

Producer/Wholesaler Agreement

This agreement is entered into on _____ (date) between W.N. Tuscano Agency, Inc. on behalf of themselves, their subsidiaries, and related companies (collectively referred to as "Tuscano", "We", "Us", and "Our" for the purpose of this agreement) and

Name and address of Agency: _____

Agency Code: _____

On behalf of itself and its affiliated entities or branch offices hereinafter collectively referred to as "You" and "Your".

Tuscano is the licensed agent of the insurance companies or the broker of insurance products; and

You are the licensed insurance producer, who desires to place contracts of insurance for insureds or principals named in such contracts of insurance, and utilize the underwriting facilities, knowledge, and services of Tuscano.

Therefore, in consideration of the above and the mutual agreements expressed in this document, You and Tuscano agree to be legally bound as follows:

I. Our Relationship

A. Status

You are an independent contractor and not Our employee. Nothing in this agreement shall be interpreted as creating an employer/employee relationship between You and Tuscano's. You are not the agent, sub-agent, or representative of Tuscano, nor any of Our insurance carriers unless You are specifically appointed as a sub-agent by the carrier. In all dealings with Tuscano, You are acting as the agent of the customer.

B. Authority

You may submit applications to Tuscano and request a premium quotation from Us. If We agree to provide a premium quotation and/or provide coverage, You may communicate the terms of the quotation and/or coverage on Our behalf to the insurance applicant. Quotes offered may not provide all of the terms and conditions requested in the insurance application. It is Your responsibility to provide the insurance applicant with proper advice as to the adequacy, amount, and form of insurance coverage.

You shall have no authority to bind any insurer for Tuscano, or act as an agent for Tuscano, or commit to or issue binders, policies, certificates of insurance, or other written evidence of insurance or make, alter, or vary any terms of coverage, or incur any liability for Tuscano. Tuscano assumes no responsibility toward You or any policyholder with regard to the adequacy, amount, or form of coverage obtained through Tuscano.

You are not authorized to use the name, logo, or service marks of Tuscano or any of its carriers or affiliates in any advertising and/or promotional materials unless said materials are provided by Us or We have given written authorization to do so.

II. Business Conduct

A. Licensing

You warrant to Tuscano that You, and all those who transact business with Tuscano on Your behalf are:

- properly licensed to place insurance for all insurance proposals and/or applications submitted by You, for all classes of business and coverage procured, and in all jurisdictions for business submitted, and that
- such license is valid and in force at the time of commencement or renewal of any insurance contract submitted and accepted hereunder and that
- all solicitations and submissions by You shall be in accordance and compliance with all relevant federal, state, and local laws and regulations, and that
- You will immediately notify Tuscano of any non-renewal, cancellation, suspension, or disciplinary action in respect of said license(s).

B. Compliance with Law

You warrant that You will comply with the provisions of federal, state, and local laws and regulations regarding the placement of all insurance policies placed by Tuscano. This includes but is not limited to disclosure to the insurance applicant of fees and services You provide, Your status as an insurance broker, or sub-agent when appointed by the carrier, and that You are not an agent of Tuscano or the insurance company in Our transactions. Where required by the local jurisdiction, You also warrant that You keep on file a brokerage agreement with the insurance applicant disclosing Your role and fees for services on all policies placed by the Tuscano Agency.

C. Insurance

You warrant to Tuscano that You are currently covered by Insurance Agents Errors and Omissions insurance at a minimum occurrence limit of \$1 Million and furthermore You agree that coverage will remain in force at all times while this agreement is in place. You understand and agree that this representation and warranty is a consideration for entering into this agreement by Tuscano. You agree to provide Tuscano with proof of insurance at the time this agreement is executed and on each anniversary of the E&O policy.

Tuscano warrants that it has in place Insurance Agents Errors and Omissions insurance with a minimum occurrence limit of \$1 Million. Tuscano further warrants that coverage will remain in force at all times while this agreement is in place.

D. Premium Collection and Remittance

You guarantee payment to Tuscano of all premiums on policies of insurance, which You have bound with Tuscano. Payment is due to Tuscano in accordance with the statement of premiums Tuscano renders each month. The statement is due and payable to Us no later than the 20th day of the month following the closing period and is due whether or not You have collected the premium from the policyholder or payer. From time to time alternative terms for payment may be presented with a quote, such as payment is due within 5 days of receipt of the invoice, and You agree to these terms as stated.

You agree to pay a return commission at the same rate as originally credited to You for all return premiums, adjustments, or cancellations made at the option of Tuscano, the insured, or some other interest holder.

If You do not make timely payment of any amount due Tuscano, it is understood that Tuscano, without limitations of Our other remedies, reserves the right to cancel the policies for non-payment of premium. Once the policy cancels, You are responsible to pay any earned premium on the policy.

Tuscano shall be entitled to reimbursement for the costs of collection, including reasonable attorney's fees, incurred in an effort to collect unpaid premium from You or other person(s) responsible for payment of the same.

E. Financing

When You arrange for premium financing on a policy or policies, You are solely responsible for meeting the obligations to the finance company. You acknowledge and agree that if You receive financed funds, any refund of premium by Tuscano will be returned or credited directly to You, and You are responsible for returning funds to the premium finance company and settling any balance due.

If Tuscano receives the gross amount of the premium from the finance company, returning premium funds due to the finance company will be Tuscano's responsibility. Tuscano will not be responsible to refund any premium funds not paid directly to Us.

In the event a financed premium is cancelled and the premium is refunded to the premium finance company, You are responsible for the return of unearned commissions to Tuscano.

F. Fiduciary Responsibility

Any monies collected by You while acting in the capacity of producer for the accounts You place with Tuscano shall be securely and honestly held by You in a fiduciary capacity. While so held, the monies shall not be used in a manner inconsistent with the insurance law or regulations of the state in which the fiduciary account is located.

G. Commissions

Tuscano agrees to pay You commissions on insurance business that We broker for You in accordance with the terms of each invoice. When You collect the premium for the policy, You may deduct Your commission and pay the net amount due to Tuscano. On policies that are company direct billed, net payments are not permitted and We will pay You commission after We receive the commission from the carrier.

In the event there is a premium credit for any reason, You agree to pay Tuscano unearned commission at the same commission rate that was originally paid to You.

You understand and agree that there will be no commission allowed or paid on any policy fees or taxes. In the event a policy is cancelled, fees are fully earned and will not be refunded. Taxes will be returned in the same proportion they were billed. Notwithstanding this agreement, the laws and regulations of the state that has jurisdiction over the handling of policy taxes and fees will apply to any regulatory tax or fee charged on the policy placement.

H. Premium Audits

If any additional premiums developed by audit, reporting policies, retrospective, or other such adjustments cannot be collected by You, We will endeavor to relieve You of the responsibility to pay such audit/adjustment to the extent that the insurance carrier is agreeable to relieve Tuscano provided that:

- You have made a reasonable and demonstrable effort to collect such premiums and have been unsuccessful in doing so.
- You notify Us in writing within 30 days of Our initial billing of Your inability to collect such premiums.
- You shall not be entitled to receive any commission on the premium collected through the efforts of another.

If You do not notify Us within 30 days of Our initial billing date of Your inability to collect such premiums, You are responsible for payment of such premiums to Tuscano.

I. Cancellations

You understand and agree that flat cancellations are not permitted on policies placed by Tuscano. Earned premium shall be computed and charged on every contract cancelled after inception in accordance with the cancellation provisions of each contract. You are responsible for payment to Tuscano for the full amount of any earned premium due.

When cancellation of the insurance contract results in money being owed to the policyholder or payer, net return premiums will be credited to Your account and You are responsible to return the funds credited plus any unearned commission to the policyholder or payer. Premium credited to Your account will fulfill Our obligation and the obligation of the insurer to return premium to the policyholder or payer.

J. Claims

You will promptly notify Tuscano or the insurance carrier with full details of any fact, occurrence, or incident that may result in a claim, loss, or increased risk of loss on any insurance contract You have placed with Tuscano.

You will forward all claims, suits, and notices of loss as soon as reasonably possible and cooperate fully with Tuscano and/or the insurance carrier to facilitate the investigation, adjustment, settlement, and payment of any claim when and as requested by Tuscano or the carrier. You also agree to assist Tuscano or the carrier in the collection of deductibles from the policyholder.

III. Ownership of the Business

Tuscano expressly recognizes that You are the owner of the records and expirations of the insurance business transacted under this agreement. You have exclusive use and control of the business and are solely liable for the solicitation, renewal, coverage adequacy, and when policies are not billed by another party, the premium collection of policies placed with Tuscano.

Tuscano warrants that We will not market to or solicit Your clients with policies transacted under this agreement without Your express written consent. If however, You violate any provision of this agreement, Tuscano may exercise a security interest in the records and expirations of the insurance business transacted under this agreement.

If, upon termination of this agreement, You have not properly accounted for and paid all premiums owed to Tuscano, the ownership of the records and expirations will vest in Tuscano, who will have the sole right to use and control them to the extent of Your obligation to Us unless You provide other security acceptable to Tuscano.

IV. Indemnification

You agree to hold harmless and indemnify Tuscano and its insurer(s) against any and all loss, expense, penalty, liability, or damages including reasonable attorney fees and costs incurred by Tuscano in any manner resulting from any dishonest, fraudulent or negligent act, error or omission committed by You.

Tuscano shall hold harmless and indemnify You against any and all loss, expense, penalty, liability or damages including reasonable attorney fees and costs incurred by You in any manner resulting from any dishonest, fraudulent or negligent act, error or omission committed by Tuscano.

V. Permission to Fax and Email

You agree that by virtue of this agreement, You have a business relationship with the Tuscano Agency and give permission for Us to correspond with You by Fax and Email. Our correspondence with You may include but is not limited to quotes, binders, policies, notices of cancellation, and renewal quotes.

Tuscano will from time to time send emails with important updates and information pertaining to underwriting or operations that will affect Your ability to do business with Us. We will also send You occasional advertising emails intended to provide You with important information about the products and services We provide. These emails will be sent as a group email and are not to be construed as SPAM email. You will be given the opportunity to opt-out of receiving group emails from Us, in which case, Your opt-out relieves Us of the burden to notify You in any other manner unless otherwise specified by law.

VI. Assignment or Change of Ownership

You agree to notify Tuscano in writing within seven (7) days of any sale, transfer, or other substantial change in Your ownership or management. You may not assign, transfer, encumber, or otherwise dispose of this agreement or any interest in this agreement without Our consent.

VII. Termination of Agreement

A. Termination Without Cause

Either party may terminate this agreement without providing any reason by giving the other party at least 30 days prior written notice.

B. Termination for Cause

We may terminate this agreement by giving You at least 10 days written notice in the event You violate any provisions of this agreement.

C. Automatic Termination

This agreement will terminate automatically upon written notice if:

- Your license as an insurance agent or producer is suspended or terminated;
- You are unable to pay Your debts as they mature; You make an assignment for the benefit of creditors; Your agency is dissolved; a receiver or liquidator is appointed for You or a substantial part of Your property; or if insolvency, bankruptcy, reorganization, arrangement, or similar proceedings are instituted by or against You;
- You misappropriate any funds belonging to or owed Tuscano, a policyholder, or an insurance carrier.

D. Quotes

At the time of termination of this agreement, all prior quotations for insurance shall be considered withdrawn.

E. Continuing Duties After Termination

Upon termination, You will be given a list of Your active policies placed with Tuscano and will be asked to move them at renewal or sooner to another carrier or broker. When permitted by law, We will send legal notice of non-renewal to the policyholder so that We may discontinue Our business relationship. Where non-renewal is not permitted, We will reduce the commission paid to You at Our discretion. This agreement and the terms thereof will continue to govern all other responsibilities and actions between Us while there are policies in force.

VIII. Full Agreement

This agreement is the full Agency Agreement between You and Tuscano. Any previous agreement between You and Tuscano or an affiliate of Tuscano whether oral or written, is now void. This agreement may not be altered, changed or amended by either party, except as authorized in writing by Tuscano. If any changes are made to this agreement, We agree to notify You in writing 30 days prior to the effective date of the amendment.

This agreement shall apply to in force insurance contracts as of the date entered hereon and all future insurance contracts that may be placed by Tuscano on Your behalf.

IX. No Waiver

If You or Tuscano fail to insist on strict compliance with this agreement or fail to exercise any right under this agreement, such failure will not be a waiver of any rights or provisions of this agreement. A waiver of a past act or circumstance will not prevent any party hereto from insisting on strict compliance with this agreement or exercising their right in the future.

