

# LIMITED AGENCY AGREEMENT

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between  
(Agency Name) \_\_\_\_\_  
(Address) \_\_\_\_\_, in the County of \_\_\_\_\_,  
and State of \_\_\_\_\_, hereafter designated as "Agent", and "PIA Pacific Northwest Service  
Corporation," hereafter designated as "Company".

IT IS HEREBY AGREED BETWEEN AGENT AND COMPANY AS FOLLOWS:

1. Upon membership in the appropriate PIA Affiliate, agent may submit proposals for insurance covering such classes of risks as Company may, from time to time, authorize. Company reserves the right to modify and/or restrict this Agreement, by addendum, to specific lines of business to be placed by Agent with Company. Such proposals shall be submitted in the manner specified by Company utilizing such forms as Company shall direct. Agent warrants he or she is properly licensed to transact business as an agent or broker in accordance with the provisions of insurance laws of any state(s) in which they transacts such business.
2. Company shall pay Agent a commission on policies accepted at commission rates then in effect. Agent agrees to and shall immediately pay and/or refund to Company the commission on the amount of return premiums, including, but not limited to, return premiums on cancellations ordered or made by Company.
3. Agent agrees that all premiums received by Agent shall be held by him in trust for Company. A monthly accounting of business placed by Agent with Company shall be submitted to Agent by Company. These accounts shall be paid on or before the due date as indicated by said statement in order to prevent possible cancellation. Advance endorsement or cancellation credits are not to be taken on the account. If a statement is not paid when due according to the foregoing, then the delinquent amount shall bear interest at the maximum rate of interest permitted by law from the date when such amount was due and payable. Agent agrees that all premiums that are financed shall be remitted directly to Company by the finance company.
4. This Agreement shall not confer upon Agent any authority, express or implied, to bind or obligate Company in any respect except as specifically provided herein. Agent is and shall remain an independent contractor and nothing herein contained is intended, nor shall be construed, to create the relationship of employer and employee between Company and Agent. None of the employees of Agent shall be deemed to be an employee or agent of Company. Company shall not be responsible for any expenses of Agent. Any risk submitted for quotation or placement to Company shall be deemed as submitted by Agent in his or her own capacity or as agent for the insured. Agent shall be solely responsible for collecting, accounting, reporting and payment of all federal, state and local taxes due in connection with the operations of Agent's business.
5. Any policy forms, applications and other Company supplies furnished to Agent by Company shall be and remains the property of Company and shall immediately be returned to Company upon demand. Any form used by Agent must be in compliance with the rates and forms currently filed by the insurer in the state in question.
6. In the event this Agreement is terminated as herein provided, Agent shall retain all records and the use and control of policy expirations which shall be and remain the property of Agent. However, in the event Agent shall not have properly accounted for and paid over to Company all monies when due, then, in such event, Agent hereby agrees to and does hereby relinquish all right or claim to subsequent renewals, additional premiums or commissions thereon to Company.
7. In the event Agent shall violate the terms and provisions of this Agreement or shall exceed the authority herein granted, Agent shall be liable for all damages, including costs and attorney's fees, sustained or incurred by Company or which Company may be required to pay to any third party. Agent agrees to indemnify and hold harmless Company for all loss, damage, liability or claims, including, but not limited to, attorney's fees, resulting from unauthorized transactions by Agent. IN the same way, Company agrees to indemnify and hold harmless Agent for all loss, damage, liability or claims, including, but not limited to, attorney's fees, resulting from unauthorized transactions by Company.
8. In the event an agent terminates his/her membership in the PIA, agent will immediately lose access to all markets offered in the PIA Market Access Program – a member only program. However, the terminating agent may keep and allow previously written business to renew in PIA markets but will not receive any commission as the cost to manage and service the business becomes the responsibility of the PIA. The terminating agent does retain the right of policy

expirations as per section six (6) of this agreement but is strongly encouraged to move the business to markets other than those available through the PIA.

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9. In the event of any suit or action relating to or arising out of this Agreement in which it may be necessary to collect any monies due and owing, the parties hereto agree that the prevailing party shall be entitled to recover attorney's fees and costs incurred, including, but not limited to, those incurred in any appeal or bankruptcy proceeding.

10. Agent agrees to purchase and maintain, at Agent's expense, an errors and omissions insurance policy with a minimum limit of \$500,000 per occurrence, and a maximum \$10,000 deductible. A copy of the agent's errors and omission declaration page, providing proof of coverage, will be provided to the Company. This Agreement may be terminated by either party at any time upon written notice to the other, subject to applicable state law.

11. This Agreement is personal to Agent and is not assignable or transferable. No rights or interests of Agent hereunder shall be subject to assignment or transfer. If Agent is a corporation, any merger, consolidation, liquidation, or change in ownership shall not relieve Agent of responsibility under this Agreement until a new replacement Agreement is executed by Agent's successor and Company. Agent agrees to immediately request such replacement Agreement in writing.

12. Each person or entity executing this Agreement shall be jointly and severally liable for the full and faithful performance of all of the terms and provisions hereof.

13. This Agreement supersedes all previous agreements, whether oral or written, between Company and Agent, and contains the entire integrated agreement of the parties. This Agreement may only be modified in writing, executed by Company and Agent. In the event of the invalidity of any part, portion or provision of the Agreement, the remaining parts, portions or provisions hereof shall be given full force and effect.

Agent: \_\_\_\_\_

PIA PACIFIC NW SERVICE

Corporation: \_\_\_\_\_



\_\_\_\_\_  
EVP Clark Sitzes

Signature: \_\_\_\_\_

Print Name & Title: \_\_\_\_\_

TIN/SSN: \_\_\_\_\_

July 07, 2009