

## Producer Agreement

Agreement between \_\_\_\_\_ a duly licensed Insurance Agent/Broker hereinafter referred to as "**PRODUCER**" and, American Border Insurance Services, Inc. hereinafter referred to as "**MGA**".

**PRODUCER** desires to secure insurance coverage for risks with exposures in Mexico on behalf of his/her Clients (Insured's) through the Mexico Insurance Companies provided by **MGA** and **MGA** agrees to make Mexico Insurance Companies available to **PRODUCER** for placement of such Insurance Policies on the terms and conditions specified in this agreement.

### **PRODUCER BINDING AUTHORITY:**

**PRODUCER** may be authorized to bind new and renewal insurance and additional coverage in strict compliance with the corresponding Underwriting Guidelines and/or instructions provided in writing by **MGA**. **MGA** and/or the insurer(s) reserve the right to reject risks that do not qualify within the scope of Underwriting Guidelines or **PRODUCER** authority. In the event **PRODUCER** issues an unauthorized policy, **PRODUCER** agrees to reimburse **MGA** or the corresponding Mexico Insurance Company for any expenses incurred because of the unauthorized issuance, including claims for indemnification, claims expense or attorneys' fees incurred by **MGA** or the applicable Mexico Insurance Company denying liability or collecting reimbursement.

### **PAYMENT OF PREMIUMS:**

**PRODUCER** has the authority to collect premiums. All premiums received by **PRODUCER** shall be held in **PRODUCER'S** Trust Account for **MGA** as trustee, until delivered to **MGA**. Premiums collected on-site must be paid every 30 days, on the 1<sup>st</sup> 5 days of the month, or other specific written instructions from **MGA**. **PRODUCER** agrees to pay **MGA** all earned premiums, whether or not the premium was collected from the insured, unless **PRODUCER** notifies **MGA** in writing within fifteen (15) days of the due date of such premiums of its inability to collect such premiums. Should **PRODUCER** fail to pay **MGA** any premium, return commission or other moneys when due, **PRODUCER** agrees to bear any collection or other expenses, including reasonable attorney's fees and costs incurred by **MGA** to enforce collection.

### **COMMISSIONS:**

**MGA** agrees to pay **PRODUCER** commissions on all paid premiums, exclusive of fees, at the rate of **25%**. **PRODUCER** shall refund to **MGA** the commission on cancellations and return premiums at the same rate at which such commissions were originally paid. Should it become necessary for **MGA** to enforce collection of premiums, **PRODUCER** agrees to forfeit all rights to commissions on premiums so collected.

### **CANCELLATIONS:**

The parties agree that the insurer(s) and/or **MGA** reserve the right to cancel any Insurance Policy by direct notice to the insured; copy of which shall be sent to **PRODUCER**.

### **EXPIRATION NOTICES:**

**MGA** will make an effort to give **PRODUCER** reasonable notice of the expiration of all policies (Renewal Notices), but failure of **MGA** to provide such notice shall not render **MGA** liable.

### **OWNERSHIP OF BUSINESS:**

Both parties to this agreement expressly recognize the independent ownership by **PRODUCER** of the Mexico Insurance business placed pursuant to this agreement. In the event this agreement is terminated, **PRODUCER** shall retain ownership of the business placed pursuant to this agreement; provided **PRODUCER** is not delinquent for any premium owed to **MGA**.

### **ADVERTISING, PRODUCER EXPENSES:**

**PRODUCER** shall submit to **MGA** for approval in writing all advertising, listings or other printed matter of any kind which includes **MGA** or its Mexico Insurers' names, insignia or rates and wait for approval in writing before any publication or dissemination thereof. **MGA** shall have no responsibility whatsoever for any **PRODUCER** expenses.

### **LIMITATIONS OF PRODUCER:**

**PRODUCER** has no authority to process or adjust claims and must notify **MGA** or an approved adjuster of any claim as soon as possible. No act or statement of **PRODUCER** shall in any way be binding on **MGA** or any Mexico Insurance Company represented by **MGA**, unless **PRODUCER** shall have received prior written approval from **MGA** to so act or state.

**INDEMNITY:**

**PRODUCER** and **MGA** agree to indemnify and hold each other harmless from any and all expenses, costs, and attorney or counsel fees; for any cause of action, loss or damage arising from fraudulent or unauthorized acts or neglect by **MGA** or **PRODUCER** or their agents, solicitors or employees.

**ERRORS AND OMISSIONS INSURANCE:**

**PRODUCER** agrees to purchase and maintain in force, as long as this agreement is in effect, an Insurance Agent's/Broker's Errors and Omissions policy and to provide **MGA** with a certified copy, if requested. The cost of said policy shall be at the expense of **PRODUCER**.

**ASSIGNMENT:**

This agreement and **PRODUCER'S** rights under it may not be assigned without the prior written consent of **MGA**.

**NON-ADMITTED CARRIER (S):**

**PRODUCER** is made aware that under the legal systems of other countries, it may be a requirement to have insurance purchased from insurance companies licensed in such countries and not in the United States of America (USA). **PRODUCER** acknowledges that insurance secured under this agreement may be placed with companies licensed and admitted in the countries where coverage is being required, but considered alien or Non-Admitted in the USA.

**PRODUCER'S WARRANTY:**

**PRODUCER** warrants that he/she is properly licensed for the classes of business and the coverage's of insurance to be procured through the facilities of **MGA**.

**TERMINATION:**

This agreement may be terminated at any time by ten (10) days' written notice of either party to the other, but said termination shall not alter in any way the continued application of this agreement to insurance policies effected prior to the date of such termination. All supplies furnished to **PRODUCER** by **MGA** shall be promptly returned to **MGA** in the event of termination of this agreement.

**PRODUCER INFORMATION:**

Name of Business & Type		Federal Tax ID or SS#	
Business Address	City	State	ZIP-Code
Telephone	Fax	Web-Site	
Insurance License #	Licensing State	License Expiration (MM/DD/YY)	
Primary Office Contact	Position	e-mail Address	

Executed on this \_\_\_\_\_ day of the month of \_\_\_\_\_ of \_\_\_\_\_ in the City of San Ysidro, California.

**FOR PRODUCER:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signatures: \_\_\_\_\_

Assigned User ID: \_\_\_\_\_

Assigned Password: \_\_\_\_\_

**FOR MGA:**

Mario Rivera-Asin

President