



**IRONWOOD SURPLUS, INC. & IRONWOOD BROKERS AND INSURANCE MARKETING**  
 28202 Cabot Rd. Ste. 435 Laguna Niguel, CA 92677 949-487-0057 www.IWSbrokers.com  
 Attach Copy of Producer License & E&O Insurance

This agreement is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Ironwood Surplus, Inc. DBA Ironwood Brokers and Insurance Marketing (referred as **IWS** from here on out) a California Corporation with offices at 28202 Cabot Rd., Suite 435, Laguna Niguel, CA 92677, and the Producer:

Broker Name \_\_\_\_\_ License# \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_ State \_\_\_\_\_

IWS hereby grants authority to the above Broker as a defined as and referred to as Producer from here on out. Producer can submit for insurance coverage, risks located in the Licensing State under insurance programs available through IWS and to the terms and conditions hereinafter set forth. The Producer is clearly defined in this agreement as a Producer, not an employee or agent of IWS. Producer does not have authority to bind coverage. Once a risk is bound by IWS, Producer shall professionally service the policies including handling any changes or other requests related to the Applicant’s policy. In addition Producer shall not submit sub-produced or act as a wholesaler. It is Hereby Agreed between IWS and the above named Producer as follows:

**Producer’s Responsibilities:** During the term of this Agreement or as otherwise required by law, Producer shall keep true, separate, accurate, and complete records of all transactions relating to the policies and correspondence including, but not limited to, correspondence with policy holders, insured’s, state insurance departments. All premiums, taxes, and other charges hereinafter shall be referred to as “premium”. Premium that is billed directly to the insured by IWS or the insurance carrier shall be considered "direct-billed." Premium that is billed directly to the insured by Producer shall be considered “Agency-billed”.

The Producer agrees to maintain all insurance licenses for property and casualty insurance written through IWS and to adhere to the laws and responsibilities that apply. A copy of said license and proof of E&O insurance coverage shall be submitted with this Agreement. Subsequent renewals of said license will be submitted in a timely manner. Compensation due Producer under this Agreement are commission, which is a percentage of the collected premium received for policies placed by Producer excluding all fees charged by Insurer or IWS on each policy produced and paid for under this Agreement. Commission due Producer is paid as earned and said amount will be displayed on each quote.

If IWS or the Insurer has not received the amount of direct-billed premium due within the time specified in the billing invoice, IWS or its appointed carriers may at its option collect delinquent direct-billed premium out of any dividends declared or refer the direct-billed premium to the Insurer for collection. In the event delinquent direct-billed premium is paid from dividends or collected directly by the Insurer, Producer shall not be entitled to any commission on the delinquent direct-billed premium so collected. If IWS has not received the amount of any Agency-billed premium due from Producer within the time specified by IWS and may collect directly from the insured any Agency-billed premium due. In the event IWS collects the Agency-billed premium directly from the insured, Producer shall not be entitled to any commission on the Agency-billed premium so collected. Attempts by IWS to collect from the insured shall not relieve Producer of liability to IWS except to the extent of amounts actually collected by IWS, less expenses of such collection, provided. However, that Producer will not be held responsible for premiums if (a) Producer has made a reasonable effort to collect such premium and has failed; and (b) Producer refers such items to IWS for direct collection within 30 days of the Producer receipt from IWS for such outstanding items.

**Online Account Access:** Producer can request 24-7 real time account access with a user ID and password through our licensed system Nexsure. The producer accepts the sole responsibility for the distribution of the user ID & passwords within its organization and will take reasonable measures that this information and integrity of account information is not compromised.

**Errors and Omissions Insurance:** Producer is required to maintain in full force and effect during the term of this Agreement a policy of Errors and Omissions Insurance issued by an insurer rated no less than A- VIII by A.M. Best Company and which afford(s) coverage in the minimum amount of \$500,000. Such Errors and Omissions Insurance shall be maintained by Producer at Producer's sole cost and expense and shall be primary and non-contributing coverage over any valid and collectible insurance available to IWS. Producer shall provide notification to IWS in the event of lapse and shall furnish proof of such insurance at inception of this Agreement and at each subsequent renewal.

**Return Premiums:** IWS will remit all gross return direct-billed premiums directly to insured's. Producer shall refund unearned commissions on return direct-billed premium due for cancellation and direct-billed premium reductions at the same rate as the commission as allowed to Producer. IWS will bill Producer for all return commissions within 30 days of the end of the month in which gross direct-billed premium is returned to the insured. Producer will remit return commissions within 30 days of the date of return commissions are billed by IWS. Producer shall refund unearned commissions on return Agency-billed premium due for cancellations or Agency-billed premium reductions at the same rate as the commissions allowed to Producer. In the event of such cancellations or Agency-billed premium reductions, IWS shall remit to Producer all previously paid unearned net Agency-billed premium owed to insured, and Producer shall reimburse the insured the unearned gross Agency-billed premium due, including the amount of unearned commissions allowed to Producer.

**Right of offset:** IWS shall have the right to offset compensation due Producer under this Agreement by the amount of (1) past due premiums, unearned commissions, or other amounts currently due and owed by Producer to IWS and/or its Insurer(s) arising out of any policy of insurance issued under this Agreement; and (2) Liabilities incurred by IWS or the Insurers caused by the negligent or illegal acts or omissions of Producer. Producer's failure to timely submit applications, premium payments, return commissions or otherwise comply with IWS's then-current underwriting rules, procedures, or written instructions for one or more Program(s) provided to Producer may, at IWS's sole discretion, result in a reduction in or forfeiture of all or part of Producer's commission amount for the particular business submission in violation of this provision. Producer shall have no right to offset any balance due from IWS to Producer under this Agreement, Program Agreement, or any other Agreement.

Any premium received by Producer shall be held in a fiduciary capacity on behalf of Insurers, and shall not be deposited into Producer's operating account, and shall pay in accordance with this Agreement and IWS's instructions. Unless otherwise specified, all commissions due Producer will be paid to Producer within 60 days following the end of the month during which the premiums due have been paid in full. Any credit extended to the insured by Producer shall be at the sole risk and responsibility of Producer. Any Producer fees charged by the Producer to the insured are strictly a contractual matter between Producer and insured.

Upon receipt of a written request by IWS, Producer agrees to allow IWS or its authorized representative to conduct an audit at Producer's place of business and permit copying of Producer's business records relating to premiums received from insured(s), the insured name, address, telephone number, additional insured information, correspondence, any contracts entered into with third parties and such other information as it relates to all Program Agreements of Producer in effect at any time under this Agreement. The audit shall take place during normal business hours solely to confirm Producer's performance under this Agreement. IWS agrees not to make use of any information acquired in such audit in any manner otherwise prohibited by law or this Agreement. IWS shall bear the expense of such audit. Producer shall make such records available for examination and copying by Insurer, reinsurers, or any state insurance department or regulatory board which so requires.

**Premium Remittance:** It is agreed and understood that for any programs requiring premiums to be collected by the Producer are held in trust and that such premiums are the property of the Companies and that the Producer has no interest in the premiums collected by him and shall make no deductions. Should the Producer fail to pay the insurance Companies or IWS any premiums when due, including those incurred by audits or interim reports, then the Producer agrees to bear any collection or other expenses, including reasonable attorney fees and costs, expended by the Companies or IWS to enforce collection from the Producer to the extent allowed by law. Interest will be charged on unpaid premiums at a rate of fifteen percent (15%) per annum or the highest rate permitted by law. Any earned premium owed by the Producer to the Companies or IWS will be offset with earned commissions owed to the Producer by IWS or the Companies.

If the Producer has failed to account for and pay to *IWS* or the Companies immediately upon demand, all premiums for which he may be liable, all records and use and control of expirations shall be vested in *IWS* and the Producer agrees to execute any documents necessary to formally place the title thereto in *IWS*. *IWS* likewise shall have the immediate right thereafter, at its discretion to sell, transfer, assign or otherwise handle and control the business and expirations covered by this contract to satisfy in whole or in part the obligations of the Producer to *IWS* or the Companies. *IWS* shall not be responsible for any expenses of the Producer.

For any premium balances developed by audit, the Wholesaler agrees to bill, collect and pay to *IWS* the audit premium balances, if any, net of applicable commissions ("net audit premium"). If the Wholesaler both: (i) bills the audit within 30 days of receipt of the completed audit; and (ii) provides written notice to *IWS* that the audit premium is not collectible, which notice shall be received by *IWS* within 60 days of the Wholesalers initial audit premium billing, the Wholesaler shall have to responsibility to remit such premium developed by audit. If such billing is not performed timely or such notice to *IWS* is not provided, the Wholesaler shall pay such net audit premium (whether collected or not) within 60 days of the Wholesalers initial audit premium billing. In the event the Wholesaler will cooperate with and assist *IWS* in its efforts to collect such additional audit premiums and shall waiver commission on such additional audit premium.

**Termination:** This agreement may be terminated upon written notice, in the event there has been violation of either *IWS* or the Producer's fiduciary responsibility, and /or insolvency, threat of insolvency, fraud, abandonment, willful, gross or negligent misconduct, as it relates to this agreement, including the termination or suspension of either *IWS*'s or the Producer's License. This agreement will be continuous and may be terminated by either party at any time by 10 days written notice. In the event of termination, the Producer's records, use and control of expirations shall remain the property of the Producer and shall be left in his possession unless any provisions from right to offset exist. The use and control of expirations, and the records thereof, shall remain in the undisputed possession and ownership of the Producer, unless any provisions from right to offset exist.

**THIS IS A 3 PAGE AGREEMENT**

Printed Name of Signer: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_