

SUB-PRODUCER AGREEMENT

THIS AGREEMENT is made and entered into on the ____ day of _____, 2015 by and between SELECT INSURANCE MARKETS, LP., a Texas Company (“SIM”) and the following named individual or agency who/which is licensed by the State of Louisiana to solicit, procure and sell insurance, as an insurance sales agent, herein referred to as “PRODUCER”:

Name:

Address:

Social Security No. /Tax ID:

LDI License Number:

WHEREAS, SIM is a Managing General Agency with its principal place of business and offices located in Houston, Harris County, Texas, which represents insurance companies and similar entities in the placement and writing of insurance; and

WHEREAS, PRODUCER desires to be an independent contractor for SIM for the purpose of placing insurance for its clients referred to as insureds and soliciting insurance business and selling insurance policies, and SIM also desires for PRODUCER to perform such services, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. TERM

The engagement of PRODUCER shall commence on the effective date of the Agreement and shall be continuous thereafter unless written notice of termination shall be given by either party at the last known address of the other party. This AGREEMENT may be modified by SIM at any time.

2. DUTIES OF PRODUCER AND SIM.

PRODUCER and SIM agree that PRODUCER may offer to purchase certain insurance business through SIM provided, however, that PRODUCER understands and agrees that SIM may accept or reject any sales prospects developed by the PRODUCER.

PRODUCER agrees that he/she shall at all times conduct his/her duties for SIM in conformity with the law and the code of ethics applicable to insurance salesmen in the State of Louisiana. PRODUCER represents and warrants to SIM that he/she is properly licensed as an insurance agent in the State of Louisiana, and is in good standing as a Local Recording Agent in pursuant to the Louisiana Insurance Code.

PRODUCER must communicate in written form with his/her clients, insurance companies and Managing General Agents. No oral understandings, agreements or communications by PRODUCER with customers or prospective customers shall be binding on SIM or the insurance companies for which SIM produces insurance. PRODUCER acknowledges its duty to fully inform all clients of the terms, conditions, exclusions and limitations of any insurance placed through SIM. PRODUCER further acknowledges its responsibilities to request proper coverages for its clients, review all quotes, policies and binders for accuracy and keep PRODUCER'S clients fully informed. PRODUCER has no authority to bind SIM or any insurance company or underwriters represented by SIM.

PRODUCER agrees to be responsible for all costs and expenses incurred in connection with the operation of PRODUCER'S business. PRODUCER specifically agrees to acquire the specific hardware and software as specified by SIM. SIM may modify and amend the minimum specified hardware and software requirements from time to time by providing PRODUCER with written notice of such change.

3. RELATIONSHIP

The PRODUCER'S relationship with SIM is that of an independent contractor. THE PRODUCER EXPLICITLY UNDERSTANDS THAT HE/SHE IS NOT AN EMPLOYEE, AGENT OR SERVANT OF SIM, NOR IS HE/SHE ENTITLED TO PARTICIPATE IN ANY EMPLOYEE BENEFIT PLAN AVAILABLE TO THE EMPLOYEES OF SIM.

SIM does not intend to control or direct in any manner the conduct of the PRODUCER'S work, but is interested solely in the results which are obtained. The manner and means by which the PRODUCER carries out the terms of this AGREEMENT, including the hours that he/she works, are within the PRODUCER'S sole discretion. The PRODUCER has complete and total authority to control and direct the performance of his/her work, subject only to SIM right of inspection and supervision, to ensure quality control, avoid errors and omissions and to secure satisfactory completion of the terms of this AGREEMENT.

PRODUCER understands that as an independent contractor he/she is not entitled to unemployment compensation from the SIM. PRODUCER also understands that NO DEDUCTION FOR FEDERAL OR STATE TAXES WILL BE MADE FROM THE COMPENSATION DUE PRODUCER UNDER THE TERMS OF THIS AGREEMENT AND FULLY AND COMPLETELY UNDERSTANDS THAT HE/SHE IS SOLELY AND TOTALLY RESPONSIBLE FOR THE PAYMENT OF ALL SUCH TAXES.

4. LIMITATIONS ON AUTHORITY

Without the express written consent of SIM as to the particular risk in question, PRODUCER shall not have any authority to enter into, execute or deliver any binder contract agreement or other instrument in the name of or on behalf of SIM or its insurers, or to bind SIM or its insurers to any risk, and PRODUCER shall not make representation to any party as having such authority.

PRODUCER shall not place any insurance nor execute any binder for insurance without first having complied with all requirements of SIM with respect to obtaining approval to bind from the insurance company.

PRODUCER shall not publish or cause to be published or circulated, any advertisement referring to SIM, without first obtaining the written consent of SIM. PRODUCER agrees to indemnify and hold SIM harmless from any loss or expense arising out of any such unauthorized advertisement.

5. COMPENSATION

PRODUCER shall be paid monthly directly by the insuring carrier or by SIM. Commission percentages are subject to change without notice.

6. OWNERSHIP OF ACCOUNTS

- a. Both SIM and PRODUCER recognize and agree that the ownership of the accounts belongs to PRODUCER and shall remain the sole property of PRODUCER during and after the term of this agreement.
- b. PRODUCER agrees to pay, indemnify and hold harmless SIM from any legal expenses, including reasonable attorney's fees and court costs, incurred by SIM in connection with the defense of any litigation arising from any prior contractual relationship between PRODUCER and previous employer or agency.

7. EXPENSES

PRODUCER shall be required to incur ordinary, necessary and reasonable expenses in the nature of professional dues, subscriptions and fees, including license fees and society membership fees, education, entertainment, travel and other like expenses to further his business and to maintain PRODUCER'S efficient performance of his/her duties. All the foregoing expenses shall be borne solely by PRODUCER as a condition of this AGREEMENT.

8. SEVERABILITY

Whenever possible, each provision of this AGREEMENT shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this AGREEMENT shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such provision or invalidity only, without invalidating the remainder of such provision or the remaining provisions of this AGREEMENT.

9. WAIVER

The failure of SIM at any time, and from time to time, to require performance by PRODUCER of any provisions hereof shall in no way affect the rights of SIM thereafter to enforce the same, nor shall the waiver by SIM of any breach of any provision hereof by PRODUCER constitute a waiver of any succeeding breach of such provision, or as a waiver of any provision itself, or as a waiver of any other provisions hereof.

10. INDEMNIFICATION

PRODUCER shall indemnify and hold harmless SIM, its successor and assigns, as well as each agent, employee, officer or shareholder of SIM, and their successors and assigns, against any and all judgments, loss, damage or expense (including reasonable attorney's fees), caused by or arising out of:

- a. Any actions of PRODUCER that would allow SIM to terminate this AGREEMENT.
- b. Any non-competition contract litigation with a prior Employer or Agency.
- c. Any professional liability claims made against SIM that are due to the actions of PRODUCER during the term of this AGREEMENT and which cause SIM to incur a claim under its errors and omissions insurance policy or any amount payable by SIM and the cost of any independent counsel hired by PRODUCER in the event of a conflict between SIM and PRODUCER.
- d. Any action, suit, proceeding, claim, demand, judgment, cost or expense (including reasonable attorney's fees) incident to any of the foregoing.

11. Errors and Omissions Insurance

PRODUCER agrees to maintain at all times this AGREEMENT is in effect errors and omissions coverage for itself and its agents, solicitors and employees in an amount not less than **\$1,000,000.00**. A certificate of insurance evidencing said coverage will be submitted annually to SIM.

12. MISCELLANEOUS

A. **GOVERNING LAW AND VENUE.** This AGREEMENT and all of its terms and conditions shall be governed by and interpreted under the laws of the State of Texas. The terms and conditions of this AGREEMENT are fully performable in and any litigation brought on the basis of this AGREEMENT shall be brought in Harris County, Texas.

B. **OBTAINING DIRECT CONTRACT.** The PRODUCER may have the opportunity to contract directly with a Company of SIM. In such a case, Producer shall pay a commission to SIM equal to the commission received for the previous 12 months from the Producer to SIM within 30 days of the direct appointment.

C. CAPTIONS. Captions and headings to the various sections of this AGREEMENT are for convenience only and carry no legal effect and shall in no way affect the legal interpretations or construction of this AGREEMENT. Whenever the context requires herein, the gender of all words used herein shall include the masculine, feminine and neuter and the number of all words shall include the singular and plural.

D. COUNTERPARTS. This AGREEMENT may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all of which shall together constitute but one AGREEMENT.

E. ASSIGNMENT. This AGREEMENT may not be assigned by PRODUCER without the prior written consent of SIM. Neither PRODUCER nor his/her spouse nor estate shall have any right to convey, encumber or dispose of any right to receive payments hereunder, it being agreed that such payments and the right thereto may not be assigned or transferable without such written consent.

F. BINDING AGREEMENT. This AGREEMENT shall be binding upon, inure to the benefit of the parties hereto, the heirs and personal representative of PRODUCER and the successors and assigns of SIM.

G. COMPLETE AGREEMENT. This AGREEMENT contains all of the terms and conditions agreed upon by the parties hereto and the agreements specifically referred to herein supersede all other agreements between the parties, oral or otherwise. No officer or employee or any party has any authority to make any representation or promise not contained in this AGREEMENT and each of the parties hereto agrees that it has not executed this AGREEMENT in reliance upon any such representation or promise. This AGREEMENT may not be modified or changed except by written instrument signed by all of these parties hereto. It is further understood that this AGREEMENT replaces any prior agreement between the parties, constitutes the entire agreement of the parties.

By: _____ on _____.
Select Insurance Markets, LP. **Date**

By: _____ on _____.
Authorized Producer Signature **Date**

Witness: _____ on _____.
Date

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