



This **Agreement** made on xx/xx/xx between Broker name in City, State (hereinafter designated as "Representative") and Universal Insurance Programs (hereinafter designated as "Administrator").

## **Section I** **Appointment of Representative**

- A. The Administrator hereby appoints the Representative while properly licensed to act in accordance with the provisions within this Agreement, for the following purposes; to solicit, receive and accept applications or proposals for coverage' to deliver policies of insurance and endorsements thereto; to request cancellation of coverage; to collect and receive premiums due for the insurance and coverage subject hereto; and to remit premiums and deposits to the Administrator within the time limits as specified within this Agreement. The Representative shall not delegate any of its authorities under this Agreement to any other producer, sub-producer or third party.
- B. The Representative is an independent contractor for all purposes and not an employee of the Administrator. The Representative, as an independent contractor, shall exercise its own judgment as to time, place, and manner of soliciting insurance, servicing policyholders and otherwise carrying out the provisions of this Agreement. The Representative shall pay all expenses in connection with its insurance agency and shall not incur any indebtedness on behalf of the Administrator in connection with expenses resulting from Representative's operations.
- C. In conducting business contemplated by this Agreement, Representative shall, at all times, comply strictly with such rules, regulations, instructions, and procedures as the Administrator may promulgate from time to time, and with applicable law.
- D. In entering into this Agreement, Representative warrants and represents that:
  - 1. It is a corporation, partnership or sole proprietor duly organized under the laws of its state of domicile
  - 2. It is in good standing in its state of domicile, and, as an ongoing obligation throughout the term of this agreement, it shall take all necessary steps to remain in good standing; and
  - 3. That an officer or director has the requisite licenses to write insurance policies in accordance with the provision of insurance law of the State(s) representative is soliciting to sell insurance.



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## **Section II**

### **Limitations of Authority**

- A. The Representative shall have no authority to accept or bind risks on behalf of the Administrator. It is hereby understood and agreed that the coverage can be made effective only by written acceptance by the Administrator in the form of a binder, bind authorization or issued policy. It is further understood and agreed that the Representative will in no way convey, indicate, or imply to potential insureds that coverage has been made effective prior to physical receipt binder, bind authorization or issued policy. Furthermore, Representative agrees to indemnify the Administrator for any and all costs and claims arising against the Administrator associated with Representative conveying, indicating or implying coverage as being bound or to a potential insured prior to or without physical receipt of the binder, bind authorization or issued policy.
- B. The Representative shall have no authority to act on behalf of the Administrator for any purpose outside the business subject to this Agreement. The Representative shall not waive any legal rights of the Administrator, or grant or assign any legal permit to any other person in the name of the Administrator, or collect any amounts in the name of the Administrator other than premiums for coverage issued by the Administrator.
- C. The Representative may not enter into any agreements or appoint agents and/or sub-agents on behalf of the Administrator.
- D. The Representative shall not
  1. Alter, discharge or waive any of the terms or conditions of any insurance policy, contract or receipt of the Administrator;
  2. Extend time of payment of any premium; or
  3. Take legal proceedings in connection with any matter pertaining to the business of the Administrator or in the name of the Administrator, unless specifically authorized by the Administrator in writing to do so.
- E. The Representative agrees that no forms, binders, pamphlets, booklets, advertising materials, or any other printed matter utilizing the name or logo of the Administrator and/or concerning business written under this Agreement shall be used, issued, or circulated by it without the prior written authorization of the Administrator, but the format of any such item for bulk circulation may be approved in advance and used by the Representative until such approval is withdrawn.
- F. The Administrator, without restrictions or limitations, shall have the authority to inspect and audit the records of the Representative pertaining to the business of the Administrator, including, but not limited to policy files and loss and claim files, at any time during reasonable business hours, and it may make copies or extracts or any records pertaining thereto.



### **Section III**

#### **Cancellation of Coverage**

- A. Any insurance policy issued under the terms of this Agreement shall be subject to cancellation by the Administrator in accordance with the laws and regulations of the jurisdiction in which the policy is issued.

### **Section IV**

#### **Premium Collection and Remittance**

- A. The Representative shall collect gross premiums as due from its insured clients to be remitted to the Administrator. All policies are set up on direct or agency bill by the Administrator. All monies coming into the Representative's possession as premiums are to be considered the Administrator's property. If any such funds are not remitted to the Administrator, the Administrator shall have a first lien on all commissions due to the Representative to the extent of such funds due, either before or after the cancellation of this Agreement.
- B. Initial Payments/Deposit premiums shall be remitted gross, to the Administrator upon binding of any coverage under this Agreement. Representative will remit the down payment (gross premium) plus the processing fee, Risk Purchasing Group Fee, or any other fee indicated in Administrator's quote terms.
- C. The Representative accepts full and entire responsibility to the Administrator for the collection and payment of all premiums owed from the effective date of coverage.
- D. That, without exception if coverage is bound by the Administrator, a charge is made in accordance with the policy terms; when cancelled flat or pro-rata; and that all fees and applicable taxes for the policy term are fully earned on the effective date of coverage. Flat Cancellations are at the sole discretion of the Administrator.
- E. Installments, payroll reports, and endorsement premiums shall be invoiced and administered directly to the insured, if applicable, by the Administrator.
- F. With respect to additional premiums due as a result of an auditable policy the Administrator might be required to invoice for the audit, directly to the insured. If any audit premiums are considered not collectible within thirty (30) days of billing, the Administrator will send notice of cancellation on any existing policies until audit is resolved or the policy is canceled.
- G. The Administrator shall be entitled to reimbursement for the cost of collection incurred in an effort to collect unpaid premium from the Representative.
- H. It is understood between the parties that it is the responsibility of the Representative to have a written escheat procedures in place as required and outlined within the various state statutes.



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## **Section V Indemnification**

- A. In addition to all other obligations and covenants hereunder, the Representative shall indemnify and hold the Administrator harmless for all losses and costs, including legal costs resulting from unauthorized transactions, illegal, unlawful or criminal acts, or negligent errors or omissions, on the part of the Representative, sub-producers, employees, agents or any and all other persons under the Representative's control, in the performance of this Agreement. The Representative shall also be liable for advice and information provided by it or its employees to any insured or potential insured, alleged to arise from or incident to the provision of such information and advice by the Representative or its employees.
- B. The Administrator shall indemnify and hold the Representative harmless for all losses and costs, including legal costs, resulting from unauthorized transactions, illegal, unlawful or criminal acts or errors or omissions on the part of the Administrator or persons under the Administrator's control.
- C. In no event does the Administrator agree to indemnify and hold the Representative harmless for actions of its insured (clients), sub-producers or other third parties.

## **Section VI Termination**

- A. This Agreement shall continue from its effective date until the end of the current calendar year and shall be automatically renewed thereafter from year to year unless sooner cancelled.
- B. The Administrator may terminate this Agreement in writing without prior notice if one or more of the following conditions exist:
  - 1. The Representative's license or certificate of authority has been cancelled, suspended or declined for renewal by any government authority; or
  - 2. On the effective date of the sale, transfer, or merger of the Representative business to a successor, unless, this Agreement has been assigned to the successor firm with the consent of the Administrator; or
  - 3. The Representative becomes the subject of an involuntary or voluntary petition in bankruptcy; or
  - 4. The Representative fails to remit premiums on an accurate and timely basis in compliance with Section IV of the Agreement; or
  - 5. Failure of the Representative to remedy any other breach of this Agreement and provide evidence thereof within ten (10) days after receipt of written notice from the Administrator.

Except as provided above, either the Administrator or the Representative may also terminate this Agreement by giving thirty (30) days prior written notice to the other party.

Notwithstanding the foregoing, the Representative authority to offer, modify or solicit insurance contracts and collect and hold money for the Administrator may be terminated by the Administrator at any time without any notice and with immediate effect in the event that the



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Representative becomes insolvent, makes an assignment for the benefit of creditors, has its license or certificate of authority terminated by any insurance department, or commits any act of fraud, negligence or intentional misconduct.

- C. Termination of the Agreement by the Administrator does not reflect an automatic non-renewal notice to insured's submitted by the Representative.

### **Section VII Assignment of Agreement**

- A. The Administrator relies upon Representative's particular abilities in carrying out the Representative's obligation under the Agreement, therefore, no assignment of Representative's rights, responsibilities, or any sums due the Representative under this Agreement shall be made without prior written consent signed by an officer of the Administrator, which consent shall be withheld in Administrator; sole and absolute discretion.

### **Section VIII Errors and Omissions**

- A. The Representative shall at all times during the Agreement, maintain an Errors and Omissions Policy issued by an insurer acceptable to the Administrator in the amount of \$1,000,000 or more with a deductible not to exceed \$25,000 (unless given approval in writing by administrator). Such policy shall provide that it may not be cancelled by either party without 30 days prior notice to the Administrator.

### **Section IX General Terms and Conditions**

- A. This Agreement may be supplemented, amended or revised only in writing by the mutual agreement of the Administrator and the Representative.
- B. This Agreement supersedes all previous agreements and/or agreements, whether oral or written, between the Administrator and the Representative as to business covered by this Agreement.
- C. If any provisions of the Agreement shall contravene or be invalid under the laws of any state, it is agreed that such provisions shall not invalidate the whole Agreement, but the Agreement shall be construed as if not containing the particular provision or provisions held to be invalid.
- D. The failure of either party to insist on strict compliance with the Agreement or to exercise any right under it shall not be considered a waiver of such right.
- E. This Agreement shall be governed by the laws of the State of Arizona with respects to business written under this Agreement, and with respect to Representative's obligations to the Administrator.



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**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed in duplicate by their duly authorized representatives this

**Universal Insurance Programs**

BY: \_\_\_\_\_

PRINT NAME & TITLE: Randy Tipton, President

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

PRINT NAME & TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_