

**PIE INSURANCE SERVICES, INC.  
SUBPRODUCER AGREEMENT**

This Subproducer Agreement ("Agreement") is effective as of \_\_\_\_\_ ("Effective Date") by and between Pie Insurance Services, Inc., a Delaware corporation ("Agency") and \_\_\_\_\_, a \_\_\_ corporation ("Subproducer").

The Agency is a licensed insurance producer and is authorized by Sirius America Insurance Company ("Company") to underwrite certain lines of business, and is authorized to appoint Subproducer to originate business in accordance with the Underwriting Guidelines attached as Schedule A.

**1. SUBPRODUCER AUTHORITY**

The Agency appoints and authorizes the Subproducer to represent the Agency in marketing, soliciting and submitting to the Agency proposals for insurance solely in the state(s) and for the lines of business listed in Schedule B ("Business").

**2. SUBPRODUCER RESPONSIBILITIES**

a. In accordance with the Underwriting Guidelines, the Subproducer may prepare and submit to the Agency on the Agency supplied or approved forms, completed applications and other information sufficient for Agency to evaluate and underwrite such risks. Except as otherwise provided in writing by the Agency, a risk shall be deemed insured only when the Agency executes and delivers a completed Policy to the Subproducer. The Subproducer has no authority to bind policies. The Subproducer agrees to fully and completely disclose all commission, fees, and other charges to the insureds as required by applicable law.

b. The Subproducer will promptly submit to the Agency all requests for endorsements, changes and modifications to Policies. Upon approval by the Agency, the Agency will forward to the Subproducer endorsements approving such changes, and modifications.

c. The Subproducer will promptly submit to the Agency all requests for cancellation, nonrenewal, or rescission of Policies originated by Subproducer under this Agreement for nonpayment of premium or other causes as deemed appropriate by Subproducer and in the interests of the Agency and the Company in accordance with all applicable Policy terms and conditions and governing laws or regulations. No provision of this Agreement will be deemed to restrict the Company's rights to cancel or not renew any Policy subject to the applicable laws and regulations concerning the cancellation and nonrenewal of insurance policies. Cancellation notices will be sent directly to the insured by the Agency, and a copy will be sent to the Subproducer.

d. The Subproducer will notify the Agency within seventy-two (72) hours if the Subproducer receives notice of any claims, suits or losses under the Policies. The Subproducer will fully cooperate with the Agency and/or the Company in the investigation, adjustment, settlement and payment of claims. The Subproducer does not have the authority to adjust, compromise, or settle claims or waive any claim, right or defense under any Policy.

e. The Subproducer will promptly report to the Agency all consumer complaints and all communications received from any regulatory agency concerning any Business.

f. The Subproducer will notify the Agency (subject to applicable law) promptly but not later than 10 days after receiving notification of any adverse licensing action, including, but not limited to, suspension, cancellation

or revocation of any of the Subproducer's licenses or the licenses of any Sub-licensees.

g. The Subproducer will promptly notify the Agency if the Subproducer or any of its Sub licensees is, or has been, convicted by a court of competent jurisdiction of a crime involving dishonesty or breach of trust.

### 3. **PREMIUM ACCOUNTING & AGENCY BILL PREMIUM REMITTANCE**

a. The Subproducer will bill, collect, account for and report all premium on all Policies originated by Subproducer. Premiums received by the Subproducer will be held by the Subproducer in a fiduciary capacity, separate and apart from all other funds belonging or owed to, or in the possession of, the Subproducer, and will be deposited into and held in a premium fund trust account in accordance with applicable law. The Subproducer has no right to offset any funds, including without limitation premium, collected and held by the Subproducer in a fiduciary capacity against financial obligations owed by the Agency to the Subproducer.

b. The Agency will submit to the Subproducer promptly, at the end of each month, a written statement of account which will show the premiums due to the Agency on all Policies written during the prior month, if unpaid, the total commissions due and payable, and any other amounts due. The Subproducer will remit to the Agency the Net Written Premiums. "Net Written Premiums" shall mean gross premiums written, less any returned premium and deductions for cancellations, alterations, modifications or endorsements. Net Written Premiums are due to the Agency, for the month covered by the statement of account, not later than fifteen (15) days after the last day of such month.

c. The Subproducer is responsible to the Agency for the billing and collection of premium on Policies issued. The Subproducer does not guarantee to the Agency, the payment or collection of any premium or other sums that are uncollected from any insured or potential insured. If the Subproducer fails to collect premium within fifteen (15) days of notice from Agency or upon Subproducers request, the Agency may assume collection of premium. Subproducer will not be entitled to commission on any such premium collected by the Agency.

d. The Subproducer must promptly notify the Agency of any premium dispute and provide the Agency with any and all information to enable the Agency to resolve such dispute. Any premium or portion thereof which in good faith is not disputed shall be remitted to the Agency as provided in this Agreement. In the event of a good faith dispute between Subproducer and the Agency with respect to the accounting and/or payment of premiums and other monies due and owing, Subproducer shall retain possession of the amount disputed while the dispute is pending. In the event Agency shall finally prevail in the dispute, Subproducer shall pay the disputed amount to the Agency.

e. The omission of an account from a monthly statement will not relieve either Party from the obligation to pay amounts due to the other or affect the Subproducer's obligation to collect such premium on any such omitted account.

### 4. **COMMISSIONS**

a. Agency Bill: Subject to the provisions of Section 3, above, the Subproducer may retain as compensation a commission at the rate set by the Agency in Schedule C on all Agency billed New Written Premium.

b. Direct Bill: Subject to the provisions of Section 3, above, the Agency will submit to the Subproducer on a monthly basis, commission at the rate set by the Agency in Schedule C on all direct-billed Net Written Premiums.

c. Notwithstanding anything to the contrary in this Agreement, if the Agency directly introduces another

agency partner to the Subproducer and the Subproducer enters into a written production or sponsoring agreement with such agency partner, then (1) the Agency shall be a preferred Agency to service and issue Policies to such partner; and (2) the Parties shall in good faith negotiate on a case-by-case basis an alternative to the commission rate set out on Schedule C with respect to such partner.

## **5. RETURN PREMIUMS AND RETURN COMMISSION**

a. In the event of a refunds of premiums, by reason of cancellation or otherwise, are made on any Policies originated by the Subproducer, the Subproducer agrees to return to the Agency the commission at the same rate at which such commission or other charges were originally paid or retained. The Subproducer further agrees to deliver refunds of premiums to insureds on all Policies authorized by Agency or the Company with funds provided by the Agency or the Company, as applicable, in respect of any canceled or amended Policy.

## **6. RECORDS, ACCOUNTING AND AUDITS**

a. The Subproducer will maintain all books, records, accounts, documents and correspondence of the Subproducer relating to or arising out of Policies bound or issued under the Agreement in accordance with applicable law. The Agency may, upon five (5) business days' notice to the Subproducer, examine such records at the office of the Subproducer during regular business hours. The Agency may make copies and extracts of any of the records as may be reasonably necessary.

b. Until authorized in writing by the agency, The Subproducer will retain all original signed applications, exclusions, rejections of coverage and any and all other documentation incidental and necessary for the procurement of insurance under any Policy.

c. Upon the termination of this Agreement, the Agency may request all original signed applications, exclusions, rejections of coverage and any and all other documentation arising out of or relating to any Policy be forwarded to the Agency. The Subproducer must deliver to the Agency all such documents as promptly as practical, but in no case later than ten (10) business days after such request.. The Subproducer shall be entitled to keep copies of all such documents as it deems necessary for its legal compliance and such other business needs. All such information exchanged by the Parties shall be subject to the Confidentiality provisions set out in Section 7.

## **7. CONFIDENTIALITY**

a. Each Party understands and agrees that during the term of this Agreement, it may gain access to Confidential Information relating to the other and its business, and each agrees to keep all such information confidential.

b. "Confidential Information" means all non-public, confidential, or proprietary information disclosed before, on, or after the Effective Date, by the Disclosing Party to the Recipient or its affiliates, or to any of such Recipient's or its affiliates' employees, officers, directors, partners, shareholders, agents, attorneys, accountants, or advisors (collectively, "Representatives"), whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential," including, without limitation:

- i. information concerning the Disclosing Party's and its affiliates', and its customers', suppliers', and other third parties', past, present, and future business affairs including, without limitation, finances, customer information, supplier information, products, services, organizational structure and internal practices, forecasts, sales and other financial results, records and budgets, and business, marketing, development,

sales, and other commercial strategies;

- ii. unpatented inventions, ideas, methods, and discoveries, trade secrets, know-how, unpublished patent applications, and other confidential intellectual property;
- iii. designs, specifications, documentation, components, source code, object code, images, icons, audiovisual components, and objects, schematics, drawings, protocols, processes, and other visual depictions, in whole or in part, of any of the foregoing;
- iv. non-public personal information, as defined by applicable law, including claim or claimant information;
- v. other information that would reasonably be considered non-public, confidential, or proprietary given the nature of the information and the Parties' businesses; and
- vi. notes, analyses, compilations, reports, forecasts, studies, samples, data, statistics, summaries, interpretations, and other materials (the "Notes") prepared by or for the Recipient or its Representatives that contain, are based on, or otherwise reflect or are derived, in whole or in part, from any of the foregoing.

Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of Recipient's or its Representatives' act or omission; (b) is obtained by Recipient or its Representatives on a non-confidential basis from a third party that was not legally or contractually restricted from disclosing such information; (c) was in Recipient's or its Representatives' possession, as established by documentary evidence, before Disclosing Party's disclosure hereunder; or (d) was or is independently developed by Recipient or its Representatives, as established by documentary evidence, without using any Confidential Information.

c. In addition, if either Party allows access to the other's data processing files through a computer terminal or other data processing equipment, each such Party is responsible for maintaining the security, integrity and confidentiality of its own computer terminal or other data processing equipment and agrees not to download any files without the other's prior written consent.

d. Each Party agrees to hold in confidence any such Confidential Information disclosed or made available to it by the other Party. The Parties further agree that each will implement procedures to prevent unauthorized access to the other's Confidential Information, and that each will implement procedures which will limit access to such Confidential Information to only those employees who have a need to know such information.

e. Each Party further agrees that if it receives a request or demand for access to such Confidential Information disclosed to it by the other Party, the Party receiving such request or demand will promptly notify the other Party so that the other Party may, at its own expense, exercise such rights as it may have under law to prevent or limit disclosure of its Confidential Information.

## **8. SUBPRODUCER'S RELATIONSHIP TO AGENCY**

a. Nothing contained in this Agreement will be construed to create the relationship of joint venture, partnership, or employer and employee between the Agency and the Subproducer or between the Agency and any of the Subproducer's employees. It is agreed between the Parties that the Subproducer is an independent contractor and will be free to exercise judgment and discretion with regard to the conduct of its business, subject to the conditions and requirements expressed in this Agreement.

b. The Agency is not responsible for any of the Subproducer's expenses, including, without limitation, its

rent, transportation, facilities, attorney's fees, license fees, insurance, postage, telegrams, telephone, advertising, or any other Subproducer expense whatsoever.

## **9. RULES AND REGULATIONS**

- a. The Subproducer will comply in all material respects with the Underwriting Guidelines issued from time to time by the Agency governing operations within the scope of this Agreement.
- b. The Subproducer will comply in all material respects with all applicable federal and state law, rules and regulations governing the Subproducer's activities in the Territory.

## **10. AGREEMENT TERM AND TERMINATION**

- a. This Agreement continues from the Effective Date and until terminated as set out below. This Agreement may be terminated as follows:
  - i. at any time by mutual written agreement of the Subproducer and the Agency;
  - ii. by the Agency upon thirty (30) days' written notice in the event of the termination, cancellation, revocation, refusal, suspension, or non-renewal of the Subproducer's license or certificate of authority, by any state department of insurance or other regulator having jurisdiction over the Subproducer;
  - iii. immediately in the event of the abandonment by the Subproducer or fraud, material misrepresentation, or gross or willful misconduct of the Subproducer;
  - iv. by the Agency if the Subproducer's failure to pay any undisputed amounts when due within thirty (30) days after written demand from the Agency;
  - v. this Agreement may be terminated by the Subproducer upon thirty (30) days' written notice following the termination, cancellation, revocation, refusal, suspension, or non-renewal of the Agency's license or certificate of authority, by any state department of insurance in any jurisdiction where the Agency transacts business under this Agreement.
  - vi. by either Party, for convenience, by providing no less than ninety (90) days' written notice to the other Party. During the notice period the Subproducer will not solicit or bind any new Business on behalf of the Agency without written approval from the Agency.
- b. The Agency shall, following the effective date of termination, renew all Policies produced by the Subproducer, in accordance with applicable law, or for one (1) Policy term or for a period of one (1) year if the Policy period is longer than one (1) year, unless:
  - i. The Policy or Policies do not meet the Agency's underwriting standards; or
  - ii. The Subproducer timely notifies the Agency in writing that the Policy or Policies have been or will be placed with another insurer.
- c. In the event of termination of this Agreement, the following provisions survive termination of this Agreement, Section, 5, 6, 7, 9, 11, 12, 13, and 14.

d. Subject to Section 10(c) above, Policies in force on the date of termination shall be continued in force until cancelled or non-renewed in accordance with applicable statutes.

e. The Agency shall continue to service existing Policies.

f. The Subproducer will continue to pay the Agency in a timely fashion all sums due the Agency pursuant to this Agreement until Agency is paid in full. Agency will continue to pay commission due Subproducer as of the effective date of termination.

g. Further to Agency's right to termination, Agency may by written notice to the Subproducer, suspend all or a portion of the Subproducer's authority under this Agreement for such time as the Agency may deem necessary to protect its interests or reputation, and Subproducer will, within five (5) business days of receipt of such notice, cease to exercise such authority until the reason for the suspension is resolved.

## **11. EXPIRATION AND RENEWAL RIGHTS**

a. Subproducer will own and control all the expirations and renewal rights after termination unless the Subproducer is terminated in accordance with Section 10(a)(ii) and 10(a)(iii).

## **12. INDEMNIFICATION**

a. The Parties agree to indemnify, defend and hold the other harmless from and against any and all liability, loss or expense, including reasonable attorneys' fees, or claims for injuries or direct damages (not including: consequential or punitive damages incurred) arising: out of the performance of this Agreement, but only for the portion of and to the extent such liability, loss or expense, attorneys' fees, or claims for injury or direct damages are caused by or result from negligent or intentional acts or omissions of the Indemnifying Party, its officers, employees or agents.

b. Both Parties agree that the Party seeking indemnification will provide the other Party written notice within thirty (30) days of receiving notice of a claim potentially giving rise to a claim for indemnification and will provide the other Party an opportunity to control the defense of such claim, if applicable; provided, however, that if such notice is not provided within such time frame, the indemnitee will still be entitled to indemnification from the indemnitor, except to the extent that the indemnitor is actually prejudiced by the late notice. Notwithstanding the foregoing, the indemnifying party will not make any settlement of any claim on behalf of the indemnified party without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld or delayed; provided that such consent will not be required if the terms of such settlement involve only payment of monetary damages and such settlement includes an unconditional release of the indemnifying party and its affiliates. Without limiting the generality of the foregoing, it will not be deemed unreasonable to withhold consent to a settlement involving consideration or relief other than the payment of money.

## **13. REPRESENTATIONS, WARRANTIES AND COVENANTS**

a. The Subproducer represents, warrants, covenants and agrees, that,

- i. it has and will maintain all licenses necessary to transact insurance business in accordance with all applicable laws, rule and regulations for the states in which the Subproducer transacts business and the Subproducer will furnish proof of such licensing and good standing upon request by the Agency;

- ii. Subproducer has and will maintain in full force and effect the professional liability (Errors and Omissions) insurance coverage in an amount not less than \$1 million per occurrence and in the aggregate for the duration of this Agreement and will furnish proof of such coverage upon request by the Agency and/or the Company;
  - iii. Subproducer will conduct itself during the term of this Agreement, in such a manner as to comply in all material respects with all applicable laws, rules and regulations governing the conduct of business under this Agreement.
- b. The Agency hereby represents, warrants, covenants and agrees, that
- i. it has and will maintain all licenses necessary to transact insurance business in accordance with all applicable laws, rule and regulations for the states in which the Subproducer transacts business, and the Agency will furnish proof of such licensing and good standing upon request by the Subproducer;
  - ii. Agency has and will maintain in full force and effect professional liability (Errors and Omissions) insurance coverage in an amount not less than \$5 million per occurrence and in the aggregate for the duration of this Agreement and will furnish proof of such coverage upon request by the Subproducer;
  - iii. Agency is, and shall conduct itself during the term of this Agreement, in such a manner as to comply in all material respects with all applicable laws, rules and regulations governing the conduct of business under this Agreement

#### **14. FURTHER OBLIGATIONS, SYSTEMS AND SECURITY**

- a. The Subproducer is solely responsible for maintaining the security of the Subproducer passwords and user authorities to Agency's systems. The Subproducer passwords shall be chosen and controlled by the Subproducer. The Subproducer is prohibited from sharing any Agency provided login information to systems provided by or related to the Business managed by the Agency with individuals not employed by the Subproducer and/or a Party to this Agreement
- b. The Agency is not responsible for any breach of security or losses sustained by the Subproducer solely as a result of the Subproducer's failure to maintain or change passwords as outlined herein.
- c. Without limiting any other security requirements set forth in this Agreement, the Parties represent and warrant that they will use commercially reasonable efforts to protect the physical and electronic security of the systems utilized to provide (in the case of Agency) or access (in the case of Subproducer) Agency's services, including maintaining an information security program, taking appropriate technical and organizational security measures, including using anti-virus, network security and firewall technology that conforms to generally recognized industry standards.

#### **15. DISPUTE RESOLUTION**

- a. This Agreement will be governed by and construed under the laws of the State of Delaware and all federal laws applicable, applicable to contracts made, accepted and performed wholly within the State of Delaware, without application of principles of conflicts of laws.
- b. The Parties irrevocably and unconditionally: consent to submit to the exclusive jurisdiction of the courts of the state or federal courts located in the State of New York, for any lawsuits, actions or other proceedings arising out of or relating to this Agreement and agree not to commence any such lawsuit, action or other

proceeding except in such courts; agree and acknowledge that service of any process, summons, notice or document by mail to the address set forth in the notice provision will be effective service of process for any lawsuit, action or other proceeding brought against such Party in any such court; and irrevocably and unconditionally waive any objection to the laying of venue of any lawsuit, action or other proceeding arising out of or relating to this Agreement. ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LAWSUIT, CLAIM OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IS EXPRESSLY AND IRREVOCABLY WAIVED BY EACH PARTY.

**16. NOTICES**

All notices, requests, demands, reports or other communications will be deemed to have been given if delivered electronically, by hand, or mailed via a nationally recognized mail service and addressed as follows:

If to the Subproducer:

with a copy (which shall not constitute notice) to

If to the Agency:

PIE INSURANCE SERVICES, INC.  
Attn: General Counsel  
1615 L Street NW, Suite 620  
Washington, DC 20036

All mailed items mailed via a nationally recognized carrier will be deemed to have been given three (3) business days following the postmark date. The Subproducer must promptly report to the Agency all changes in address or agency information in writing to the Agency at the address indicated above.

**17. GENERAL PROVISIONS**

- a. No Waiver: Failure on the part of either Party to insist on strict compliance with any of the provisions or conditions of this Agreement, including prompt declaration of a default for breach of the terms of this Agreement, will not constitute a waiver of such provisions, conditions or terms nor will it stop such Party from enforcing its rights under this Agreement as to any past or future violations or breaches of such provisions, conditions or terms.
- b. Severability: The invalidity or unenforceability of any provision will in no way affect the validity or enforceability of any other provision.
- c. Entire Agreement: This Agreement, including the attached Schedules, constitute the full and entire understanding and agreement between the Parties, and any other written or oral agreement relating to the subject matter of this Agreement existing between the Parties are expressly canceled.
- d. No Transferability/Assignment: The Parties agree that the rights and obligations created under this



Agreement cannot be assigned by any of them without the express written consent of the other Party.

- e. Amendments: This Agreement may not be amended, modified or waived except by an amendment in writing signed by each Party.
- f. Expenses and Use of Agency's Name, etc.: The Subproducer will not incur any liability or expense on behalf of the Agency or create any print or electronic media respecting the Agency or the Agency's logo or issue any circular or paper referring to the Agency without the prior written consent of the Agency.
- g. Change of Control: Subject to restrictions under applicable law or any agreement governing the subject matter, no later than thirty (30) days following the sale of the Subproducer or substantially all of the Subproducer's assets, or a change in a majority of the Subproducer's management or ownership, the Subproducer shall notify the Agency in writing of such transaction.
- h. Counterparts: This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.
- i. Headings: The headings of the Articles, Sections and Schedules contained in this Agreement have been inserted for convenience of reference only and do not affect in any way the meaning or interpretation of this Agreement. Each Party acknowledges that it has had an opportunity to have this Agreement reviewed by an attorney. Additionally, each Party agrees that this Agreement will be construed without regard to any presumption or rule requiring construction or interpretation of this Agreement against any Party drafting or causing to be drafted any provision hereof.
- j. Nothing in this Agreement, except as expressly stated herein, is intended to create any benefit for any third party not a party hereto. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties.

**SCHEDULE A**  
**Underwriting Rules**

Underwriting Guidelines may be accessed by Subproducer at [partner.pieinsurance.com](http://partner.pieinsurance.com). In addition Pie may at its discretion provide additional underwriting guidelines via email or other communications methods. Pie reserves the right to change these Underwriting Guidelines at any time.

**SCHEDULE B  
TERRITORY AND LINES OF BUSINESS**

Subproducer must hold and maintain a valid license to do business in any such territory or subset thereof and be in good standing with applicable regulatory authorities.

**TERRITORY: UNITED STATES**

**LINES OF BUSINESS: WORKERS COMPENSATION**

**SCHEDULE C**  
**COMMISSION SCHEDULE ADDENDUM**

The following table represents the commission rates that will be paid to Subproducer on each line of insurance Subproducer is authorized to write pursuant to Schedule A of the Subproducer Agreement. Nothing in this Schedule shall prevent Agency from negotiating separate commission rates with Subproducer on individual policies.

**COMMERCIAL LINES**

Workers Compensation  
14 % on new policies only.  
14 % payable on renewals

## WHOLESALE ADDENDUM

Pie Insurance Services, Inc. ("Pie" or "Agency") and \_\_\_\_\_ ("Subproducer") have entered into a Subproducer Agreement dated \_\_\_\_\_. Subproducer works with multiple retail agencies.

- a. Subproducer will ensure that any retail agent that submits business to Subproducer will have all applicable licenses and will notify Agency within seventy-two (72) hours of receiving notification of any adverse licensing action, including, but not limited to, suspension, cancellation or revocation of any of the its retail agency's licenses.
- b. Subproducer will ensure that its retail agencies fully and completely disclose all commission, fees, and other charges to the insureds as required by applicable law.
- c. The Subproducer will promptly submit to the Agency all requests for endorsements, changes and modifications to Policies submitted by a retail agent. Upon approval by the Agency, the Agency will forward to the Subproducer endorsements approving such changes, and modifications.
- d. The Subproducer will notify the Agency within seventy-two (72) hours if one of its retail agencies receives notice of any claims, suits or losses under the Policies. The retail agent will fully cooperate with the Agency and/or the Company in the investigation, adjustment, settlement and payment of claims. Neither the Subproducer nor its retail agency has the authority to adjust, compromise, or settle claims or waive any claim, right or defense under any Policy.
- e. The Subproducer will promptly report to the Agency all consumer complaints and all communications received by any retail agent from any regulatory agency concerning any Business.

**Subproducer:**

**PIE INSURANCE SERVICES, INC.**

**By:**

**By:**

**Printed Name:**

**Printed Name Kelly North**

**Title:**

**Title: VP, Business Development**