



## PREFERRED LIMITED PRODUCERS AGREEMENT

Agreement between \_\_\_\_\_ of \_\_\_\_\_  
(Name) (Agency or DBA, City, State)

(Hereinafter called Producer) and M. J. Kelly Company, (Hereinafter called M.J.K.) Whereas, M.J.K. desires to make its facilities available to Producer in cases where the terms are mutually agreeable. Now, therefore, the parties hereto agree as follows:

### A. Licensing and Limited Authority

1. The Producer must comply with the licensing laws of the state(s) wherein the Producer resides and produces business, but this agreement shall confer upon the Producer no authority, expressed or implied, to bind or obligate the General Agency, (M.J.K.) in any respect, either as to risks being submitted for consideration or as respects changes in the terms and conditions of any policy or binder issued by M.J.K.
2. The Producer must at all times hold Errors and Omissions policy with a minimum of one million (\$1,000,000) in coverage.
3. The Producer acknowledges that he understands the limitations contained in this agreement and that no insurance submitted for consideration is effective until acceptance is indicated in writing or a policy or binder is issued by M.J.K. unless other arrangements have been made.
4. In the event of unauthorized binder by Producer, Producer agrees to reimburse M.J.K. for all expenses incurred because of unauthorized binding including any attorney fees incurred by M.J.K. in collecting such reimbursements, or in denying liability.

### B. Commissions

1. M.J.K. will allow producer commissions at such rates as agreed from time to time by the parties hereto.
2. In the event of return premiums becoming due for any reason whatsoever, Producer shall refund commissions to M.J.K. at the same rate at which commission was originally allowed.
3. It is agreed there will be no commission paid on any policy fees added to policy and in the event of cancellation, the policy fee will be fully earned.

### C. Payment of Premium

1. Producer agrees to pay M.J.K. all premiums accruing on insurance written with application no later than fifteen (15) days after the end of the month in which the business was bound. The producer shall be entitled to credit for any cancellations when proof of such cancellations satisfactory to M.J.K., has been furnished to M.J.K.
2. Producer specifically agrees that any extension of credit by him/her to his/her client or to any other person is solely at his/her own risk, and he shall pay M.J.K. all sums due M.J.K. when due, whether or not he/she has collected such monies from others who may owe it to him. The producer is responsible for all additional premiums due as a result of audits unless returned to M.J.K. within fifteen (15) days.

### D. Territory

1. The Producer shall submit for consideration only risks domiciled in the state(s) where he is licensed and qualified.

### E. Cancellation

1. No in force Policy, binder or cover note will be cancelled flat, unless at the request of company.
2. Notwithstanding, the return of an original policy, lost policy release or signed request from the insured and mortgagee for cancellation, cancellation will not be effective until sufficient time has elapsed for proper notice to mortgagee, loss payees, certificate holders, public utilities, regulatory bodies, etc., in cases where such notice be required.

### F. Notice of Expiration

1. M.J.K. shall be under no obligation to give Producer advance notice of expiration of any policies of insurance which Producer from time to time procures through the facilities of M.J.K. M.J.K. may give Producer advance notice of expiration of said policies, but the failure of M.J.K. to provide such notice shall not render M.J.K. liable to Producer and M.J.K. shall in no way be responsible for failure to notify Producer of the expiration date of any policy of insurance.

### G. Premiums Held in Trust

1. All premiums received by producer shall be held in trust for M.J.K. as Trustee until delivered to M.J.K. and the privilege of retaining commission out of such premiums, the keeping of an account with Producer on M.J.K.'s books as a creditor and debtor account, alteration in compensation rate, failure to enforce prompt remittance, compromise, settlement declaration of balance due, shall not change nor be held to waive assertion of such trust relationships.

#### **H. Ownership**

1. Both parties to this agreement expressly recognize the independent ownership by the Producer of the insurance business covered by this agreement. In the event it is necessary for M.J.K. to cancel this agreement for violations of its terms by Producer, the Producer relinquishes all rights or claims to subsequent renewals, additional premiums or commission thereon, in so far they may be necessary to satisfy the interests of M.J.K. .
2. M.J.K. shall not be responsible for Producer's expenses of any kind.

#### **I. Limitations of Producer**

1. Producer has no authority to handle claims other than notify M.J.K. of their occurrence which Producer undertakes to do immediately upon his/her knowledge of same.
2. No act or statement of Producer shall in any way be binding on M.J.K. or any insurer(s) represented by M.J.K. unless Producer shall have first received prior approval from M.J.K. to so act or state.
3. Notice to Producer by Insured of change in risk does not constitute notice to M.J.K. or the insurer(s).
4. Producer is not the employee or authorized representative of M.J.K. or any insurer(s) represented by M.J.K.

#### **J. Producer Warranty**

1. Producer warrants that he/she is properly licensed for the class of business and the coverages of insurance to be produced through the facilities of M.J.K.

#### **K. Producers Identity**

1. In the event the Producer under this agreement is a corporation, it is further understood, agreed and guaranteed by the undersigned individual, principal stockholders of said corporation that all conditions of this agreement shall be binding upon them separately and jointly in the same manner as upon the corporation named as Producer.

#### **L. Agreement Cancellation and enforcement**

1. This agreement may be cancelled at any time by either party hereto, by giving written notice to the other party.
2. Producer agrees to pay all reasonable collection expenses including attorney fees incurred to enforce this agreement.

#### **M. Certificates of Insurance**

1. Producer/Subagent is an independent contractor and not an agent or employee of the General/Wholesale Agency or any insurer represented by the General/Wholesale Agency. The Producer/Subagent has no authority to bind risks or coverage changes on behalf of the General/Wholesale Agency or any insurer represented by the General/Wholesale Agency. The Producer/Subagent has no authority to issue binders, policies, endorsements or cancellation notices. If the General/Wholesale Agency gives advanced permission, Producer/Subagent may issue certificates of insurance and agrees to hold the General/Wholesale Agency and Insurance carrier harmless to all claims or errors. The Producer/Subagent has no authority to issue certificates of insurance adding additional insureds and special wordings.

#### **N. Indemnification / Hold Harmless Clause**

1. Producer/SubAgent shall indemnify and hold General/Wholesale Agency harmless from any claims, liabilities or defense costs, including attorney fees, which the General/Wholesale Agency may become obligated to pay as a result of a failure by Producer/Subagent to comply with the terms of this agreement in the binding of insurance written with the General/Wholesale Agency or caused directly or indirectly by an error or omission of the Producer/Subagent/employees. The General/Wholesale Agency shall indemnify Producer/Subagent harmless from any claims, liabilities or defense costs, including attorney fees, which the Producer/Subagent may become obligated to pay as a result of a failure by General/Wholesale Agency to comply with the terms of this agreement in the binding of insurance written with the Producer/Subagent or caused directly or indirectly by an error or omission of the General/Wholesale Agency/employees.

**\*\*\* MJ Kelly shall solely rely on the application and information provided by the producer when procuring any policy of insurance. MJ Kelly will only attempt to procure a policy of insurance at the levels with limits requested by the producer. MJ Kelly does not make any representation or recommendation to the insured with respect to coverage, limits, legal requirements or carriers.**

In consideration of the appointment of the above Agency as "Producer" under foregoing agreement, the undersigned, individually, hereby guarantees the faithful performance of the obligations of the "Producer" under said Agreement, and are firmly bound, jointly and severally, to pay any sum which said "Producer" may become liable to pay under said Agreement or by virtue of the Agency created under said Agreement, and which said "Producer" shall fail or refuse to pay.

**Please complete and return Broker Agreement with a copy of Agency License, Individual License, Agency W9, Producer Questionnaire, E&O Declarations Page, and ACH Authorization Form.**

**Account Current Signatures:**

<b>Agent</b>	
Company Name	
Printed Name	
Printed Title	
Signature	
Date of Signature	
<b>MJ Kelly</b>	
Printed Name	Brian Barrilleaux
Printed Title	President
Signature	
Date of Signature	