

## LIMITED SERVICING AGREEMENT

(Sample Agreement for the Production and Servicing of Policies related to the Citizens Clearinghouse Program)

This Agreement is made and entered into effective as of [DATE] by and between [INSURER NAME], which has its administrative offices at [INSURER ADDRESS] Insurer (“Insurer”) and [REPRESENTATIVE NAME] (“Limited Representative”).

In consideration of the mutual rights and obligations stated herein, the parties hereto agree as follows:

### I. SERVICING AUTHORITY

1. This Agreement is subject to the restrictions imposed upon Insurer and Limited Representative by law. The terms of this Agreement apply to business which Insurer and Limited Representative transact through the Clearinghouse Program of Citizens Property Insurance Corporation during the term of this Agreement.
2. Limited Representative is an independent contractor and not an employee of Insurer. Insurer hereby grants authority to Limited Representative to provide all limited policy services as an insurance agent, for which Limited Representative has authority from the Insurer, on all contracts of insurance covered by this agreement. Upon the binding of coverage pursuant to an offer of coverage through the Clearinghouse Program, Insurer shall pay Limited Representative a “servicing fee” which is equal to the greater of the commission paid by Citizens Property Insurance Corporation or the Insurer on the applicable line of business. Upon renewal of such coverage and thereafter, Insurer shall pay Limited Representative a servicing fee equal to its usual and customary commission.
3. Limited Representative shall not have binding authority on behalf of the Insurer unless prior written approval for the specific insurance policy to be bound has been granted by Insurer and accepted by Limited Representative. Any binding authority granted to the Limited Representative may be revoked at any time by notice from Insurer.
4. Limited Representative shall conduct business on behalf of Insurer only pursuant to authority granted by this Agreement and in accordance with the underwriting guidelines, rules and other written directives furnished to Limited Representative by Insurer. The underwriting guidelines and written directives may be amended by Insurer at any time. Authority granted to Limited Representative by Insurer will be limited to that authority necessary to properly service the policies from the Clearinghouse Program.
5. Limited Representative shall maintain proper licenses for the business conducted.

### II. PREMIUMS AND SERVICING FEES

1. Limited Representative shall accept in a fiduciary capacity all premiums received on behalf of the Insurer. Premium collected and policy change requests must be forwarded

to Insurer no later than the fifth (5<sup>th</sup>) calendar day following the effective date of such change.

2. Limited Representative agrees that the full “servicing fee” paid to the Limited Representative by Insurer shall be the Limited Representative’s sole and full compensation on such business placed through the Limited Representative with the applicable insurance company, and that such “servicing fees” are payable in consideration of the faithful performance by the Limited Representative of his duties and obligations as set forth in this Agreement. Undisputed “servicing fees” in the hands of Insurer may be applied at any time to, and as offset against, any due and unpaid obligations to Insurer.
3. Limited Representative agrees that assignment of “servicing fees” shall not bind Insurer without its prior written consent.
4. Limited Representative shall refund Insurer “servicing fees” on cancelled policies and on reductions in premiums at the same rate “servicing fees” were originally earned. Whether such action is taken during the continuance of this Limited Representative Agreement or after its termination, refunded “servicing fees” must be received by Insurer no later than forty-five (45) days after Insurer’s notification to Limited Representative. If Limited Representative has failed to promptly account for and pay to Insurer premiums or other monies for which Limited Representative is liable, Insurer reserves the right to withhold payment of any and all “servicing fees” to Limited Representative. Any such withholding shall be credited to Limited Representative’s account. Any surplus “servicing fees” over and above the premiums or other monies Limited Representative owes Insurer shall be paid to Limited Representative. However, if “servicing fee” retained does not fully satisfy the premiums or monies Limited Representative owes Insurer then Limited Representative shall remain liable for those premiums or monies Limited Representative owes Insurer.

### **III. INDEMNIFICATION**

Insurer shall indemnify and hold the Limited Representative harmless for all fines, penalties and related expenses which the Limited Representative may incur as a result of any action of Insurer which is in violation of any law or regulation or contract or other duty, including any and all liability and cost of defense resulting from any suit or other action being brought against Limited Representative for any error or omission of Insurer, its principals, or its employees.

In addition, Limited Representative shall indemnify and hold Insurer harmless for all fines, penalties and related expenses which Insurer or the applicable insurance company may incur as a result of any action of Limited Representative which is in violation of any law or regulation, including any and all liability and cost of defense resulting from any suit being brought against Insurer and/or the applicable insurance company for any error or omission of the Limited Representative, its principals, or its employees. The parties understand and agree that Limited Representative will obtain and maintain at all times

during the term of the Agreement insurance for errors and omissions of the Limited Representative, its principals, and its employees in an amount of not less than \$500,000 per occurrence and \$1,000,000 aggregate liability limits; and that this agreement is conditioned upon Limited Representative obtaining and maintaining such insurance.

#### **IV. SUCCESSOR CLAUSE**

Limited Representative shall notify Insurer of its intent to sell, merge or otherwise transfer ownership of the expirations of business placed with Insurer. Such notice shall be given as soon as practicable but not less than thirty (30) days prior to the effective date of any such proposed transaction. Insurer shall not unreasonably refuse to contract with any successor representative provided that Limited Representative has given the notice required by this Article and has complied in all material respects with the obligations imposed upon Limited Representative by this Agreement.

#### **V. SUSPENSION OR TERMINATION**

1. This agreement may be terminated by either party by providing 90 days' advance written notice to the other or upon such greater number of days' notice as may be required by applicable state law. Effective immediately from the date of such notice, Limited Representative's authority is revoked.
2. This agreement will terminate immediately and automatically, if any public authority terminates, cancels or declines to renew Limited Representative's license.
3. This agreement will terminate immediately and automatically on the effective date of the sale or transfer to, or merger with, a successor of Limited Representative's business, unless Insurer has agreed in writing to appoint the successor as Limited Representative in accordance with this Agreement.
4. This agreement will terminate immediately upon either party giving written notice to the other in the event of abandonment, fraud, insolvency, or gross and willful misconduct on the part of such other party.

#### **VI. OWNERSHIP OF POLICYHOLDER INFORMATION**

During, and after the termination of this agreement, information regarding names, addresses, and ages of policyholders, the description and location of insured property; expiration or renewal dates of policies coming into Insurer's possession, including all forms, computer-related and electronic files, and other materials upon which this information is recorded (hereinafter "policyholder information"), shall remain under the undisputed ownership of Limited Representative. Insurer will not use policy or policyholder information in any marketing for the sale, service or renewal of any form of insurance, unless the policyholder selects another agent of record, and that agent of record is not prohibited from accepting such business.

In the event of any pending or threatened litigation, administrative proceeding, regulatory action or other legal proceeding, the Limited Representative shall provide to Insurer in a timely manner upon receipt of a written request copies of any designated records applicable to business hereunder; provided, that Insurer shall be required to pay to Limited Representative a reasonable per page charge for all copies provided. Such copies and the expiration information therein remain, however, subject to the confidentiality, ownership and all other provisions of this agreement and shall not be used for marketing any other purposes inconsistent with this agreement.

## **VII. MISCELLANEOUS**

1. All supplies including forms and policies furnished by Insurer shall always remain the property of Insurer and shall be returned to Insurer or its representative upon demand.
2. All notices, claims or demands required or permitted to be given hereunder, shall be in writing and shall be delivered by hand, or mailed (properly addressed and postage prepaid, either by certified or registered mail with return receipt requested or by first class mail), or by overnight courier, or by telecopy with confirming copy by first class mail mailed on the same day as the telecopy was transmitted. Notices to Insurer or Limited Representative shall be delivered to the address listed above herein, or at such other address that has been provided the other party in writing. Notices delivered by hand delivery or telecopy shall be deemed delivered when received by addressee. Notices mailed (by United States mail or overnight courier) shall be deemed delivered when mailed. Telecopy notices shall be deemed delivered upon confirmation of transmission to the telecopy number provided by addressee.
3. This Agreement shall be subject to and construed under the laws of the State of Florida, without regard to any choice of law rules that may direct the application of the laws of another jurisdiction. Any action brought to enforce or interpret the terms or conditions of this Agreement shall be subject to the jurisdiction of, and shall be prosecuted exclusively in, the courts of the State of Florida, for [VENUE] County.
4. This Agreement shall not be amended unless both parties consent to such amendment in writing.
5. The Parties agree to keep strictly confidential all information which relates to any business hereunder, including information relating to any insureds or customers of either party which is provided (by "Providing Party") to the other (or "Receiving Party"). Such information shall be herein identified as "Confidential Information." Confidential information shall not include (i) information previously known by the Receiving party, (ii) information available from public sources, or (iii) information available from third parties on a non-confidential basis. Unless otherwise agreed in writing, the Confidential Information shall be used solely for the purposes for which provided, and may be disclosed only to employees of the Receiving Party and others with a need to know ("Representatives"). Representatives shall be required by the Receiving Party to comply

with this paragraph, and the Receiving Party shall be liable for any breach of this paragraph by its Representatives. The Receiving Party shall immediately notify the Providing Party if it is requested or compelled by legal process to disclose any Confidential Information, and shall assist and cooperate with all efforts of the Providing Party to obtain a protective order, negotiate the terms of disclosure, or otherwise respond to the legal process.

The Receiving Party agrees that Confidential Information shall remain confidential and shall not be disclosed to any third party other than to perform the business of insurance as permitted by law and contemplated by this Agreement. In the event the Receiving Party intends to disclose Confidential Information, the Receiving Party agrees to provide affected policyholders, customers and/or consumers with the required legal notice and to otherwise comply with applicable law with regard to such disclosure.

This Agreement supersedes any and all previous Limited Representative Agreements, agency agreements, or similar agreements between Insurer (or the applicable insurance company) and Limited Representative.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

[INSURER NAME]

Limited Representative's Name:

By:

By:

Title

Agency Name

Street Address

City/Zip

**THE FOLLOWING ITEMS MUST ALSO BE COMPLETED:**

Tax ID: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

E-mail: \_\_\_\_\_