

We appreciate your interest in doing business with Veracity Insurance Solutions. In order to complete the appointment process we will need the following information:

* Completed & Signed Agency Questionnaire
* Signed Producer Agreement
* Signed Commission Schedule
* Signed W9
* Copy of State License(s)
* Copy of E&O Declaration Page

Once we have received the required documents an executed copy of the Producer Agreement will be returned to you for your files. *NO POLICIES CAN BE BOUND WITH VERACITY INSURANCE BEFORE A PRODUCER AGREEMENT IS IN PLACE.*

Please contact us with any questions.

Veracity Insurance Solutions, LLC

260 South 2500 West, Suite 303

Pleasant Grove UT 84062

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[www.veracityins.com](http://www.veracityins.com)

Producer Agreement Checklist



[WWW.VERACITYINS.COM](file:///C%3A%5CUsers%5Cchris%5CDesktop%5CWWW.VERACITYINS.COM)
866.395.1308

VERACITY INSURANCE SOLUTIONS, LLC
PRODUCER QUESTIONNAIRE

1. **General Information:**

|  |  |
| --- | --- |
| Name of Firm: |       |
| Principle Address: |       |
| City: |       | State:       | ZIP:       |
| Phone: |       | Fax:       | Website:       |
| Tax ID: |       | [ ]  Corporation [ ]  Partnership [ ]  LLC [ ]  Individual [ ]  Other |
| Year Established: |       | Do you have any branch/satellite offices? [ ]  Yes [ ]  No |
| Primary Contact: |       | Email:       |

1. **Operations**

|  |  |
| --- | --- |
| What percentage of your business is admitted v. non-admitted? | Admitted      % Non-Admitted?       |
| Total Premium Past 3 Years? | 20      $       | 20      $      | 20      $      |
| What percentage of business is commercial vs. personal lines? | Commercial      % Personal       % |
| Percentage of Commercial Lines business placed in the Surplus Lines Market?      % |
| Does your agency hold a Surplus Lines license? | [ ]  Yes [ ]  No |
| Do you file your own Surplus Lines taxes? | [ ]  Yes [ ]  No |
| Total number of Producers:       | Account Managers/CSR’s?       |
| Anticipated annual premium to be placed with Veracity in the next 12 months? | $       |
| Do you have a designated Marketing Dept.? [ ]  Yes [ ]  No | Marketing Contact Name:       |
| Is there any pending or threatened litigation or verdict within the past 5 years exceeding $10,000 against your firm or any of the principles? | [ ]  Yes [ ]  No |
| Has any member of your firm been convicted of any felony involving dishonesty or breach of trust? | [ ]  Yes [ ]  No |

1. **Markets**

|  |
| --- |
| Please list your top 3 Surplus Lines Markets/Brokers: |
|       |
|       |
|       |

1. **Signature**

The undersigned hereby declares that the answers given with respect to the foregoing questions are true, complete and accurate with no misrepresentations, omissions, or any other concealment of fact.

|  |  |
| --- | --- |
| Signature of Applicant: | Title:       |
| Printed Name:       | Date:       |



*Producer Agreement*

Veracity Insurance Solutions LLC., as now or hereafter constituted, its successors or assigns, is a party to this Agreement and is herein severally, referred to as the "Company".

Name of the Producer

Address

is a party to this Agreement and is herein called the "Producer".

This Agreement also covers the following locations of the Producer (if listed below):

It is agreed between the Company and the Producer as follows:

**I. Duties and Responsibilities of Producer**Subject to requirements imposed by law, the terms of this Agreement and the underwriting policies, rules and guidelines of the Company, the Producer is authorized or obliged to, as appropriate to:

1. Solicit, receive and send to the Company proposals for commercial lines insurance contracts. The Producer is not authorized to (1) bind coverage for the Company on any policy or endorsement, including any additional insured endorsement, or (2) make, alter, vary or discharge any policy or endorsement without the prior written authorization from Company.
2. Collect, account, receipt for and pay premiums due the Company on business which is bound by the Company. As full compensation, the Producer will retain commissions out of the collected premiums at the rate designated on individual policies. The Producer agrees to keep accurate records of all business transacted under this Agreement. The Company, or its authorized designee, shall have access to and have the right to examine and audit the Producer’s books and records relating to this Agreement upon reasonable notice to the Producer.
3. Promptly refund all commissions, including any portion paid to, shared with, or retained by any other producer, broker or agent, on policy cancellations or premium reductions or returns at the same rate at which such commissions were originally paid or retained. If commission is paid on a flat fee basis, unearned commission must be returned in the same ratio as the unearned portion of the estimated policy premium bears to the estimated policy premium. The Producer agrees that all premiums, including return premiums received by the Producer or received by any other producer, broker or agent recognized by Producer to receive such premiums, are the

property of the Company, the Producer is liable for them, and the Company has the right to exercise direction and control over them.

1. Issue certificates of insurance providing evidence of the insurance issued by Company after the Company has confirmed to Producer in writing that such coverage has been bound. Producer shall not provide any information in the certificate of insurance that is not entirely consistent with the terms of the insurance, and Producer is prohibited from issuing any certificate that includes any representation that any person or entity is an additional insured under the insurance without the prior written consent from Company, unless the Company has already issued an additional insured endorsement, in which case Producer may identify the person or entity as an additional insured subject to the terms of the additional insured endorsement.
2. Hold all funds the Producer collects or receives on Company’s behalf in a fiduciary capacity. Producer shall maintain all policy premiums in a separate bank account and not co-mingle them with the Producer’s own funds, unless permitted by the insurance laws of the state in which the Producer is domiciled. Until the Company receives the funds, Producer is responsible for their safety and bears the risk of loss. The funds may be placed in an interest bearing account until due to the Company. Unless the Producer has breached an obligation under this Agreement, all interest earned in the account is the Producer’s property.
3. Comply with all applicable laws and regulations including, but not limited to, the cancellation, nonrenewal, or conditional renewal of policies, as well as all other laws governing the conduct of the Producer’s business.
4. Warrant and represent that the Producer is duly and properly licensed in all jurisdictions for which Producer will submit applications for insurance to the Company. Producer shall provide Company with a copy of the current insurance licenses maintained by Producer upon request.
5. Maintain at all times this Agreement is in effect, and for a period of three (3) years thereafter, agents/brokers professional liability insurance with minimum limits of one million ($1,000,000) per claim and in the aggregate; and furnish a copy of the declarations page or certificate upon request by the Company.

II. Premium Accounting

With respect to business billed by the Company, the following provisions apply:

1. An individual invoice is produced for each premium transaction and sent to Producer. Itemized statements of money due are prepared by the Company and delivered to the Producer within ten (10) calendar days after the end of each calendar month, and will include individual invoice dates for each premium transaction.
2. Settlement of the balances due are to be paid by the Producer and received by the Company no later than twenty (20) calendar days after the individual invoice dates for each premium transaction.
3. Settlement may be either on a gross premium or net premium basis. If the Company receives the settlement on a gross premium basis, commission owing shall be paid to the Producer thirty (30) calendar days after the end of the month in which such premiums are received and recorded by the Company.

With respect to items designated by the Company as direct billed, the following provisions apply:

1. The Producer is responsible to collect the premium and forward it to the Company. The Company will assume responsibility for all other billing and collection, including installments and additional premiums developed by audit or endorsement. Any direct billed premium remitted to the Producer must be promptly forwarded to the Company.
2. Commissions on premiums paid on direct billed policies shall be paid to the Producer within fourty-five (45) days after the end of the month in which such premiums are due and actually received by the Company. No commission is due or payable to the Producer on uncollected premiums or on items that are referred to outside agencies for collection.

The following provisions apply to all producers:

1. Subject to Paragraph K. below, Producer agrees to pay the Company all premiums, including any deposit, advance, endorsement, retrospectively rated, installment and additional premiums, written or earned, on policies bound under this Agreement, whether or not actually collected. Producer guarantees payment to Company of all such premiums. The Producer is also responsible to return to the Company any unearned commissions, including any portion paid to, shared with, or retained by any other producer, broker or agent. Producer guarantees the return to Company of all such unearned commissions. If the Producer fails to pay the premiums due the Company or to return unearned commissions in accordance with the terms of this Agreement, the Producer is considered to be in default.

G. The Producer may, in its sole discretion, advance premiums on behalf of policyholders. The

Producer accepts full responsibility for such premiums. No premium advances may be made with fiduciary funds held in trust for the Company.

H. If additional premiums develop by audit or under any reporting form, or premiums become

payable and cannot be collected by the Producer, the Company may attempt direct collection and the Producer will not be responsible for such premiums provided the Producer:

1. has made a reasonable effort to collect such premiums and has failed;
2. refers such items to the Company for collection within twenty-one (21) calendar days of the Producer’s receipt from the Company of billing for such items; and
3. fully cooperates with the Company in any such collection effort. The Producer will not be paid commission on premiums collected by the Company.

I. If the Producer raises a dispute regarding the amount of any policy premium, and the Company agrees a good faith dispute exists, the Producer may delay the payment of only that portion which is contested. The Producer may not delay the payment without informing the Company in writing and obtaining the Company’s written concurrence a good faith dispute exists. If the discrepancy has not been resolved within thirty (30) calendar days from the date reported, the unpaid balance must be paid to the Company or the Company may cancel the in force policy in accordance with the terms of the policy and applicable law. This provision does not limit the Company’s right to cancel the policy at any time in accordance with the terms of the policy and applicable law.

J. If premium has been financed through a premium finance company (“PFC”), the Company may return any unearned premium due the PFC directly to the PFC. If the Company returns gross unearned premium, Producer shall immediately upon demand pay to Company, without offset or deduction, any unearned commissions, including any portion paid to, shared with, or retained by any other producer, broker or agent. If the Company pays net unearned premium to the PFC, Producer shall immediately upon demand pay to the PFC or to Company, at Company’s direction, without offset or deduction, any unearned commissions, including any portion paid to, shared with, or retained by any other producer, broker or agent. If the Company returns unearned premiums to Producer, Producer shall immediately upon demand pay to the PFC any unearned premium due the PFC, together with unearned commissions, including any portion paid to, shared with, or retained by any other producer, broker or agent, due the premium finance company, without offset or deduction.

K. With respect to policies bound under this Agreement, the Producer shall immediately notify the Company in writing if Producer learns that an insured of the Company has ceased or will cease to do business for any reason, or has become or will become the subject of a voluntary or involuntary filing of a petition for Chapter 7, Chapter 11 or Chapter 13 Bankruptcy, or a voluntary or involuntary action in liquidation, insolvency, receivership, or assignment for the benefits of creditors. The Producer shall also immediately provide written notice to the Company if such insured has failed to timely pay any premium due under the payment terms applicable to the policy.

**III. Policy Cancellation, Nonrenewal or Conditional Renewal**

Subject to requirements imposed by law and compliance with the applicable provisions of the policy, the Company retains the right to amend, cancel, decline to renew, or conditionally renew any policy. The Producer agrees to cooperate with and assist the Company in the exercise of such rights by the Company. The Producer remains liable for all earned premiums on cancelled binders or insurance policies, whether or not such premium has been collected by the Producer.

**IV. Designation of Producer by Policyholder and Ownership of Expirations**

A. If a conflict exists as to whether the Producer or another producer of the Company is authorized

to represent an existing or prospective policyholder, the policyholder's written Producer of Record designation signed by the policyholder shall be final and binding upon the parties. The policyholder's agent may provide the signed Producer of Record designation to the Company:

1. If the policyholder designates another producer as his/her Producer of Record, the Producer is responsible for earned premiums and the return of unearned commissions, and is entitled to receive earned commissions (including premiums, unearned commissions and commissions on audit and other premiums relating to the policy paid or payable after policy expiration) arising out of “incumbent policies”. “Incumbent policies” mean policies produced by the Producer for the policyholder, but do not include new policies or renewals issued upon or after:

1. termination of the policy(s), whether by expiration or cancellation; or
2. the next subsequent anniversary date of the policy(s), whichever first occurs.

B. Producer’s records, use and control of expirations shall remain the property and be left in the

possession of Producer provided all amounts due Company under this Agreement have been paid or Producer has provided security for the payment which has been accepted by Company. If the amounts due the Company have not been paid, and acceptable security has not been provided, the records, use and control of all expirations of business placed with Company will be vested in Company. Upon written request from Company, Producer shall make all such records and expirations immediately available to Company.

**V. Claims Against the Policyholders or Company**

Both during the term of this Agreement and after termination of this Agreement, Producer shall immediately notify the Company of claims, suits, or losses under the Company's policies, cooperate fully in the Company's investigation, adjustment, settlement, and payment of claims. The Producer will also promptly notify and cooperate with the Company when the Producer receives notice of any other claim or alleged liability that involves or may potentially involve the Company.

**VI. Changes and Revisions of Agreement**

This Agreement may be revised by mutual agreement that is evidenced by a written addendum or amendment signed by the Company and the Producer.

**VII. Termination of Agreement**

Either party may terminate this Agreement, upon written notice to the other and in accordance with the insurance laws and regulations, if any, of the state in which the Producer is domiciled.

**VIII. Indemnification**

Each party shall indemnify, defend, and hold harmless the other party, its shareholders, officers, directors, and employees from and against any claim, and any and all loss, liability, damages, costs, and expenses, including attorneys’ fees, sustained or incurred by such indemnified party, or by any of the indemnifying party’s employees to the extent directly based upon or resulting from (1) any act or omission by the indemnifying party and/or its employees giving rise to the claim, loss, liability, damages, costs or expenses or (2) any breach of this Agreement.

The Producer shall be solely responsible for any fines, penalties or damages associated with Producer’s improper disclosure of Policyholder Information and shall fully defend, indemnify, and hold harmless the Company for and against any such improper disclosure.

**IX. Miscellaneous**

1. The Producer will not commit the Company to any expenses or obligations without the prior written permission of the Company.
2. Any provision of this Agreement which conflicts with applicable law or regulation will be amended to the minimum extent necessary in order to comply with such law or regulation.
3. The Company has the right to offset against any money due the Producer under this Agreement and may exercise this right from time to time.
4. The Producer will not represent the Company on an exclusive basis with respect to any policy form, line or class of business.
5. Failure of either party to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition. No waiver of any breach or default hereunder shall be valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.
6. The Producer is an independent contractor, not an employee of the Company, or any of its affiliates, and nothing in this Agreement shall be construed to create an employer/employee relationship between the Company and Producer. Other than with respect to the duties and responsibilities of Producer specifically set forth in this Agreement, Producer does not act in any capacity for the Company and is at all times acting on behalf of the policyholder. Without limitation, Producer acts on behalf of former, current and prospective policyholders with respect to (1) providing advice, recommendations or services concerning the scope, selection, purchase or maintenance of any coverage or the amount of any policy limits; and (2) obtaining from the policyholder and providing to Company accurate and complete information in the application process for any coverage or changes to coverage.
7. Producer shall comply with any and all laws, regulations, agreements or other legal requirements that require Producer to make any disclosure concerning the existence of this Agreement, its terms and conditions, or the compensation Company pays to Producer. Company assumes no responsibility to make such disclosure on behalf of Producer.
8. Producer shall submit to Company all advertising, sales promotion, customer lists, press releases and other publicity material relating to services performed by Producer wherein the name, trademark or service mark of the Company or any affiliated company is mentioned, and Producer agrees not to publish or use such advertising, sales promotion, customer lists, press releases and other publicity material without the express written approval of the Company. The Company may, for any reason or for no reason and at its sole discretion, refuse to permit to use the Company’s name, trademark or service mark or those of any affiliated company in Producer’s advertising, sales promotion, customer lists, press releases or publicity material. All expenses associated with the marketing of the Company's products are payable by the Producer.
9. Producer shall not assign this Agreement or any benefits or rights under this Agreement without the Company’s prior written consent. Producer shall notify the Company in writing of any change in name or address or any sale, transfer, merger or consolidation of all, or substantially all, of the Producer’s stock or assets including expirations or renewals, to another person or entity. The Company shall not be obliged to appoint such other person or entity.
10. This Agreement is subject to the laws of the State of Utah.
11. This Agreement supersedes all previous agreements, whether written or oral, between the Company and the Producer and shall be effective **March 6, 2017** and shall remain in full force and in effect until terminated as provided herein.
12. The headings in this Agreement are not part of the Agreement and have been inserted for convenience only.
13. The Company and Producer agree that electronic signatures to this Agreement are acceptable and enforceable. Electronic signature shall mean an agreement that is signed with a wet signature, then scanned and sent electronically to the other party in portable document format (PDF).
14. The following sections of the Agreement survive termination, as applicable: I (other than A.), II, III, IV, V, VI, VII, VIII and IX.

IN WITNESS WHEREOF, the Producer and the Company have caused this Agreement to be executed.

FOR THE PRODUCER BY:

Signature Print Name

Title Date

FOR THE COMPANY BY:

Chris Van Leeuwen, CIC

Signature Print Name

VP Business Development
Title Date



**Commercial Lines Commission Schedule**

Name of the Producer:

Address of Producer:

|  |  |
| --- | --- |
| **Line of Business** | **Rate of Commission** |
| 1. General & Product Liability
 | Negotiated by risk |
| 1. Inland Marine
 | Negotiated by risk |
| 1. Commercial Property
 | Negotiated by risk |
| 1. Workers Compensation
 | Negotiated by risk |
| 1. Umbrella/Excess Umbrella
 | Negotiated by risk |
| 1. Professional Liability
 | Negotiated by risk |
| 1. Risk Management Casualty
 | Negotiated by risk |
| 1. Executive Liability:Directors and Officers Liability Employment Practices Liability
 | Negotiated by risk Negotiated by risk Negotiated by risk |
| 1. Crime
 | Negotiated by risk |
| 1. Sports & Leisure Programs
 | Negotiated by risk |
| K Life Sciences | Negotiated by risk |
| L. Allied Health & Medical | Negotiated by risk |
| M. Other | Negotiated by risk |

This Commission Schedule shall be effective March 6, 2017 and supersedes any existing Commercial Lines Commission Schedule between the Producer and the Company.

FOR THE PRODUCER BY:

Signature Print Name

Title

FOR THE COMPANY BY:

Chris Van Leeuwen, CIC

VP Business Development