

PRODUCER AGREEMENT

This Producer Agreement (this "Agreement") is made and entered into between Norman-Spencer Agency, LLC DBA Coastal Insurance Underwriters("Coastal") and _____, (the "Producer").

A. TERM OF AGREEMENT. This Agreement shall be effective as of the date it is fully executed as set forth below (the "Effective Date") and shall continue until terminated pursuant to the provisions set forth in Section H below.

B. AUTHORITY AND INDEPENDENT CONTRACTOR STATUS OF AGENT.

- 1. Authority.** The Producer is authorized to solicit and submit applications of its clients to Coastal for insurance in the lines of business set forth on Addendum "A," and written by insurers for which Coastal acts as agent (the "Insurer" or "Insurers"). The Producer has no authority to bind or underwrite on behalf of Coastal or any Insurer. The Producer shall accept policyholders' requests to cancel policies and to forward immediate written notice of such requests to Coastal. The Producer has no authority to flat cancel any policy after the inception of coverage. There is no territory assigned exclusively to the Producer by Coastal, nor shall the Producer have the exclusive right to market any of the Insurer's insurance products sold by Coastal. The Producer has no authority to change, omit, add to, or waive any question, statement, or answer on any application or any provision of any policy, waive forfeitures, extend time of payment, quote rates other than those expressly authorized by Coastal, or obligate or bind Coastal or the Insurer in any way.
- 2. Independent Contractor Status.** The Producer is an independent contractor and neither the Producer nor the Producer's employees or assistants are employees of Coastal. Subject to the terms and conditions of this Agreement, the Producer shall be free to exercise the Producer's own judgment as to the persons or entities from whom the Producer solicits insurance and the time, place and manner of such solicitations. The Producer's workplace shall be of the Producer's own choosing at a site other than Coastal's premises. Producer agrees to notify Coastal immediately in writing in the event the Producer changes addresses or begins operating out of an additional location/office, and shall have no authority to submit applications from the additional location until Coastal authorizes the additional location in writing. The Producer has exclusive control and responsibility to hire, supervise, and pay its employees or assistants and to select the companies for which it acts as an agent. The Producer warrants and represents that the Producer is fully trained and appropriately licensed to perform pursuant to this Agreement and is not in need of any training by Coastal. The Producer is responsible for maintaining the appropriate license(s) in order that the Producer can lawfully perform pursuant to this Agreement. The Producer is solely responsible for all costs and expenses incurred by the Producer, its employees or assistants in the operation of the Producer's business or otherwise, including but not limited to agency expenses, license fees, taxes, overhead, and supplies.
- 3. Application to In-Force Policies.** This Agreement shall apply to all in-force policies issued on applications submitted by the Producer prior to the Effective Date.

C. RESPONSIBILITIES OF PRODUCER.

- 1. Claims Reporting.** The Producer shall report to Coastal immediately all claims, suits, and notices of loss and further agrees to cooperate to facilitate the investigation, adjustment, settlement and payment of any claim and agrees to forward to Coastal any and all documentation relating thereto, including, but not limited to, claim forms or reports, legal notices on demands as well as any other information the Producer possesses regarding a claim or potential loss.
- 2. Accounting Records.** The Producer agrees that all accounting records of the Producer pertaining to the business of the Insurer shall be subject to inspection at Coastal's request at any time during and after the term of this Agreement.
- 3. Advertisements.** The Producer agrees not to publish or distribute any advertisements, circulars or other materials referring to Coastal or the Insurer without first securing the written approval of the Insurer or Coastal. The Producer need not obtain approval prior to using advertisements that do not refer to the Insurer or Coastal.
- 4. Compliance with Law.** The Producer represents and warrants that it and its employees hold the licenses required to perform under this Agreement and further agrees to comply with all applicable laws and regulations relating to its activities as an Insurance Agent. The Producer shall promptly inform Coastal in writing in the event any employee's license is suspended or revoked or in the event the employee's employment by the Producer is terminated.
- 5. Taxpayer Identification.** The Producer shall provide Coastal with a signed, completed copy of a W-9 taxpayer identification. The Producer shall advise Coastal of any changes on the W-9.

- 6. Lines of Business.** The Producer acknowledges and agrees that Coastal reserves the exclusive right to determine the lines of business in which it will engage. Subject to compliance with the statutes and regulations of the State of Florida, Coastal may withdraw from particular lines of business, notwithstanding their presence or reference in this Agreement or its accompanying addenda. Any such withdrawal from a line of business and/or cancellation of an application shall be without the Insurer or Coastal incurring any liability whatsoever to the Producer for any (i) costs, expenses, or losses or (ii) direct, indirect, consequential, or special damages the Producer incurs due to such withdrawal and/or cancellation.

D. INDEMNIFICATION AND INSURANCE.

- 1. Indemnification by Coastal.** Coastal shall defend, indemnify and hold harmless the Producer from all costs, expenses, claims, and losses including, without limitation, attorneys' fees, costs and expenses incurred in investigating or defending any claims, actions or demands or enforcing this indemnity, that the Producer incurs which arise out of any breach of this Agreement by Coastal, or negligent acts, willful misconduct, or errors or omissions of Coastal, except to the extent that the Producer caused, contributed to, or compounded such errors or omissions. The obligation of Coastal to indemnify is conditioned upon prompt notification by the Producer to Coastal of any claim made or legal action brought against the Producer which is subject to indemnification as set forth.
- 2. Indemnification by the Producer.** The Producer shall defend, indemnify and hold harmless Coastal from all costs, expenses, claims, and losses, including, without limitation, attorneys' fees, costs, and expenses incurred in investigating or defending any claims, actions or demands or enforcing this indemnity, that Coastal incurs which arise out of any breach of this Agreement by the Producer, or the servants, agents, subagents or employees of the Producer, or negligent acts, willful misconduct, or errors or omissions of the Producer, or the servants, agents, subagents or employees of the Producer, except to the extent that Coastal caused, contributed to, or compounded such errors or omissions. The Producer's obligation to indemnify is conditioned upon prompt notification by Coastal to the Producer of any claim made or legal action brought against Coastal which is subject to indemnification as set forth.
- 3. Errors & Omissions Insurance.** The Producer shall maintain in full force and effect during the term of this Agreement a policy or policies of errors and omissions ("E&O") insurance issued by an insurer acceptable to Coastal, and affording coverage in the minimum amount of \$1,000,000 for acts of the Producer, its subagents and employees. Such E&O insurance shall be maintained by the Producer at the Producer's sole cost and expense, and shall be primary and non-contributing coverage over any other valid and collectible insurance available to Coastal. The Producer shall furnish a copy of the certificate or binder for such insurance to Coastal each year as soon as practicable after the effective date. The Producer consents in advance to the immediate termination of this Agreement in the event of the cancellation or non-renewal of such errors and omissions insurance policy.

E. PREMIUM COLLECTION.

- 1. General.** Unless otherwise directed, Producer shall pay to Coastal all initial premiums due and payable under insurance policies issued upon applications submitted by Producer. Thereafter, Coastal shall invoice Producer on each insurance policy issued upon applications submitted by Producer, and Producer shall pay such invoices without regard to whether Producer has collected the premium from the Insured. In the event Coastal does not timely receive premiums due pursuant to invoice, Coastal may, at its option, collect the premiums from the Insured. In the event Coastal collects the premium or any part thereof from the Insured, Producer shall not be entitled to any commission on the premium so collected. Attempts by Coastal to collect from the Insured shall not relieve Producer of liability to Coastal except to the extent of amounts actually collected by Coastal from the Insured, less expense of such collection. In any action or proceeding brought by Coastal to recover sums due from Producer to Coastal under the terms of this Agreement, Producer agrees to pay costs incident thereto, including reasonable attorneys' fees incurred by reason of such action or proceeding.
- 2. Payment.** All initial premiums are due and payable to Coastal on or before the effective date of coverage, and thereafter within ten (10) days of the invoice sent by Coastal to Producer, unless otherwise agreed by the parties.
- 3. Adjusted Premium.** Notwithstanding anything to the contrary herein set forth, if premium for a policy or policies cannot be fully determined in advance or where premium adjustment or determination is necessary by audit or otherwise, then the amount of any additional premium due shall be invoiced to and paid by the Producer to Coastal.

F. COMMISSION.

1. **Commission Rate and Payment.** Coastal agrees to pay commissions to the Producer in accordance with the Commission Schedule(s) contained in the Addenda to this Agreement and incorporated herein by reference. The Commission Schedule may be revised by mutual written agreement between the Producer and Coastal, or unilaterally by Coastal after giving the Producer at least sixty (60) days advance written notice of the proposed revision and the effective date. The revision shall then be effective on the date specified in the notice without further action required by Coastal or the Producer. Commission shall be paid to the Producer within thirty days after the end of the month in which premiums are received and recorded by Coastal.
2. **Offset.** The Producer agrees that any amounts due the Producer that are held by Coastal, including undistributed commissions due, may at any time be applied to and constitute an offset against balances due Coastal from the Producer.
3. **Unearned Commission Refund.** In the event that either during the term of this Agreement or after its termination, Coastal refunds premiums under any policy by reason of cancellation, or otherwise, the Producer shall promptly return to Coastal the amount of commission received by the Producer with respect to such premiums refunded.
4. **Assignment of Commission.** The Producer shall obtain prior written consent from Coastal before assigning commissions, and agrees that no purported assignment of commissions shall bind Coastal unless such prior written consent has been given.
5. **Authority to Withhold.** Coastal may withhold commission payments if the Producer does not provide to Coastal in timely manner documentation in its possession that the law requires the Insurer or Coastal to maintain. Upon receipt, Coastal shall release any withheld commission payments to the Producer.

G. RECORDS AND LIST OF EXPIRATIONS.

1. **Ownership of Records.** While this Agreement is in effect, the Producer owns all files, documents, writings, notes, written memoranda and expirations (hereafter referred to as the "Records" for purposes of this Section G) produced by the Producer in connection with or associated with any policy issued hereunder.
2. **Termination of Agreement.** Upon the termination of this Agreement, if the Producer accounts for and pays all premiums and other sums for which Producer may be liable to Coastal, then the Records shall remain the property of the Producer, and be left in the Producer's possession. If, however, this Agreement expires or terminates and the Producer has not accounted for and paid all premiums or other sums owing to Coastal, then the ownership of the Records shall be transferred to Coastal, and the Producer shall not be permitted to use any information contained in the Records.
3. **Disagreement as to Producer's Liability.** Should the Producer disagree with Coastal on the amount the Producer owes as of the termination of this Agreement, ownership of the Records shall remain with the Producer, provided that the Producer promptly furnishes collateral acceptable to Coastal in the amount of the disputed liability, to be held by Coastal until the difference is resolved. If the Producer fails to furnish acceptable collateral upon Coastal's demand, then the ownership of the Records shall be transferred to Coastal, and the Producer shall not be permitted to use any information contained in the Records.

H. TERMINATION OF THIS AGREEMENT.

1. **Notice.** This Agreement may be terminated with or without cause by either party upon ten (10) days advance written notice. The Producer expressly waives and voluntarily relinquishes any right to the notice period provided by Section 626.471, Florida Statutes. The provisions of this Agreement shall govern policies in force on the date of termination until their subsequent expiration or cancellation.
2. **Termination of Producer Upon Certain Events.** Notwithstanding any other provision in this Agreement, this Agreement shall terminate on the earliest of the following dates:
 - a. The date of the Producer's death or total and permanent disability; or
 - b. The date the Producer shall fail to pay over on demand monies belonging to or due to the Insurer or Coastal; or
 - c. The date the authority of the Producer to act in accordance with the terms and conditions of this Agreement is terminated by any insurance regulatory body having authority over the Insurer or Coastal; or
 - d. The date the Producer shall be adjudicated bankrupt or shall make an assignment for the benefit of creditors, or the date a receiver is appointed for the estate of the Producer; or
 - e. The date of the dissolution and/or liquidation of the Producer (if a partnership or corporation); or

- f. The date the Producer performs any action or fraud or malfeasance, withholding of the funds held in a fiduciary capacity, or makes a purposeful misrepresentation regarding the business of the Insurer or Coastal; or
 - g. The date the Producer is convicted, enters a plea of nolo contendere, or receives probation without verdict for any crime (felony or misdemeanor) related to the business of insurance or for fraud, theft, embezzlement or offenses related to the misuse or taking of funds; or
 - h. The date of a change in control of the Producer, whether in a single transaction or a series of transactions. A change in control shall include, but not be limited to, (i) if the Producer is a corporation, a sale or transfer of a majority of the issued and outstanding stock of the agent; (ii) if the Producer is a proprietorship or partnership, a sale or transfer of a majority interest in the proprietorship or partnership; (iii) a sale of the Producer's assets used in the Producer's insurance business; (iv) a sale of the Producer's insurance business; or (v) a sale of all or a portion of the Producer's insurance book of business.
- I. ASSIGNMENT.** The Producer may not assign or transfer the Producer's interest in this Agreement, whether voluntary, involuntary, by act of law or otherwise except as specifically set forth herein. The Producer's interest in this Agreement may be assigned to the Producer's successor or successors provided that Coastal consents in writing to such assignment and that such successor or successors then meet Coastal's requirements and agrees to comply with the terms thereof. Coastal is under no obligation to appoint the Producer's successor or successors.
- J. CONFIDENTIAL INFORMATION; COVENANTS.**
- 1. Definitions.** For purposes of this Agreement, "Confidential Information" includes the Insurer or Coastal's rating discs, manuals and any other information which is disclosed to the Producer by Coastal and designated as confidential, proprietary or its equivalent; provided that "Confidential Information" shall not include information that was known to the Producer prior to disclosure by the Insurer or Coastal or is or becomes public knowledge without fault of the Producer.
 - 2. Restrictions on Use and Disclosure.** The Producer shall not disclose Confidential Information to any third party or to use Confidential Information other than for the purposes of this Agreement or as may be required by law. The Producer agrees to make Confidential Information available only to its employees and subcontractors who have a need for access and only after such employees and subcontractors agree in writing to the use and disclosure requirements of this Section. Upon termination of this Agreement, all Confidential Information shall be returned to Coastal.
 - 3. Other Covenants.** For a period of twenty four (24) months after the Termination Date (regardless of the reason for termination or whether such termination was by Coastal or by the Producer), Producer shall not, directly or indirectly, (i) render services in connection with the sale, underwriting or administration of the Insurance Programs set forth on Addendum "A;" or (ii) on behalf of Producer or any other person or entity, solicit or encourage any Coastal employee or producer to terminate their relationship with Coastal, or to become employed by or connected in any way with a Competitor.
 - 4. Injunctive Relief.** The Producer acknowledges that the covenants set forth in Section J are reasonable and necessary in order to protect and maintain the legitimate business interests of Coastal and that the enforcement thereof will not prevent the Producer from earning a livelihood. The Producer recognizes that Coastal has narrowly tailored the covenants to protect Coastal's legitimate business interests. The Producer further agrees that in the event of an actual or threatened breach by the Producer of such covenants, Coastal would be irreparably harmed and the full extent of injury resulting therefrom would be impossible to calculate such that Coastal would have no adequate remedy at law. The restrictive covenants contained in Sections J are material inducements for Coastal to enter into this Agreement. Accordingly, the Producer agrees that temporary and permanent injunctive relief would be appropriate remedies against such breach, without bond or security; provided that nothing herein shall be construed as limiting any other legal or equitable remedies Coastal might have. The provisions of Section J shall survive termination of this Agreement for any reason.
- K. MISCELLANEOUS.**
- 1. Modification.** This Agreement may be supplemented, amended or revised only in writing by mutual agreement of the Producer and Coastal, except as otherwise specifically provided in this Agreement.
 - 2. Waiver.** A waiver by Coastal of any breach or default by the Producer under this Agreement shall not constitute a continuing waiver or a waiver by Coastal of any subsequent breach or default.
 - 3. Florida Law, Jurisdiction, Venue, and Service of Process.** This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of Florida. The Producer hereby consents to personal jurisdiction in the courts of the State of Florida exclusively. The parties hereby agree that the exclusive venue for any dispute under this Agreement shall be in St. Johns County, Florida.

- 4. Waiver of Jury Trial.** In any claim or controversy, the Producer and Coastal hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other in any court with respect thereto.
- 5. Notice.** Any notice required or permitted under this Agreement will be written and will be deemed to have been given (i) when personally delivered, (ii) when served pursuant to the Florida Rules of Civil Procedure, or (iii) on the second day after it is deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified, or registered mail return receipt requested, addressed to:

Coastal Insurance Underwriters, Inc.
 P.O. Box 3140
 Ponte Vedra Beach, FL 32004
 Fax: 904-395-0038
 Attn: Sim Bridges

Producer : _____
 Attn: _____
 Taxpayer ID No.: _____
 Telephone No.: _____
 Fax: _____

Mailing Address:
 Address: _____
 City: _____
 State: _____ Zip: _____

Street Address (for delivery purposes):
 Address: _____
 City: _____
 State: _____ Zip: _____

- 6. Savings Provision.** In the event any provision of this Agreement is adjudged to be unenforceable, all remaining provisions shall continue in full force and effect.
- 7. Integration.** As of its effective date, this Agreement supersedes and replaces with respect to the subject matter covered herein all previous agreements, if any, between the Producer and Coastal.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the Effective Date.

“Producer”

COASTAL INSURANCE UNDERWRITERS, INC.

By: _____

By: _____

Print Name: _____

Print Name: Sim Bridges

Title: _____

Title: Chief Underwriting Officer and Vice President

Date: _____

Date: _____

AMENDMENT TO PRODUCER AGREEMENT

Coastal and Producer hereby agree to amend the Producer Agreement between them as follows:

1. Section F.1 of the Producer Agreement is deleted in its entirety and replaced with the following:

F.1. Commission Rate and Payment. Coastal shall pay commissions in an amount equal to a percentage of the premiums received by Coastal on policies sold by Producer, as set forth on the Commission Schedule available to Producer on Coastal's website via Producer's Login. The Commission Schedule may be revised from time to time by Coastal. Any revision shall be effective on the date published by Coastal on its website without further action required by Coastal or Producer. Commission due in accordance with the Commission Schedule shall be paid to Producer within thirty (30) days after the end of the month in which premiums are received and recorded by Coastal.

2. This Amendment to Producer Agreement is effective upon signature by both Coastal and Producer.
3. All other provisions of Producer Agreement remain in full force and effect.

COASTAL INSURANCE UNDERWRITERS, INC.

Date: _____

By: _____
Print Name: _____
Title: _____

Date: _____

By: _____
Print Name: _____
Title: _____

I confirm that I have the authority as agency principal/owner/manager to approve this legal document, the Producer Agreement, on behalf of my agency.