



Big "I"
MARKETS

IIAA Agency Administrative Services, Inc. ♦ 127 South Peyton Street ♦ Alexandria, VA 22314
(703) 647-7800 ♦ Fax (703) 995-4406 ♦ Email: bigimarkets@iiba.net ♦ www.iiba.net/advantage

Big "I" Markets Agency Sub-Producer Agreement

This Agreement ("Agreement") is made effective as of the ____ day of ____, 20__ between
IIAA Agency Administrative Services, Inc., with its principal office located at
127 S. Peyton Street, Alexandria, VA, 22314 ("AAS") and

(Agency's Name),
with its principal office located at

(number and street address), (city), (state), (zip code) ("Sub-producer")
(each a "Party" and collectively the "Parties").

RECITALS

WHEREAS, AAS, a wholly owned subsidiary of Big "I" Advantage, which is a wholly owned subsidiary of the Independent Insurance Agents & Brokers of America, Inc. ("IIABA"), has created and developed a proprietary system and program called "Big "I" Markets" through which members of IIABA can market, purchase, place and sell insurance coverages or program business and specialty products and/or services (collectively "Products") via electronic interface through an Internet and proprietary extranet website and computer programs on the World Wide Web ("Big "I" Markets Site") or through other mechanisms and distribution channels (Big "I" Markets Site and other mechanisms and distribution channels collectively are "Big "I" Markets");

WHEREAS, insurance companies, managing general agents or other product providers (individually "Provider" and collectively "Providers") have agreed to make Products available to IIABA members through Big "I" Markets for IIABA members to market, purchase, place and sell;

WHEREAS, AAS, IIABA State Associations or their designees licensed as insurance agents ("State Associations"), or other licensed insurance agents may be appointed as and serve as duly appointed agents of Providers (State Associations or their designees licensed as insurance agents, or other insurance agents appointed by Providers are individually "Appointed Agent" and collectively "Appointed Agents");

WHEREAS, Sub-producer desires to access Products through Big "I" Markets;

WHEREAS, AAS, for itself as to Products for which it is the appointed agent, or on behalf of Appointed Agents as to Products for which they are the appointed agent, desires to appoint Sub-producer to solicit, receive, and submit applications for Products available through Big “I” Markets, and Sub-producer desires to accept such appointment; and

WHEREAS, Sub-producer’s relationship with and access to Big “I” Markets is conditioned on Sub-producer’s status as a member in good standing of IIABA and other criteria determined by AAS, in its sole discretion or as required by Providers or Appointed Agents;

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

I. AUTHORITY

A. APPOINTMENT AND ACCEPTANCE

AAS hereby appoints Sub-producer to solicit, receive, and submit applications for Products available through Big “I” Markets, and Sub-producer hereby accepts such appointment and agrees that it will faithfully perform the duties provided for in this Agreement and adhere to the instructions, guidelines, policies and procedures (collectively “Instructions”), as they may be amended on or referenced on the Big “I” Markets Site or in other materials published by Big “I” Markets. Sub-producer’s access to any Products available on Big “I” Markets can be limited or suspended by AAS, in AAS’s sole discretion. Sub-producer shall be an independent contractor, and not an employee, of AAS or any Appointed Agents for which Sub-producer produces business through Big “I” Markets.

B. SCOPE OF AUTHORITY

Sub-producer is authorized to solicit, receive, and submit applications for Products available through Big “I” Markets; collect and give receipts for premiums for Products placed through Big “I” Markets pursuant to this Agreement; and remit premiums collected for Products placed through Big “I” Markets pursuant to this Agreement in accordance with Instructions.

Sub-producer is not authorized to bind, underwrite or commit to issue or issue binders, policies or other written evidence of insurance for Products available through Big “I” Markets; investigate, settle or arrange for the defense of claims on behalf of Providers for Products offered through Big “I” Markets; or make, alter, modify, waive or change any provision, term or condition of any binder, policy, certificate, endorsement or Product issued by Providers through Big “I” Markets.

II. THIRD PARTY BENEFICIARY

Big “I Advantage, IIABA and their corporate affiliates and subsidiaries, Providers and Appointed Agents are intended third party beneficiaries of this Agreement,

entitled to enforce the terms of this Agreement as if they were a Party to the Agreement, except as otherwise provided for in this Agreement. The provisions of this Section II. shall survive the expiration or termination of this Agreement.

III. RESPONSIBILITIES

A. SUB-PRODUCER RESPONSIBILITIES

For the entire term of this Agreement, Sub-producer shall:

1. Comply with all applicable federal, state, and local laws, rules, and regulations relating to the operation of its business and the sale of the Products, including, without limitation, insurance licensing, record retention, and applicable privacy obligations.
2. Maintain an errors and omissions insurance policy with minimum limits of liability coverage of \$1,000,000.00 to cover any potential liability arising out of or relating to business Sub-producer produces through Big “I” Markets, and provide proof of the policy and coverage to AAS, upon request.
3. Maintain its own internet access and e-mail account, at its own expense.
4. Use the names and/or logos of AAS, any Provider or any Appointed Agents in advertising or promotional activities only after receiving prior written permission to do so from the owner of such names and/or logos.
5. Retain financial responsibility for all of its own operational expenses without contribution from AAS, any Providers or any Appointed Agents, including, without limitation, rent and facilities costs, licensing fees, taxes, internet access costs, and equipment expenses.
6. Return promptly any materials or supplies provided by AAS, any Providers or any Appointed Agents, upon request from the provider of such materials or supplies.
7. Communicate promptly to the affected Providers (or Appointed Agents, if appropriate or required) any reports received of actual or potential claims, suits or losses arising out of or relating to the Products placed through Big “I” Markets by Sub-producer, using the affected Providers’ Instructions; and cooperate with Appointed Agents and the affected Providers on any investigation of claims, suits or losses made by either of them relating to the Products placed by Sub-producer through Big “I” Markets.
8. Permit AAS to inspect during Sub-producer’s normal business hours, any records of Sub-producer relating to Products placed through Big “I” Markets by Sub-producer after Sub-producer receives reasonable advance notice of the inspection, and permit any Appointed Agents and Providers the same right of inspection as to Products on Big “I” Markets placed by

Sub-producer and offered by or through those Appointed Agents or Providers, as appropriate.

9. Hold as a fiduciary all premiums received for the sale of Products placed by Sub-producer through Big “I” Markets, whether such funds are received during the term of this Agreement or after its termination, and submit promptly all premiums received for the sale of Products placed by Sub-producer through Big “I” Markets in accordance with Instructions.
10. Maintain its membership in IIABA in good standing, and maintain its Sub-producer status as an independent contractor of AAS, Provider or Appointed Agent, as appropriate, and not as an employee, such that Sub-producer shall have exclusive and independent control of its time, the operation of its business, and the choice of which, if any, of the Providers for which to generate business.
11. Maintain complete and current records and accounts relating to Products placed through Big “I” Markets by Sub-producer and comply with the Instructions of Providers and Appointed Agents relating to such accounts.
12. Report immediately to AAS any known breaches of security to its own or the Big “I” Markets Site.

B. AAS RESPONSIBILITIES

For the entire term of this Agreement, AAS shall:

1. Comply with all applicable federal, state, and local laws, rules, and regulations relating to the operation of its business and the sale of the Products, including, without limitation, insurance licensing, record retention, and applicable privacy obligations.
2. Retain the right to determine unilaterally which Products and Providers will be available to Sub-producer through Big “I” Markets and to change the availability of Products and Providers available through Big “I” Markets, at any time, without notice to Sub-producer.

C. SURVIVAL

The provisions of Section III. A.(1), (2), (3), (4), (5), (6), (7), (8), (9), (11), and (12); III. B.(1), (2); IV. B., C.; VI.; VII.; IX.; X.’ and XI. A., B., D., E., F., and G. shall survive the expiration or termination of this Agreement.

IV. COMPENSATION

A. COMMISSION PAYMENTS

During such time as Sub-producer maintains its membership in IIABA in good standing, AAS agrees to pay Sub-producer from commission paid to AAS for Products placed through Big “I” Markets by Sub-producer or to authorize Providers or Appointed Agents to pay commission to Sub-producer for Products placed through Big “I” Markets by Sub-producer, all at the rates specified by Big “I” Markets for each Product. Subject to the forgoing conditions, payments shall be made to Sub-producer in accordance with a payment schedule determined by AAS, Providers or Appointed Agents, as appropriate, and in accordance with Instructions.

B. COMMISSION REFUND

Sub-producer will make a pro rata refund on all commissions Sub-producer receives on Products it places through Big “I” Markets in connection with which there is a return to Sub-producer’s Client of all or part of the premium, including cancellations ordered or made by AAS, Providers or Appointed Agents, as appropriate. In those cases in which the amount of the premium returned is less than the full amount of the premium paid by Sub-producer’s Client, Sub-producer will return to AAS, Providers or Appointed Agents, as appropriate, that portion of Sub-producer’s commission which bears the same relationship to the full commission as the returned portion of the premium bears to the full premium.

C. RIGHT TO OFFSET

AAS, Providers, and Appointed Agents, as appropriate, shall be entitled to offset any indebtedness of Sub-producer to AAS, Providers, and Appointed Agents, as appropriate, pursuant to this Agreement against any commissions due to Sub-producer pursuant to this Agreement.

V. PAYMENT OF PREMIUMS

Sub-producer shall follow the Instructions to determine whether Products sold pursuant to this Agreement shall be billed and collected by AAS, Providers, Appointed Agents, or Sub-producer.

VI. OWNERSHIP OF EXPIRATIONS

A. OWNERSHIP OF EXPIRATIONS

To the extent permitted under any agreements between Providers and AAS or Providers and Appointed Agents, and while Sub-producer maintains its membership in IIABA in good standing, the ownership, use, and control of expirations for business placed through Big “I” Markets by Sub-producer, including those on direct-billed business, the records thereof, and Sub-producer’s work product (collectively “Expirations”), shall be exclusively owned by Sub-producer, and AAS, Providers, and Appointed Agents may not use their records of those Expirations in any marketing method for the sale, service or renewal of any Product or form of insurance coverage or other product or service which

abridges Sub-producer's right of exclusive ownership, use, and control of the Expirations, nor may they refer or communicate this Expiration information or work product to any third party other than as necessary to handle business placed through Big "I" Markets by Sub-producer or to inform State Associations where Sub-producer conducts business about Sub-producer's activity relating to Big "I" Markets. In the event that Sub-producer fails to maintain its membership in IIABA in good standing, Sub-producer's ownership of Expirations as to each policy quoted and/or placed through Big "I" Markets shall terminate automatically and without notice to Sub-producer, and become the exclusive property of AAS, Provider or Appointed Agents (as provided for in the agreements between Providers and AAS or Providers and Appointed Agents), upon the later of: i) the date for the next renewal of any such in force policy; or ii) the termination of this Agreement. In the event that AAS determines in good faith that Sub-producer has abandoned the business it has placed pursuant to this Agreement, Sub-producer's ownership of Expirations shall terminate upon notice by AAS to Sub-producer at the last address Sub-producer provided to AAS pursuant to Section XI.E. of this Agreement and become the exclusive property of AAS, Provider or Appointed Agents (as provided for in the agreements between Providers and AAS or Providers and Appointed Agents) . Notwithstanding anything to the contrary in this Agreement, AAS can share any information it has regarding business placed or quoted through Big "I" Markets by Sub-producer with State Associations where to Sub-producer conducts business to keep the State Associations apprised about Sub-producer's activity relating to Big "I" Markets.

B. FAILURE TO PAY PREMIUMS

In the event of termination of this Agreement, if Sub-producer has not then properly accounted for and paid all premiums to Provider, AAS or Appointed Agent, as appropriate, in accordance with Instructions, for which Sub-producer is liable, the ownership use and control of Sub-producer's Expirations, including all right, title, and interest in and to the records thereof, shall be vested in Provider, AAS or Appointed Agent, as provided for in the agreements between Providers and AAS or Providers and Appointed Agents, as of the date of such termination. In the exercise of its right to collect any indebtedness due from Sub-producer through the ownership, use, and control of Sub-producer's Expirations, Sub-producer may request that Providers, AAS or Appointed Agents use reasonable business judgment in selling the Expirations and be accountable to Sub-producer for all sums received which, net of expenses, exceed the amount of Sub-producer's indebtedness. Sub-producer shall remain liable for the excess of the indebtedness over the sums received by Providers, AAS or Appointed Agents in the event that the Expirations are sold. Any indebtedness due from Sub-producer shall not prevent application of the ownership of expirations clause in favor of Sub-producer if Sub-producer furnishes collateral security acceptable to Providers, AAS or Appointed Agents in the amount of such indebtedness, to be held by Providers, AAS or Appointed Agents until the indebtedness is satisfied. Sub-producer may request that legitimate differences of opinion between Sub-producer and Providers, AAS or Appointed Agents with respect to balances owed by Sub-producer to any of them not constitute a failure by Sub-producer to pay

and not have the effect of vesting title to Sub-producer's Expirations in Providers, AAS or Appointed Agents.

C. RENEWALS

To the extent permitted under any agreements between Providers and AAS or Providers and Appointed Agents, nothing in this Section VI. shall interfere with Sub-producer's right to seek renewal of business placed through Big "I" Markets that includes contractual renewal guarantees or which must be renewed pursuant to state law, regulation or by order of government authority, and provided that Sub-producer maintains its membership in IIABA in good standing, Sub-producer shall be entitled to receive commissions on such renewals at the then prevailing rate of commission from the Providers, AAS or Appointed Agents, as appropriate, for each such renewals.

VII. INDEMNIFICATION

A. PRODUCER INDEMNITY

AAS shall indemnify, defend, and hold harmless Sub-producer from and against any and all demands, claims, damages, losses, liabilities, judgments or settlements including, without limitation, reasonable attorneys' fees and costs of investigation and defense incident thereto, arising out of or relating to AAS's errors or omissions, except to the extent Sub-producer has contributed to such errors or omissions and except to the extent of any intellectual property infringement by Sub-producer by virtue of its use of Big "I" Markets, including Instructions.

B. SUB-PRODUCER INDEMNITY

Sub-producer shall indemnify, defend, and hold harmless AAS, Big "I" Advantage, IIABA and their respective corporate affiliates and subsidiaries, officers, directors, employees, principals, partners, shareholders or holders of an ownership interest, and agents from and against any and all demands, claims, damages, losses, liabilities, judgments or settlements including, without limitation, reasonable attorney's fees and costs of investigation and defense incident thereto, arising out of or relating to Sub-producer's errors or omissions, except to the extent AAS has contributed to such errors or omissions.

VIII. TERM OF AGREEMENT AND TERMINATION

A. TERM

This Agreement shall commence on the date set forth in the opening paragraph of this Agreement and will remain in effect until terminated in accordance with its terms.

B. TERMINATION BY MUTUAL AGREEMENT OR NOTICE

This Agreement may be terminated at any time, by mutual written agreement of the Parties, or by either Party giving written notice to the other Party of at least 30 days, or such period required by applicable law, whichever is shorter.

C. TERMINATION FOR CAUSE

This Agreement may be terminated immediately upon notice by either Party if the other Party: (i) fails to comply with any material terms of this Agreement; or (ii) breaches its fiduciary duty to the other Party. This Agreement also may be terminated by AAS immediately on notice if, in the sole judgment of AAS, Sub-producer does not use Big “I” Markets in the spirit of expanding access to and use of the Products by other sub-producers, such as by submitting risks for quotes in order to tie up or block access to Products by other sub-producers.

D. AUTOMATIC TERMINATION

This Agreement shall terminate automatically if: (i) any public authority suspends, cancels or declines to renew Sub-producer’s insurance license or certificate of authority; (ii) Sub-producer or AAS becomes insolvent or is placed into bankruptcy, reorganization, receivership or similar action; (iii) Sub-producer does not maintain its membership in IIABA in good standing; (iv) AAS’s agreement with all of the Providers is terminated; or (v) Sub-producer fails, if requested before continued access to the Big “I” Markets Site is granted, to execute an updated version of the Agreement reflecting additional and/or modified terms after such terms have been posted on the Big “I” Markets Site.

E. TERMINATION BY CHANGE IN SUB-PRODUCER

In the event that Sub-producer sells, transfers, merges, consolidates or otherwise has a change in control of a majority interest in Sub-producer’s agency, Sub-producer shall provide written notice of same to AAS (or Providers or Appointed Agents, if required by Instructions) as soon as practical, but no later than the effective date of such sale, transfer, merger, consolidation or change in control of a majority interest in Sub-producer’s agency. Upon receipt of this notice, AAS, Providers or Appointed Agents, as appropriate, may: (i) cease to accept any new applications for Products from Sub-producer; or (ii) elect to enter into a new agreement with Sub-producer’s successor if Sub-producer’s successor meets AAS’s, Providers’ or Appointed Agents’, as appropriate, requirements for participation in the Big “I” Markets Site.

IX. AFTER TERMINATION

A. LIMITED BROKERAGE AGREEMENT

To the extent permitted under any agreements between Providers and AAS or Providers and Appointed Agents, upon the effective date of termination of this Agreement for any reason other than cause pursuant to Section VIII.C., D. or E., the Parties shall be deemed to have entered into a Limited Brokerage Agreement permitting Sub-producer to continue to perform routine service on Products sold

pursuant to this Agreement and to be paid the prevailing rate of commission provided for in this Agreement in Section VI.C. on Products containing a contractual guaranty of renewal or renewed pursuant to state law, regulation or order of any governmental authority with jurisdiction over the Providers, AAS, or Appointed Agents, as appropriate. Upon the effective date of termination of this Agreement for any reason pursuant to Section VIII.C., D. or E., AAS shall have the right but not the obligation, in their sole discretion, to agree to enter into a Limited Brokerage Agreement permitting Sub-producer to continue to perform routine service on Products sold pursuant to this Agreement, in which case Sub-producer will not be entitled to be paid any commission except as required by applicable law.

B. SUB-PRODUCER RIGHTS

After termination of this Agreement, Product policies placed through Big “T” Markets with unexpired terms may be continued in force until expiration, subject to earlier termination in accordance with the underwriting guidelines of each of the Providers. To the extent permitted under any agreements between Providers and AAS or Providers and Appointed Agents, Sub-producer shall have the right to decide whether existing Product policies should be reinsured, replaced or continued in force until the later of: i) Sub-producer maintaining its membership in IIABA in good standing; or ii) the date for the next renewal of any such in force policy.

C. ADJUSTMENT OF SUB-PRODUCER RIGHTS

Notwithstanding anything to the contrary in this Agreement, Sub-producer’s rights under this Agreement, including, without limitation, to renewal business, rates of commission, and notifications of the intent of any of the Providers not to renew after termination of this Agreement any Product policies sold to purchasers by Sub-producer pursuant to this Agreement, shall be adjusted, if necessary, so as not to conflict with the rights granted by the Providers to AAS or Appointed Agents.

X. DISPUTES

A. DISPUTE RESOLUTION

If any dispute or disagreement arises out of or relates to the relationship between Sub-producer and AAS under this Agreement, including, without limitation, any dispute in connection with any interpretation of this Agreement, its performance or nonperformance, or the figures and calculations used, the Parties shall make reasonable efforts to meet in good faith and settle their dispute informally. If the Parties cannot agree on a written settlement to the dispute within thirty (30) days after their initial meeting, or within a longer period agreed upon in writing by the Parties, then the matter in controversy shall be settled by binding arbitration.

B. ARBITRATION PROCEDURES

Arbitration will be conducted by JAMS or its successor, pursuant to the United States Arbitration Act, 9 USC §1 et seq and in accordance with JAMS' Comprehensive Arbitration Rules in effect at the time a demand for arbitration is filed. Any award by the arbitrator(s) will be accompanied by a written opinion setting forth the findings of fact and conclusions of law relied upon in reaching the decision. The award rendered by the arbitrator(s) shall be final, binding and non-appealable, and judgment upon the award may be entered in any court having jurisdiction.

C. AWARD OF INTEREST AND COSTS

When the arbitration results in an award, such award shall include interest at the maximum amount permitted by law per annum running from the date when the amount that is the subject of the award first became due. The costs of the arbitration shall be borne equally by the Parties, provided, however, that the arbitrator(s) may assess one Party more heavily than the other for these costs if the arbitrator(s) concludes that either Party did not make a good faith effort to settle the dispute informally when it first arose. The prevailing Party shall be entitled to recover all other costs, fees and expenses, including reasonable attorneys' fees.

XI. MISCELLANEOUS

A. ENTIRE AGREEMENT/AMENDMENT/SEVERABILITY

This Agreement, which is deemed to include the Recitals, constitutes the entire agreement between the Parties concerning the subject matter hereof, supersedes any and all prior understandings, representations, commitments or agreements (oral or written) between the Parties concerning the subject matter hereof. AAS shall have the right, at any time and without notice, to add to or modify the terms of this Agreement, by posting the amended terms on the Big "I" Markets Site. Sub-producer's continued marketing, purchase, placement, and/or sale of the Products after the date that the amended terms are posted shall be deemed to constitute acceptance by Sub-producer of the amended terms, irrespective of whether Sub-producer is requested to execute an updated version of the Agreement reflecting additional and/or modified terms after such terms have been posted on the Big "I" Markets Site before continued access to the Big "I" Markets Site is granted. If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be illegal or otherwise unenforceable, the same shall not invalidate the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the Parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties set forth in this Agreement.

B. WAIVER

The failure of either Party to insist upon strict performance of any of the terms or provisions of this Agreement or to exercise any rights or remedies contained in this Agreement shall not be construed as a waiver or as a relinquishment for the future of such terms, provisions, rights or remedies. Neither this Agreement nor any provisions hereof may be waived, except by an instrument in writing signed by all Parties.

C. ASSIGNMENT/TRANSFER

AAS may assign this Agreement or any interest in this Agreement to any other person or entity without the prior written approval of the other Party.

D. CAPTIONS

The headings and captions of this Agreement are inserted solely for the reader's convenience, and are not to be construed as part of the Agreement.

E. NOTICE

When either Party desires or is required to give a notice to the other Party pursuant to any term of this Agreement, the notice shall be in writing and: (i) delivered personally; (ii) sent prepaid by a nationally recognized overnight delivery service (such as, but not limited to, Federal Express), all charges prepaid; or (iii) sent by United States Postal Service certified mail, return receipt requested, first class postage prepaid. All notices shall be delivered or sent to the address for each Party set forth in the first paragraph of this Agreement or such other address as either Party notifies the other of in accordance with the terms of this Agreement. Notices shall be deemed to have been given upon receipt or refusal to accept by the Party to which the notice is delivered or sent.

F. GOVERNING LAW

It is the intent of the Parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the Parties shall be determined in accordance with the applicable provisions of the laws of the Commonwealth of Virginia, without regard to its conflicts of laws rules, and the exclusive venue for all hearings and proceedings shall be in Alexandria, Virginia.

G. UNSOLICITED E-MAILS/FAXES

Sub-producer hereby authorizes AAS and any of its corporate affiliates to send unsolicited commercial e-mails and/or faxes to Sub-producer and any of its employees.

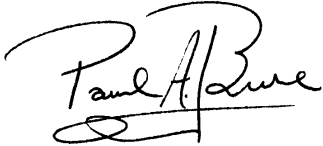
IN WITNESS WHEREOF, the Parties have set their hands and seals as of the effective day and year in the first paragraph of this Agreement.

IIAA AGENCY ADMINISTRATIVE SERVICES, INC.

(SUB-PRODUCER) Code: _____

Tax ID Number: _____

(Firm Name)

By: 

(signature)

By: _____
(signature)

Paul A. Buse

(name of signatory)

(print name)

Its: President

(title)

Its: _____
(title)

Date: _____

Date: _____