

**CBM GENERAL AGENCY, LLC**  
**P. O. BOX 1570**  
**WINNSBORO, LA. 71295**  
**GENERAL AGENCY AGREEMENT**

This agreement, by and between, \_\_\_\_\_

Located at: \_\_\_\_\_

(Hereinafter called "**Agent**") and CBMGA, LLC (Hereinafter called "**the General Agency**"). It is agreed Between the General Agency and the Agent that:

**I. AUTHORITY OF AGENT**

The Agent is an independent contractor, not an employee of the General Agency, and subject to requirements imposed by Louisiana law, the terms of this agreement and the underwriting rules and regulations of the General Agency, is authorized to:

- A. Solicit and accept proposals for insurance in the following classes of risk: Lines of business as designated by the General Agency, subject to modification without prior notice to the Agent.
- B. Represent the General Agency for the sole purpose of servicing insurance contracts placed by the Agent with the General Agency.
- C. Collect and receipt for premiums/Fees and to remit those premiums to the carrier in a timely manner set by the carrier as provided in writing under Commission Schedule attached hereto, or otherwise in writing. Commissions are paid on collected premium only and are not withheld by your agency.

**II. INDEMNIFICATION**

- A. Agent shall indemnify and hold General Agency harmless from any claims. Liabilities or costs of defense, including attorney fees, which the General Agency may become obligated to pay as a result of a failure by Agent to comply with the terms of this Agreement in the binding of insurance written with the General Agency or caused directly or indirectly by an error or omission of Agent.
- B. The General Agency shall indemnify Agent for all liability arising as a result of the acts or omission of the General Agent, except to the extent that agent has caused such error.

**III. COMMISSIONS**

Commission paid the Agent under this agreement are the sole and full compensation to be paid the Agent for the performance of his duties as Agent of the General Agency.

#### **IV. NO BINDING AUTHORITY**

Agent has no authority to bind the General Agency for coverage on any risk except as agreed to in writing by the Agent and the General Agency, or where Agent has documented binding authority as set forth in the "Direct Rater" program addendum.

#### **V. PREMIUM ACCOUNTING**

The Agent and the General Agency shall comply with the following accounting procedures on business placed by the Agent with the General Agency.

- A. The Agent assumes responsibility for, and agrees to pay the General Agency, all premiums within 10 days from the due date, whether collected or not, on policies issued by or through him, or on his behalf by the General Agency.
- B. The Agent will not be responsible for payment of premiums from audits or retrospective adjustments provide the Agent notifies the General Agency in writing within thirty (30) days after the billing that collection of such premium had been unsuccessful despite a diligent effort to collect it. Consequently, the Agent will receive no commission with respect to any such additional premium.
- C. The General Agency shall have access at all reasonable times to the Agent's books and records and make copies if they so desire, for the purpose of determining any fact relating to money due the General Agency or business placed with the General Agency.
- D. All premiums, which the General Agency bills direct to the insured, are considered to be paid in full. The Agent shall not be liable for payment of any premiums on direct-billed policies, except for initial premiums/Deposits collected by Agency or increases in coverage for which the Agent has collected premium or has agreed to be responsible.
- E. The General Agency shall not be responsible for any of the expenses of the Agent.

#### **VI. ARBITRATION**

- A. If irreconcilable differences of opinion arise as to the interpretation of the Agreement, the differences shall be submitted to arbitration, one arbitrator to be chosen by the General Agency, one by the Agent, and an umpire by the two arbitrators. The arbitrators and umpire shall be disinterested officers or employees of fire and casualty insurance companies authorized to transact business in the United States. The arbitrators are relieved from all judicial formalities and may abstain from following the strict rules of law. They shall interpret this Agreement as an honorable engagement, and their decision shall be final and binding upon both parties. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other the expense of the umpire and of the arbitration. Any arbitration shall take place in Franklin Parish, Louisiana unless otherwise mutually agreed.

- B. If either party fails to name its arbitrator within thirty (30) days after receiving the written request, by registered mail return receipt requested, of the other party to do so, the latter shall name both arbitrators and they shall select an umpire as stipulated herein.

## VII. AGENT'S REPRESENTATION AND WARRANTIES

As a material inducement for CBMGA, LLC to enter into this Agreement, Agent represents and warrants the following:

- A. LICENSING. Agent is properly licensed to transact business as an agent in accordance with the insurance laws, rules and regulations of each state in which Agent transacts business. Agent will maintain such license or licenses in good standing for the duration of this Agreement and will furnish proof of such licensing to CBMGA, LLC upon execution of this Agreement and then annually or upon request by CBMGA, LLC. Agent will provide CBMGA, LLC with all information required by CBMGA, LLC to appoint Agent on its behalf. Additionally, Agent will promptly notify CBMGA, LLC of any suspension, cancellation or disciplinary action with respect to its license(s) and will be responsible for the payment of any fines or penalties resulting from non-compliance with or violation of laws in connection with Agents licenses.
- B. ERRORS & OMISSIONS COVERAGE. Agent now has, and shall maintain at all times throughout the term of this Agreement, agent's professional liability (ERRORS AND OMISSION) insurance coverage with a minimum aggregate policy limit of one-million dollars (\$1,000,000). Agent's Errors and Omission carrier shall be of recognized reputation and responsibility and acceptable to CBMGA, LLC. Agent will furnish proof of such coverage to CBMGA, LLC upon execution of this Agreement and thereafter annually or upon request by CBMGA, LLC. Agent will provide CBMGA, LLC with prompt written notice of any material change, cancellation or other termination of this coverage.
- C. INSURANCE APPLICATIONS. Any and all information provided to CBMGA, LLC by Agent in connection with an application for insurance subject to this Agreement shall be true and complete. Agent represents and warrants that such applications shall contain no material misrepresentations of any kind of which Agent is, or should be, aware. Agent shall ensure that all material fact are accurately described and completely disclosed to CBMGA, LLC. Further, it is the duty of the Agent to make CBMGA, LLC aware of any material changes affecting the risk during the policy period and at any subsequent renewal.

## VIII. TERMINATION OR SUSPENSION

- A. This agreement shall terminate:
  - 1. Automatically if any public authority cancels or declines to renew the Agent's license or certificate of authority.
  - 2. Automatically on the effective date of the sale or transfer of the majority interest of the Agent's business, or it consolidation with a successor firm, unless the Agreement is assigned as provide in **Section IX**.

3. Upon either party giving at least, thirty (30) days advance written notice to the other.
4. Immediately in the event of misrepresentation of any matters set forth in **Section VII** herein, abandonment, fraud, insolvency or gross and willful misconduct on the part of such other party.
  - B. If the Agent is delinquent, in either accounting or payment of moneys due to the General Agency, the General Agency may, by notice to the Agent, suspend the Agent's authority to change any existing policy during this delinquency. This provision shall not apply to routine differences in the accounting records of the Agent and the General Agency which are minor in amount and do not involve premiums collected and withheld by the Agent.
  - C. In the event of suspension of the Agent's authority or termination of this Agreement:
    1. The Agent's ownership of the records, use and control of expiration, including Direct Billed business and continuous term policies, shall remain the property of the Agent and left in its undisputed possession, provide the Agent has then rendered and continues to render accounts and payments of all amounts due the General Agency, or provides security therefore acceptable to the General Agency. Otherwise the records and use and control of all expiring business placed with the General Agency shall be vested in the General Agency.
    2. If in disposing of such records and expirations the General Agency does not realize sufficient money to discharge in full the Agent's indebtedness to the General Agency, the Agent shall remain liable for the balance of the indebtedness. Any amount realized in excess of indebtedness, less expense of disposing of such records and expirations shall be returned to the Agent.

## **IX. AGENT SALE OR TRANSFER**

The Agent agrees to give thirty (30) days advance notice to the General Agency of any sale or transfer of the majority interest of his business, or its consolidation with a successor firm, in order that the General Agency may, at its election and with the consent of the interested parties:

- A. Assign this Agreement to the successor, or
- B. Enter into a new Agent agreement with successor, or
- C. Allow termination pursuant to **Article VIII**

## **X. CONDITIONS**

- A. The provisions of this Agreement shall apply to business administered by Underwriting Associations, Syndicates or Pools, except where in conflict therewith.
- B. The Agent will promptly report directly to the assigned adjusting firm any claims, losses and lawsuits brought to his attention by the policyholder and agrees to cooperate fully with the

General Agency to facilitate reporting, investigation and adjustment of any claim when and as requested by the General Agency.

- C. In the event of misconduct by the Agent resulting in fines, assessments or damages, of whatsoever nature, requiring payment of same by the General Agency, the Agent shall immediately reimburse the General Agency for all fines or assessments and shall be liable for all damages incurred by the general Agency as a result of said default, including, but not limited to, collection expenses, and attorney's fees incurred by the General Agency in the recovery of said damages, fines and assessments.
  
- D. No forbearance or neglect on the part of the General Agency to enforce any or all of the provisions of this Agreement shall be construed as a waiver or estoppel of any right or privileges of the General Agency. This Agreement constitutes the entire Agreement between the parties and supersedes all previous agreements, whether written or oral, between the General Agency and the Agent and:
  - 1. Shall be effective.
  - 2. Shall remain in force and effect until suspended or terminated as provide herein.
  - 3. No amendments to or modifications of the Agreement shall be valid unless made in writing and executed by the General Agency, acting through its authorized Officer, in the form of an Endorsement to this Agreement, except as respects commissions, which may be changed by agreement in writing other than by Endorsement to this Agreement.

**XI. STATUORY REQUIREMENT**

Terms of this Agreement that are in conflict with statue are hereby amended to conform to such law.

**XII. COMMISSION SCHEDULE**

See Addendum

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**Agency Representation (SIGNATURE) Title    Printed Name of Agency Representative, DATE**

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**Address**

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**Signature of CBMGA, LLC Representative    Title    Printed Name of CBMGA, LLC Representative, DATE**

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