance regulatory authority or pursuant to court order.

IV. Licensing

Producer is solely responsible for securing and maintaining all licenses required by any state law, rule, regulation, or administrative authority prior to engaging in any of the transactions contemplated by Producer and General Agent under this Agreement. On an annual basis, Producer further agrees to provide General Agent with a copy of their then-current license for each jurisdiction in which Producer transacts insurance and for which Producer has received a Program Appointment.

V. Professional Liability Insurance

Producer agrees to purchase and maintain (until the last policy written under this Agreement expires) a professional liability insurance policy with liability limits in amounts no less than the amounts specified by General Agent pursuant to the specific requirements of a Program Appointment. Producer shall furnish General Agent certificates of insurance evidencing such coverage, which shall be insured by an insurer acceptable to the General Agent, provided said acceptance shall not be unreasonably withheld.

VI. Ownership Of Expirations

If Producer has accounted for and paid all premiums and other sums for which Producer may be liable to General Agent in accordance with the terms of this Agreement and is not otherwise in default of this Agreement, Producer's records and use and control of expirations shall remain Producer's property and be left in Producer's undisputed possession. If Producer has not paid or provided acceptable collateral or security for undisputed amounts owed by Producer to General Agent within thirty days (30) following the termination of this Agreement, then ownership of the records and the use and control of only such minimum expirations as are necessary to satisfy the debt shall vest exclusively with General Agent until such time as the undisputed debt shall have been satisfied. Producer shall be entitled to receive the prevailing rate of commission in effect for renewal premiums for each Program Producer has been appointed to immediately prior to termination.

VII. Indemnification

A. General Agent agrees to jointly and severally indemnify, defend and hold harmless Producer against any and all claims, demands, losses, expenses, liabilities and damages of whatever nature, including interest, penalties and

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attorney fees (collectively herein, “Costs”) Producer shall incur, which result from, arise out of, or relate to any dispute, including allegations of negligence or unlawful conduct, on the part of General Agent and its affiliates arising under this Agreement.

B. Producer agrees to jointly and severally indemnify, defend and hold harmless General Agent, its Insurer(s), claims administrators, and servicing companies (hereinafter referred to as “its affiliates”) against any and all Costs General Agent and its affiliates shall incur, which result from, arise out of, or relate to Producer’s duties, obligations, or performance under this Agreement, or relate to any dispute, including allegations of negligence or the violation of insurance, privacy, or consumer protection laws by any state, federal, or local governmental authority by Producer and/or its agents, employees, or representatives.

C. Each party to this Agreement shall promptly notify the other party of the existence of any claim, demand, assessment, allegation of negligence or any other matter as to which the obligation to indemnify hereunder would apply, and shall give the indemnifying party reasonable opportunity to defend the same at their own expense with mutually agreeable counsel. Either party and/or its’ affiliates shall at all times have the right to fully participate in such defense at their own expense. If, within a reasonable time after such notice, the party to whom a request for indemnity is made thereafter fails or refuses to defend, the party seeking indemnification shall have the right, but not the obligation, to undertake the defense of, and to conclusively compromise or settle the claim or other matter on behalf of, or for the account and at the risk of, the party refusing to defend and/or indemnify.

D. By signing this Agreement, Producer acknowledges that it has been informed that various Insurers with whom General Agent does business require the following language to be placed in all Producer and Sub-producer Agreements, and thereby prohibits Producer from suing the Insurer directly under this agreement:

“Producer shall have no right, claim or cause of action against any Insurer, and shall look exclusively to General Agent for the payment or satisfaction of any expenses, costs, claims and/or causes of action arising directly or indirectly out of, or in connection with, any action taken or not taken by the Insurer or the General Agent.”

E. Producer agrees to waive its right to proceed directly against any Insurer in accordance with the terms and conditions quoted above in each instance where the Insurer requires Producer to waive said rights in the agreement between General Agent and Insurer, provided, however, that General Agent represents that it will fully indemnify, hold harmless, and protect Producer from all expenses, costs, claims, or other damages Producer would otherwise recover directly from any Insurer, but for its waiver under this paragraph.

VIII. Right To Audit

Upon receipt of a written request by General Agent, Producer agrees to allow General Agent or its authorized representative to conduct an audit at Producer’s place of business and permit copying of Producer’s business records relating to premiums received from insured(s), the insureds name, address, telephone number, additional insured information, correspondence, any contracts entered into with third parties and such other information as it relates to all Program Appointments of Producer in effect at any time under this Agreement. The audit shall take place during normal business hours solely to confirm Producer’s performance under this Agreement. General Agent agrees not to make use of any information acquired in such audit in any manner otherwise prohibited by law or this Agreement. General Agent shall bear the expense of such audit. Written notice shall be provided by General Agent at least 3 days prior to the audit.

IX. Independent Contractor

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It is agreed that Producer acts as his own contractor in procuring insurance for Applicants obtained through Insurers represented by General Agent. Producer shall manage his or her own time and nothing in this agreement is meant to create the relationship of employer/employee, partnership or joint venture between General Agent and Producer. General Agent will not be responsible for Producer's expenses.

X. Claims

Producer agrees to cooperate fully with General Agent, Insurers and affiliates to facilitate the investigation and adjustment of any claim. Where Producer receives actual or constructive notice of a notice of claim, as that term is commonly understood and utilized in the applicable claims handling statutes or regulations, Producer agrees to promptly notify Insurer's claims adjusting company of the same.

XI. Contract Termination & Suspension Of Authority

A. If General Agent has reasonable cause to believe that Producer is in violation of this Agreement, General Agent may immediately suspend Producer's binding authority (if binding authority has been given to Producer under one or more Program Appointments) pending investigation by providing written notice to Producer of such suspension.

B. This Agreement may be canceled at any time by either party in accordance with the following provisions: (1) the party terminating the agreement shall provide written notice of termination to the other party. Effective immediately upon providing notice of termination, (1) Producer's authority to bind new business with General Agent is revoked for all Program Appointments (if binding authority has been given to Producer under one or more Program Appointments); (2) General Agent agrees to renew policies then in force with Producer at the time of termination for a period of 60 days thereafter, or for a longer period of time if required by law, provided that said policies have not expired, been cancelled, or have been placed with a different insurer at the time for renewal. It is further agreed that the commissions or return commissions will be paid by the responsible party on additional premium collected, or on return premiums made, after termination of this Agreement.

C. If the law requires General Agent or its Insurers to notify Insureds of its intent not to renew any policy of insurance issued pursuant to this Agreement, General Agent or its Insurers will give Insureds the required notice. If the law gives certain renewal rights, the General Agent will notify Insureds of those rights.

XII. Assignment

Producer may not assign this Agreement without prior written consent of General Agent. Any assignment made without General Agent's written consent may, at General Agent's option, terminate this Agreement.

XIII. Arbitration & Good Faith Dispute Resolution

A. The parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within ten days with a statement of its position on the dispute. If the dispute is not resolved by this exchange of correspondence, then representatives of each party with full settlement authority will meet at a mutually agreeable time and place within 20 days of the date of the initial notice in order to exchange relevant information and

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perspectives, and to attempt to resolve the dispute. If the dispute is not resolved by these negotiations, the matter may, with the prior written consent of both parties hereto, be submitted to JAMS/Endispute for mediation and/or binding arbitration.

B. In the event of binding arbitration or litigation to interpret the terms of, or otherwise enforce this Agreement or any provision thereof, the prevailing party, in addition to other relief awarded, shall be entitled to recover from the non-prevailing party all costs and expenses thereof including without limitation reasonable attorney fees incurred by the prevailing party which shall be determined and fixed by the arbitrator or court as part of the decision or judgment. Such fees, costs and expenses shall include expenses incurred on any appeal and for collecting on or enforcing any such decision or judgment.

XIV. Miscellaneous Provisions

A. All supplies, products, intellectual property or other proprietary information furnished to Producer and belonging to General Agent shall remain the property of General Agent and shall be returned to General Agent promptly upon demand.

B. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

C. The waiver by one party of any breach of this Agreement by the other party will not be deemed a waiver of any subsequent breach, a waiver of the particular provision breached, or a waiver of any other provision of this Agreement.

D. The provisions of Sections III, V, VI, VII, VIII, X, and XIII shall survive termination of this Agreement. In addition, the provisions of this Agreement, which by their nature extend beyond termination of the Agreement, will survive termination of the Agreement.

E. This Agreement replaces any and all prior Producer Agreements between the parties, with the exception that any Program Appointments (commonly made via an "Addendum" to the Producer Agreement) that have not been terminated prior to the effective date of this Agreement shall remain active and in full force and effect, and are hereby incorporated by reference to the extent that the terms and conditions are not in conflict with this Agreement.

F. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the choice of law provisions thereof. The parties hereto hereby consent to the exclusive jurisdiction and venue of the United States District Court for the Southern District of California or the applicable state court of Los Angeles County for any action that may be brought in connection with this Agreement.

G. Both parties represent and warrant to the other party that they will abide by the requirements of the Gramm-Leach-Bliley Act of 2000 (15 USC §1701 et seq.), applicable state and local privacy laws, and the Violent Crime Control Act of 1994 (18 USC §1033 et seq.), and have established procedures to ensure compliance therewith.

H. Producer expressly acknowledges and agrees that General Agent and its affiliates may, from time to time, send Producer via facsimile machine or e-mail, information and advertisements about any and/or all Program(s) managed by or available through General Agent or its Insurers. Requests for additional information about risks submitted to General Agent, quotes on such risks, and general correspondence about such risks may also be communicated to Producer in this manner. Each party further agrees to accept all written notifications under this Agreement by facsimile

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or e-mail in lieu of U.S. mail and shall keep the other party apprised of its then current facsimile number and / or appropriate e-mail contact.

This agreement shall become effective at 12:01a.m. pacific standard time, on the date executed by the **General Agent** below.

GENERAL AGENT: PIONEER PROGRAMS INSURANCE SOLUTIONS, LLC
201 South Lake Avenue, Suite 806, Pasadena, CA 91101

By: _____ **Title:** CEO **Date:** _____
Carole Fleischman

PRODUCER: _____
(Name as appears on license) *(Federal Tax ID or Social Security #)*

Business Name

Address

Telephone Number

Address

Facsimile Number

Address

E-mail Contact

By: _____ **Title:** _____ **Date:** _____

Print Name: _____