

CONTRACT CHECKLIST

In order to transact business with us, you must submit the following documents for approval:

Thank you for choosing us!
We appreciate your business.



Agency Profile

Complete the attached Agency Profile.



Producer Agreement

Complete and sign the attached Producer Agreement.



E&O Declaration

Provide us with a copy of your E&O Declaration page or Certificate of Insurance.



Agency License

Provide copies of your agency license(s).



DRLP Copies

Provide copies of licenses for the agency's Designated Responsible License Producer (DRLP).



W-9 Form

Complete and sign a W-9 form. Please note that the name on line 1 and the tax ID must match what is on file with the IRS.

Please email all documents to: kleslie@mackund.com

CONTACT US



Questions?

kleslie@mackund.com

26255 American Drive
Southfield, MI 48034
submissions@mackund.com
www.mackund.com



AGENCY PROFILE

Name of Agency: _____

Mailing Address: _____

City: _____

State: _____ **Zip Code:** _____

Phone: _____

Email: _____

Physical Address (if different): _____

City: _____

State: _____ **Zip Code:** _____

Fax: _____

Website: _____

Year Business Established: _____ **Type of entity:** Corporation Sole Proprietor Partnership LLC

Principal Name	Title	License Number	Email	
				Active Inactive
				Active Inactive
				Active Inactive

Designated Responsible Licensed Producer (DRLP) Name: _____

Home Address: _____

City: _____

State: _____ **Zip Code:** _____

Phone: _____

Email: _____

State	License Number	Resident	Non-Resident

Accounting Contact Name: _____

Accounting Email: _____

Marketing Contact Name: _____

Marketing Email: _____

PRODUCER AGREEMENT

This producer agreement is between Mackinaw Underwriters, Inc., herein referred to as "General Agent"
and _____ located at

and hereinafter referred to as the "Producer". (Each a "Party", or collectively, the "Parties".)

ARTICLE I AUTHORITY AND OBLIGATIONS OF PRODUCER

1.1 The Producer understands and agrees that no indication of quotations may be given on General Agent's behalf without first receiving written or oral notice from General Agent of the terms, conditions, rates and limitations on each presentation made by the Producer.

1.2 Nothing herein shall be construed as permitting the Producer to bind any risk which has not been authorized by General Agent or to permit the Producer to hold itself out as an agent of Mackinaw Underwriters or Mackinaw Administrators, LLC.

1.3 The Producer understands and agrees that he has no authority to bind, quote or cancel business on behalf of General Agent or its companies and that no insurance submitted for consideration is effective until acceptance by General Agent, verification of which is only to be indicated in writing, email and/or faxed to the Producer from General Agent. The terms of any binder issued by Producer may not be for broader coverage than that represented in the binder issued by General Agent. Receipt of cash with or without application for a policy will not constitute automatic binding coverage for said policy. Producer is not authorized to back-date the effective date of coverage of any policy.

1.4 The Producer understands that renewal/expiring policies are not automatically renewed and that Producer must request and receive renewal quotations from General Agent subject to the same terms and conditions as if the business were a new presentation to General Agent.

1.5 Service Standards. Producer will exercise its authority and perform its obligations under this Agreement in good faith and employing a professional standard of care. Producer will maintain sufficient staff of licensed, competent and trained personnel and will maintain such supplies and equipment as necessary to perform its obligations under this Agreement. Producer will maintain appropriate procedures relating to its business to assure a high level of operational and financial controls including, but not limited to, controls for Policy issuance, premium collection, notices to insureds, record retention, compliance with applicable law, systems and data collection and security.

Producer will retain complete and accurate records pertaining to business transacted on behalf of General Agent and Insurer(s). Producer shall retain all underwriting information that is required by law and copies of any other relevant documents for audit and review by General Agent and/or Insurer(s). All records (including, but not limited to, all written records, applications, correspondence, accounting records, underwriting information, computer files, computer records, and relevant source codes) of Producer pertaining to business written through General agent shall be subject to inspection by General Agent at any reasonable time during the continuance of this Agreement and for five (5) years after the termination or cancellation hereof, and copies of such records shall be provided to General Agent at its request. Producer agrees to keep and maintain all such records described in this section for at least five (5) years after the expiration, termination or cancellation of this Agreement.

1.6 Cooperation. Producer will comply with all reasonable instructions relating to this Agreement and cooperate fully with General Agent by providing such assistance as may be requested, which may include, but is not limited to, assisting General Agent in communicating with insureds, brokers, or regulators; assisting General Agent in collecting premiums, deposits, deductibles, or other amounts due from insureds; assisting General Agent in the production of disclosures, notices or other filings as required by law; facilitating the investigation, adjustment, settlement and payment of Disputes; providing access to Records and systems; and providing such information, reports and assistance as necessary for General Agent to respond timely to regulatory inquiries including, but not limited to, financial and market conduct examinations, loss control reviews and consumer complaints.

1.7 Marketing. Producer will not make reference to General Agent or its parents, affiliates or subsidiaries, or use any of their service marks in any website, social media, publication, press release or other marketing materials without General Agent's prior written consent. Producer will maintain copies and provide an original of such materials to General Agent by December 31 of each year during the term of any advertisement or other marketing materials utilized by Producer, along with full details concerning such use. Producer must obtain authorization to use such items at least annually and will not use any such materials or reference General Agent in any manner after termination of this Agreement. Producer agrees that all websites, publications and other marketing materials will comply with applicable law. The foregoing will not prohibit Producer from ordinary course communications with insureds, prospective insureds or brokers.

ARTICLE 2 COMPLIANCE

2.1 Licensing. Producer represents and warrants that it and its employees have and will maintain all permits, licenses and regulatory approvals necessary to lawfully conduct the business of Producer. Producer will promptly notify General Agent if Producer or its personnel no longer have the permits, licenses or regulatory approvals necessary to lawfully conduct business. In such event, Producer's authority hereunder will be automatically suspended and limited as necessary for Producer to operate lawfully and may only be reinstated with General Agent's prior written approval. Producer will take such actions as necessary to ensure General Agent's records regarding such employees are current. Producer will promptly notify General Agent if any agent(s) no longer have the permits, licenses or regulatory approvals necessary to lawfully conduct business and Producer may no longer accept submissions from such agent(s) until Producer notifies General Agent that any such lapse has been fully corrected. Producer will be responsible for all expenses relating to licensing and appointments including, but not limited to, appointments of agents. Producer will be solely responsible for expenses related to resident and non-resident licensing of Producer and its employees.

2.2 Protected Information. Without limiting Producer's obligations under this Article, Producer agrees that it and its employees, agents and representatives, including brokers:

- A. Have been advised of the sensitive and confidential nature of information each may receive with regard to applicants, insureds, beneficiaries and claimants ("Protected Information"); and
- B. Will comply with: (i) applicable laws relating to Protected Information including, but not limited to, the maintenance, safeguarding, disclosure and disposal of the Protected Information; and (ii) any written instructions provided by General Agent relating to Protected Information.

The Parties will implement and maintain such administrative, technical and physical safeguards as necessary to protect the security, confidentiality and integrity of the Protected Information. Each Party will promptly notify the other if aware of any loss or any breach or possible breach of the security of Protected information.

ARTICLE 3 PREMIUM PAYMENTS, BANKING, ACCOUNTING AND FINANCIAL REPORTING

3.1 The Producer agrees to pay General Agent any and all payments that are due prior to binding any coverage for Producer's clients. Producer further agrees to pay General Agent any monthly statement, but this does not prohibit the Producer from disputing inaccurate charges. General Agent reserves the right to offset outstanding balances on its monthly statement to Producer by credits appearing on the same statement. Producer understands and agrees that deposits on policies to be issued and credits for cancellations and other return premium items not yet appearing on the statement cannot be used to offset balances of current or previous statements without prior approval. Producer is not authorized to extend the time for payment of premiums or other monies due to Insurer(s) or General Agent.

Agency Bill: General Agent shall invoice Producer for each premium-bearing transaction. Producer shall collect all premiums, taxes and any applicable surcharges and fees due, including but not limited to deposit, installment, endorsement and audit premiums. Producer shall remit payment to General Agent within 15 days of Producer's receipt of the invoice, regardless of whether Producer has collected from the policyholder. Requirement for full payment may only be waived in writing by an officer of General Agent. If Producer fails to remit the required premium payment to General Agent by the above stated due date, Producer's authority to solicit and place business under this Agreement may be suspended until the premium payment is received by General Agent. Further, if Producer is delinquent in remitting premiums due to General Agent, any and all monies due Producer will be applied against any premium Producer is delinquent in remitting to General Agent. The Producer is responsible for billing and collecting from the policyholder all deposit, installment, endorsement and audit premiums and remitting net of commission to the Company. The Producer shall not be entitled to take credits on its account current for any transactions that have not yet been processed by the General Agent.

3.2 The Producer understands and agrees that once coverage has been placed through any of General Agent's facilities, an earned premium charged for the period coverage was in-force will be paid to General Agent. The Producer understands and agrees that flat cancellations are not normally permitted and such requests would require management review and approval.

3.3 Risks on which we receive requests to bind may by the discretion of General Agent be cancelled flat (and thus be considered unbound or an expired binder), if we do not receive payment nor completed and signed applications in a timely manner

3.4 Unless advised otherwise, agency bill audits must be paid in full, disputed in writing with supporting documentation, or returned as uncollectable within 30 days of the Producer receiving the audit notification and/or invoice. Failure to resolve an audit in a satisfactory manner could result in the cancellation of the in-force policy for the client, if applicable. Uncollectible monies may not be offset by any credits to Producer or by cancellation of policies. All fees and expenses incurred in Producer's collection efforts are at Producer's own cost.

For direct bill policies where the carrier bills the insured directly, the carrier will bill the insured or payor directly for all premiums due. The carrier will be responsible for collections of directly billed premium. Any deposits on new business or renewals are to be paid directly to the insurance carrier risk is placed with.

3.5 Producer agrees to comply with any requests from General Agent for banking information with regards to direct deposits of commissions and/or ACH withdrawals for premium payments if/when such plans are implemented in order to streamline accounting procedures.

3.6 Premium Trust Account Requirements. All Agency Bill premiums collected or received by producer, less commission, are the property of General Agent and must be held by producer in a fiduciary capacity as trustee for General Agent. All premiums paid to Producer shall be deposited in a trust account of a federally chartered bank, segregated from the operating account(s) of Producer and shall be paid to General Agent in accordance with this agreement. Producer agrees to provide General Agent with the identity of the federally chartered bank and the premium trust account number by no later than the effective date of this agreement. Producer agrees to promptly notify General Agent of any changes to the premium trust account. Producer agrees to allow General Agent the right to audit the premium trust account. General Agent allows Producer to keep the interest generated from the trust account required by this section.

3.7 Ownership of Business and Expiration. Producer's expirations, records, files, related information and the use and control of the expirations shall remain Producer's property upon termination of this Agreement. If Producer has not paid the General Agent and fully accounted for any collected premium before the termination date, the General Agent shall own and control the records, expirations, files, and related information necessary to bring the Producer's account current (including incurred costs of collection). Alternatively to the preceding sentence, Producer may provide a bond satisfactory to General Agent guaranteeing payment of all outstanding amounts owed to the General Agent. In the event Producer fails to maintain its applicable insurance license, the General Agent shall own and control the records, expirations, files, and related information to the business placed under the terminated, revoked, or suspended licenses

ARTICLE 4 CLAIMS, DISPUTES AND COMPLAINTS

4.1 Producer will immediately report to General Agent any claim, suit, notice of incident or loss or threat of litigation relating to coverage under the Policies ("Claim(s)") of which Producer is aware.

4.2 Producer will immediately report to General Agent any Claim of which Producer is aware relating to the acts or omissions of an insuring carrier, General Agent, or Producer, or which otherwise involves, or may potentially involve, the Policies or General Agent or any of its affiliates.

4.3 Producer will cooperate with General Agent or its designee with respect to any Claim or Dispute, including, but not limited to, preservation of all related documents and data, as required by law or as directed by General Agent.

4.4 Producer has no authority to adjust, reserve, settle or negotiate the settlement of Claims or Disputes or to make any statements regarding Claims or Disputes.

4.5 Producer agrees to notify General Agent in writing of any complaints, inquiries, and/or disputes filed with any regulatory body with respects to a policy issued through General Agent of which Producer is aware. Producer will state the facts of the case and their position as clearly and concisely as possible.

ARTICLE 5 COMMISSION

5.1 Direct Bill Commission. Producer will receive a commission ("Commission") based on a percentage of collected Direct Written Premium (which means the gross written premium collected for the Policies less premium returned for Policy cancellations or any other reason) as its sole compensation for all services provided by Producer, its affiliates, employees, officers, directors and representatives pursuant to this Agreement. The Commission will include any sales or other similar tax, if any, due from General Agent relating to the services provided by Producer under this Agreement, and no additional sales or other tax will be charged to General Agent for these services. Such commission as is agreed upon shall be the maximum commission and shall be deemed to include countersignature or subproducer commissions, the payment of which shall be the responsibility of the Producer.

5.2 Agency Bill Commission. Producer will receive a commission based on a percentage of premium. Premium taxes, surcharges and fees are not included as premium and therefore are not subject to commission.

Producer shall deduct its commission from the premium remitted to General Agent. Producer agrees to refund to General Agent all unearned commission on business placed with and through General Agent on cancelled policies or reduced premiums at same rate at which such commissions were originally allowed to Producer. Producer assumes full responsibility for the collection of all premiums, taxes and any applicable surcharges and fees and for the repayment of return premiums to insureds, its producers or premium finance companies.

5.3 The Commission percentages vary based on product, carrier, line of coverage, and various other factors, and are subject to change. A commission schedule can be made available to the Producer upon request.

5.4 Return Commission. Producer will refund or credit to General Agent Commissions or other funds paid to Producer on cancelled Policies and return premiums at the same rate as the original premium. If any return premiums are due an insured as a result of any law or order of an applicable regulatory authority including, but not limited to "rate rollbacks" or similar mechanism, whether or not such action requires insurance brokers, producers or agents to return commissions or fees, Producer will return to General Agent funds equal to the Commission and fees previously received by Producer with regard to such return premiums. Notwithstanding the foregoing, Producer will not be required to return, as return commission or fees, funds greater than the total Commission paid or otherwise payable to Producer.

5.5 Producer will receive no commission on uncollected audit premium, including those returned as uncollectable by the Producer as well as those turned over to collections by General Agent and/or the insuring carrier.

ARTICLE 6 INSURANCE

6.1 Required Insurance. Each Party will maintain errors and omissions coverage issued by insurers rated no less than "A" by A. M. Best Company. The errors and omissions policy will have policy limits not less than \$1,000,000. Producer's obligation will survive termination of this Agreement until all liabilities arising hereunder are extinguished to General Agent's satisfaction. Producer agrees to provide an updated errors and omissions certificate of insurance to General Agent annually.

ARTICLE 7 INDEMNIFICATION

7.1 Producer Indemnification. Producer will indemnify, defend and hold harmless General Agent, and its past, present and future affiliates, successors and assigns, and their shareholders, directors, officers, employees and representatives, from and against any claims, liabilities, damages, losses, costs and expenses whatsoever including, but not limited to, reasonable attorneys' fees incurred by General Agent which result or arise from the following:

- A. Any act or omission of any Producer or any of their respective officers, directors, employees, agents or representatives;
- B. Termination of the Producer;
- C. Producer's breach or misuse of authority under this agreement, including breach or misuse by Producer's representatives, agents or employees.
- D. General Agent's failure or alleged failure to comply with any law arising from Producer's acts or omissions;
- E. Producer's breach of this Agreement.

7.2 General Agent Indemnification. General Agent will indemnify, defend and hold harmless Producer, its affiliates, successors and assigns, and their respective shareholders, directors, officers, employees and representatives ("Producer Indemnitees"), from and against any claims, liabilities, damages, losses, costs and expenses whatsoever including, but not limited to, reasonable attorneys' fees incurred by Producer Indemnitees which result or arise from the following:

- A. Any act or omission of General Agent, its officers, directors, employees or representatives;
- B. Any violation of law by General Agent unrelated to an act or omission of Producer any Broker;
- C. Any act or omission of Producer taken in accordance with General Agent's written instructions; or
- D. General Agent's breach of this Agreement.

7.3 This agreement is solely between the Producer and General Agent. General Agent assumes no responsibility toward any policyholder or subproducer with regard to the adequacy, amount or form of any coverage obtained through General Agent.

7.4 General Agent understands and agrees to always diligently attempt to procure the most favorable terms and conditions available in the marketplace on behalf of Producer and its clients for all lines of business offered to General Agent, however, the terms, conditions, and rates may not always be "standard". Producer understands that terms, conditions, rates and limitations will be bound as specified in the quotation and binder issued by General Agent.

7.5 Producer will have no claim against the insuring carriers of General Agent and will look solely to General Agent to recover any costs, expenses or damages incurred by Producer as a result of any act or omission of General Agent, whether General Agent is acting on its own behalf or on behalf of the carrier.

7.6 No Waiver of Rights. Producer will take no action contrary to the best interests of, or waive any rights that, General Agent or any insuring carrier has against any Producer.

ARTICLE 8 TERM, TERMINATION, AND SUSPENSION OF AUTHORITY

8.1 This agreement shall apply to all coverages in effect on the date of the execution of the agreement and to coverages which may thereafter be placed through General Agent by Producer, but the outstanding rights and obligations of the parties shall not be affected.

8.2 General Agent and Producer jointly agree that this agreement shall be governed and construed in accordance with the laws of the states in which Producer and General Agent conduct business, and that no change or modification of this agreement shall be valid unless it is in conformity with said laws and that such changes, modifications or additions to this agreement must be in writing and subscribed to by both General Agent and Producer.

8.3 If so directed by an insuring carrier, General Agent may suspend its activities with any Producer and not to underwrite or issue any policies on behalf of that carrier from such Producer following appropriate notice and otherwise in compliance with law.

8.4 Termination without Cause. This Agreement may be terminated at any time by either party giving the other party 15 days written notice.

8.5 Termination with Cause by General Agent. Upon notice to Producer, General Agent may immediately, unless otherwise indicated, terminate this Agreement in whole or in part, for cause, which will include, but not be limited to, the following:

- A. The revocation or suspension of Producer's license or that of any of its employees;
- B. A change of control of Producer, which includes (i) a sale, transfer, pledge or issuance of 10% or more of the outstanding stock or other equity interest of Producer, (ii) a sale, transfer or pledge of a substantial portion of the assets of Producer or (iii) any merger or consolidation of Producer with another entity;
- C. A change in one or more of the key management personnel within the Producer's office;
- D. A material breach of this Agreement by Producer and its subsequent failure to (i) cure such breach within 10 calendar days of receiving notice from General Agent or (ii) provide General Agent within 10 calendar days of receiving notice from General Agent a plan to cure such breach, the approval of such plan to be at General Agent's discretion. The parties agree that a material breach includes, but is not limited to, failure to comply with binding procedures; failure to remit any funds due General Agent; failure to follow the reasonable instructions of General Agent; inducing any insured to cancel or otherwise terminate a Policy; or refusal to permit General Agent to inspect, copy or audit records of Producer relating to Policies;
- E. A material breach of any agreement between any General Agent entity and Producer, its parent, affiliates or subsidiaries.

8.6 Termination for Cause by Either Party. Upon notice to the other party, either party may immediately, unless otherwise indicated, terminate this Agreement in whole or in part, for cause, which will include, but not be limited to, the following:

A. The other party has liabilities in excess of its assets, is unable to pay its obligations as they become due, makes an assignment for the benefit of its creditors, has a petition for relief under the Bankruptcy Code filed by or against it, has a trustee, receiver or other custodian of its assets appointed, or an order of liquidation or rehabilitation or similar action by any public authority is issued; or

B. The other party or its officers, directors or employees engages in acts or omissions which, in the reasonable opinion of the terminating party, constitute fraud, material misrepresentation, misappropriation of funds, gross negligence or willful misconduct.

8.7 Post-Termination Obligations.

A. On receipt of notice of termination, Producer may not request binding quotes for any risks with effective dates on or after the effective date of termination of this Agreement and Producer will have no authority to cancel and rewrite Policies that would extend coverage beyond the effective date of termination.

B. Except as otherwise provided in this Section 8.7 or as otherwise agreed in writing by the parties, all of the terms, covenants, agreements, obligations, representations and warranties set forth in this Agreement will survive the termination of this Agreement and will continue in full force and effect and in accordance with this Agreement, it being specifically agreed that termination of the Agreement terminates the authority, as determined by General Agent, but not the obligations of Producer.

C. General Agent will administer the run-off of Policies at its expense in accordance with the same practices, procedures and standards in place during the Term. The run-off obligations of General Agent will include, but are not limited to, non-renewing the Policies on a timely basis, reporting, and remittance of funds to insuring carriers in accordance with this Agreement.

IN WITNESS WHEREOF, whereas the Producer represents and warrants, he is a duly licensed agency, holding a General Lines Property and Casualty license in the states in which Producer and General Agent conduct business, and based on this warranty General Agent agrees to use its facilities to attempt to place insurance for the Producer has requested placement of such insurance on his behalf.

This Agreement supersedes all previous written and oral agreements and agreement addendums between Producer and General Agent.

The parties have caused this Agreement to be executed by their duty authorized officers as of the day and year set forth below.

Name of Agency

Mackinaw Underwriters, Inc.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

