

HORNER INSURANCE SERVICES, INC

PRODUCER AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20____, by and between Horner Insurance Services, Inc. (referred herein as "HIS"), with its principal place of business located at 5101 Wheelis Drive, Suite 214, Memphis (Shelby County), Tennessee and _____ (referred herein as "Producer") with its principal place of business located at _____.

Whereas, Producer desires HIS to place contracts of insurance through companies represented by HIS (those insurance companies referred herein as Insurers) and has requested that HIS expend time, money and the rendering of its valuable services to Producer, and in consideration of HIS placing contracts of insurance for Producer's clients (referred herein as Insured) and for mutual promises and covenants set forth in this document, Producer and HIS agree to be bound by the following:

AUTHORITY: Producer is an independent insurance agent/broker, and is not acting as an agent, subagent or broker of HIS. This agreement or the relationship between the parties and their officers and employees is not intended and shall not be construed, to create a partnership, joint venture or employment relationship between HIS and Producer. The furnishing of promotional materials including, but not limited to, production kits, applications, rate schedules, specimen policies, brochures, advertising or any other material by HIS to Producer does not create or imply an agent relationship or binding authority between HIS and Producer.

Producer shall not have authority to bind any Insurer represented by HIS, commit to or issue binders, policies, or other written evidence of insurance on behalf of HIS, or to make representations not strictly in accordance with the provisions of the insurance policies placed by HIS under the terms of this agreement. Producer shall not make, alter or vary any terms of coverage, or modify terms of payment of any minimum, deposit or annual premium, or incur any liability for HIS.

LICENSING AND RELATED LAWS: Producer warrants and represents that Producer is properly licensed to transact business as an independent agent or broker in accordance with the insurance laws, rules and regulations of each state in which Producer transacts business. Producer will maintain such license or licenses in good standing for the duration of this agreement and will furnish upon request by HIS, proof of such licensing. Producer will promptly notify HIS of any suspension, cancellation or disciplinary action in respect of its license(s).

Producer acknowledges that he understands and agrees to follow the requirements of all insurance laws, rules and regulations of each state in which Producer transacts business and in particular to those requirements relative to surplus lines insurance (sometimes referred to as insurance written on a non-admitted basis).

PREMIUM COLLECTION AND REMITTANCE: Producer guarantees the full payment due HIS of all premiums including minimum deposit, minimum earned, extension and adjustable premiums, fees, applicable taxes, less commission, on every insurance contract bound or written at the request of Producer pursuant to this agreement. Producer's obligation and duty to make payment to HIS is not contingent upon the issuance of an insurance policy. Producer shall be liable to HIS for the payment of all premiums, fees and taxes whether or not collected by Producer. Producer shall hold funds in a fiduciary capacity for business generated under this agreement to the extent required by the insurance laws of each state in which Producer conducts business. HIS shall allow Producer, as commission, a percentage of the premium written at the rate agreed upon by HIS and the Producer. The billings from HIS may take the form of binders, invoices or monthly statements. The net balance will be due and payable as indicated on such billings and the terms may vary based upon the payment terms of the Insurers. The omission of any item from a monthly statement, invoice or binder shall not affect Producer's responsibility to account for and pay all amounts due, or prejudice the rights of HIS to collect all amounts due from Producer, or extend the time within which Producer must make payment to HIS. **Any credit extended to Insured or to others, including a premium finance company, shall be at the sole risk and responsibility of Producer.**

On all cancelled policies which have been financed by a premium finance company and which HIS has actually received payment along with notification of the name and address of the finance company, HIS will remit payment for any return premium, less unearned commission, directly to the premium finance company. The ultimate liability of HIS for payment to a finance company or Producer shall never exceed the return premium, less unearned commission, and is further limited to the amount of premium actually received by HIS.

Producer may return no insurance policy, binder or contract to HIS for flat cancellation unless it is returned and received by HIS prior to the inception or effective date. Earned premium shall be computed and charged on every contract canceled after the inception date, in accordance with the cancellation clause of such insurance policy, binder or contract.

If, after the expiration of sixty (60) days from the date liability was assumed by Insurers, HIS has not received payment due for the applicable insurance, HIS may, at its option, collect from Insured the premium due. In the event HIS collects the premium or any part thereof from Insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by HIS to collect from Insured shall not relieve Producer of liability to HIS except to the extent of amounts actually collected by HIS from Insured, less expenses of such collection.

In the event HIS is required to bring any action or proceeding to enforce collection of any amount due under the terms of this agreement, Producer agrees to pay all costs incident thereto, including reasonable attorney's fees, incurred by reason of such action or proceeding.

CLAIMS PROCEDURES: Producer shall notify HIS promptly of any claims, suits or notices of loss (or circumstances which might reasonably be expected to result in a

claim, suit or notice of loss) and agrees to cooperate fully with HIS to facilitate the investigation and adjustment of any claim when and as requested by HIS.

TERMINATION OF AGREEMENT: This agreement may be terminated immediately at any time by either party giving written notice to the other by certified mail, with notice being deemed to have been received if mailed to the affected party at the address shown in this agreement. This agreement will also terminate: (1) automatically, if any public authority cancels or declines to renew Producer's license or certificate of authority, (2) automatically, on the effective date of the sale, transfer, or merger of Producer's business with the provision HIS may, at its option, appoint the successor, or (3) immediately, upon either party giving written notice to the other of termination because of fraud, insolvency, failure to pay balances, or willful or gross misconduct. All representations and obligations of Producer herein shall survive the termination of this agreement.

ERRORS AND OMISSIONS INSURANCE: Producer warrants that it now has and will maintain insurance agent's errors and omission insurance coverage with a minimum policy limit of one million dollars (\$1,000,000) while this agreement is in force and will furnish proof of such coverage upon request of HIS. Producer will provide HIS with prompt written notice of any change, non-renewal, cancellation or termination of such insurance.

NO RESPONSIBILITY OR GUARANTEE: Producer understands that HIS assumes no responsibility of any insurance policy, binder or contract with regard to the adequacy, amount or form of coverage. HIS is not an insurer and does not guarantee the financial condition of the insurer with whom it may place an insurance policy, binder or contract. HIS shall have no liability for non-payment of claims due to the insolvency of an Insurer, or otherwise, under any insurance policy, binder or contract placed by HIS.

SEVERABILITY: If any clause or provision of this agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or any other clause or provision, which shall remain in full force and effect. Each of the provisions of the agreement shall be enforceable independently of any other provision unless expressed otherwise herein.

NO WAIVER: Forbearance, neglect or failure by HIS to enforce any provision of the agreement or to terminate it because of a breach hereof shall not be deemed to be a waiver of such provisions or of any breach committed by Producer. A waiver of past act or circumstance shall not constitute a waiver of any subsequent action or circumstance.

HOLD HARMLESS: Producer shall indemnify, defend and save harmless HIS from any loss, claim, liability, damage and expense (including attorney's fees and expenses of litigation) which HIS may incur or suffer by following the instructions of Producer, or reason of material inaccuracy of any representation or breach by Producer of any term, condition, or warranty contained in this agreement.

GOVERNING LAWS: This agreement shall be deemed to have been made and performed in Shelby County, Tennessee, and shall be governed by, and construed and enforced in accordance with the laws of the State of Tennessee.

ENTIRE AGREEMENT: This agreement constitutes the entire agreement between HIS and Producer and supersedes and replaces any previous agreements between HIS and Producer. No oral promises or representations shall be binding, nor shall this agreement be modified, except by agreement in writing and executed by HIS. This agreement shall apply to current insurance policies already placed through HIS and in force at the date hereof and all future insurance policies which may be placed by HIS for Producer.

EXECUTION AND ACCEPTANCE OF AGREEMENT: Producer acknowledges that a breach of any of the terms, conditions, or provisions of this agreement by Producer may give rise to a cause of action by HIS against Producer and/or may result in disciplinary action by HIS, including but not limited to, the termination of this agreement, all at the sole discretion of HIS. Each individual who executes this agreement in a representative capacity represents and warrants that he or she has the full right and power to execute this agreement and to bind the entity or individual on whose behalf he or she so signs. If Producer is an individual, the individual must sign; if Producer is a partnership, one of the partners must sign; if Producer is a corporation, an authorized officer must sign and indicate the title of such authorized officer. The parties hereto agree this agreement shall not become effective until accepted by HIS.

PRODUCER: _____

BY: _____

TITLE: _____

WITNESS: _____

DATE: _____

Accepted by HIS

BY: _____

TITLE: _____

DATE: _____