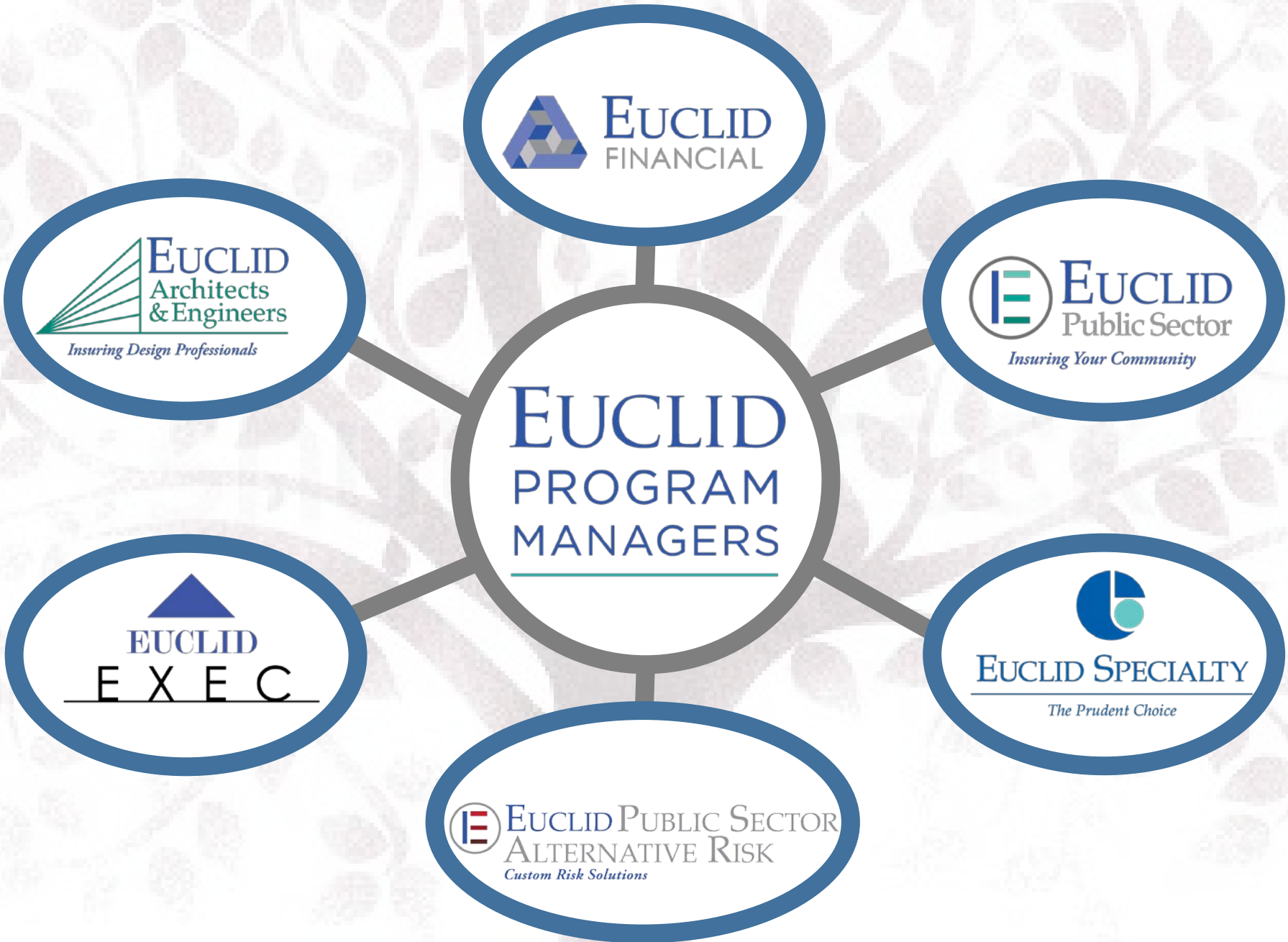


Considerations/Contracts

for dealing with your Producer

Presented by: John Colis
President
Euclid Program Managers



Our workshop
today will cover

Producer Agreements

- Purpose
- Key Features
- Practical Uses

Accounts Receivable

- What's the problem?
- Best Practices
- Stories from the front!

E&O – a few thoughts

Producer Agreement Provisions

Producer Agreement Provisions

Some Key Restrictions:

~~AGENT~~

~~Employee~~

~~Bind~~

~~Certificates~~

~~Notice of Expiration
and Renewals~~

~~Responsibility to
the Insured~~

~~Claim
Reporting~~

Some Key Provisions

Producer Ownership of Expirations

- Producers **owns** and controls Expirations
- PA can accept business from other producers
- If Producer does not pay, PA may solicit insured

Some Key Provisions

Producer
Ownership of
Expirations

License of
Producer

Language should specify all licenses required by law are in place, for producer and its employees, for the duration of the agreement.

Who?

Agency & Individuals

Where?

Location of Producer & Insured

When?

Now and Always!

- ✓ If this Changes, **Notify!**
- ✓ Disciplinary Action, **Notify!**
- ✓ Bankruptcy Process, **Notify!**

Some Key Provisions

Producer
Ownership of
Expirations

License of
Producer

Payment of
Premium

- Pay whether Collected or Not
- Payment Terms
- Withhold Commissions
- Invoice vs Statements
- Premium Fund Trust Account
- Direct Collection if Necessary
- Unearned Commissions

Some Key Provisions

Producer
Ownership of
Expirations

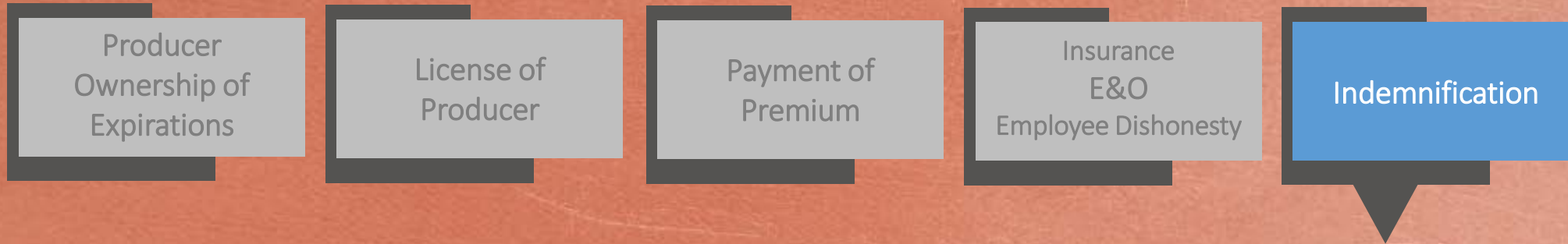
License of
Producer

Payment of
Premium

Insurance
E&O
Employee Dishonesty

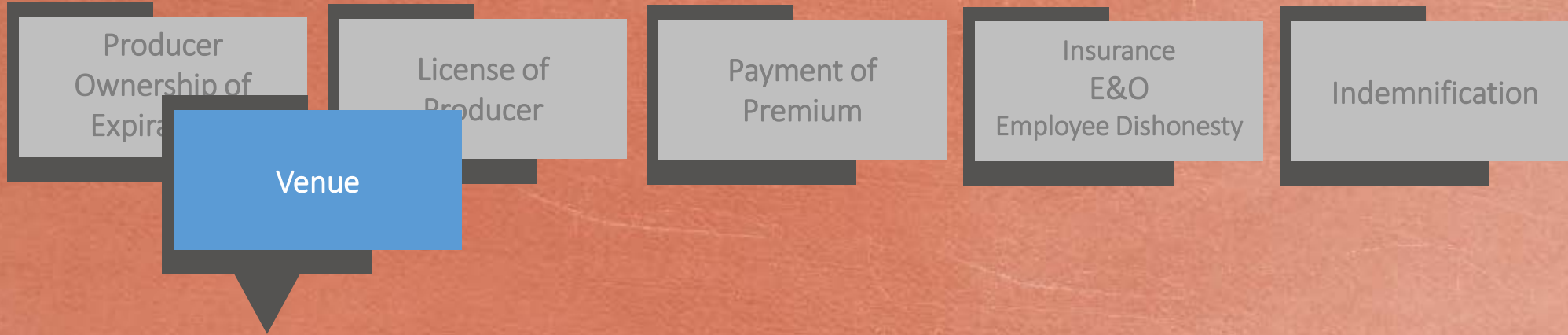
- Maintain in Force
- Limits
- Provide Proof
- Advise if Cancelled

Some Key Provisions

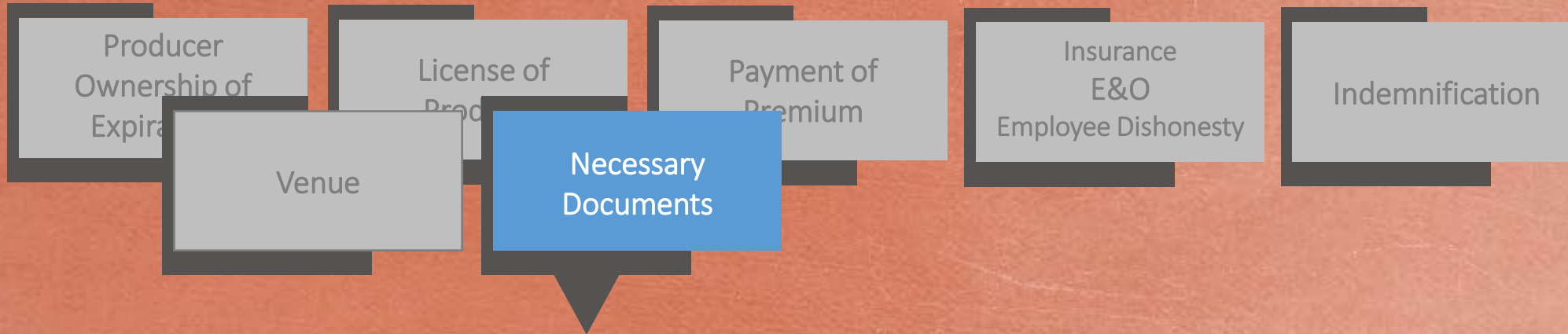


- Two Way
- Indemnify & Hold Harmless from...

Some Key Provisions



Some Key Provisions



- E&O (Annually)
- License (Annually)
- W-9 & Tax ID

Problematic Provisions

- Minimum Service Levels
- Producer Not Liable for the Premium
- Disclosure of Commissions
- Non Solicitation of Employees & Accounts
- One Way Indemnification

Accounts
Receivable

What's the Problem?



Accounts
Receivable

Best Practices

A/R Culture of Discipline

Accounting Dept. Responsibility

NOC NOC NOC

Review from the top!

Accounts
Receivable

Crisis Management

Stories from the Front!

Accounts
Receivable

Preventive Maintenance

Background Checks

Google Search

License / E&O Annual Checks

Reserve Accrual

Consideration/Contracts

for dealing with your Producer

Presented by: John Colis
President
Euclid Program Managers