



## ATTENTION BIG "I" MEMBERS!

Complete the following and submit to Nebraska Agency Services Corporation (NASC)\* along with the required enclosures so that your agency can write RLI personal umbrella and in-home business policies through NASC.

Agency Name \_\_\_\_\_ City \_\_\_\_\_

### I. E&O Coverage Verification

- Enclosed is NASC's certificate of insurance verifying our agency's E&O coverage.
- Our agency's E&O coverage is with Westport Insurance Corporation through the Big "I" Risk Purchasing Group.

*A minimum E&O limit of \$1,000,000 per claim is required.*

Certificates of insurance must be issued to:

**NASC, 8231-B Northwoods Dr., Lincoln, NE 68505**

### II. Producer Appointment

Enclosed are copies of the following producers' licenses. *(Please provide the home address and date of birth of each producer -- limit 2.)*

Producer #1: \_\_\_\_\_  
Home Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
DOB \_\_\_\_\_

Producer #2: \_\_\_\_\_  
Home Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
DOB \_\_\_\_\_

**Please forward this form and related materials to:**

***Nebraska Agency Services Corporation, 8231-B Northwoods Dr., Lincoln, 68505***

If you have questions, please feel free to call the NASC office at (800) 377-3985 or log onto the Association's web-site at [www.iiia.org](http://www.iiia.org).

*\*NASC is the wholly owned subsidiary of Independent Insurance Agent of Nebraska.*



## AGENCY CONTRACT

This agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between Nebraska Agency Services Corporation, (hereinafter designated as NASC) and \_\_\_\_\_ of \_\_\_\_\_ in the County of \_\_\_\_\_ and the state of Nebraska (hereinafter called Agent)

### WITNESSETH THAT:

NASC hereby grants authority to the Agent to submit for insurance coverage, risks located in Nebraska under insurance programs available under NASC. This authority is subject to laws of the state of Nebraska in which such Agent is authorized to write insurance business and to the terms and conditions hereinafter set forth.

**IT IS HEREBY AGREED** between NASC and the Agent as follows:

### AGENT RESPONSIBILITIES

The Agent agrees to maintain a Nebraska insurance license for property and casualty insurance and to adhere to the laws and responsibilities that apply.

### PREMIUM REMITTANCE

It is agreed and understood that all premiums collected by the Agent are held in a trust and that such premiums are the property of NASC; that the Agent has no interest in the premiums collected by him and shall make no deductions therefrom before paying same to NASC, except for commissions authorized in writing.

Unless otherwise specified, the premium on each policy is due and payable to NASC by the end of the month in which premium notice is received.

If the insurance contract negotiated between NASC and the Agent is cancelled, the Agent is responsible for any "minimum earned premium" due. "Minimum earned premium" is defined as the minimum amount owned the insurance company on that policy.

Should the agent fail to pay NASC any premiums when due, including those incurred by audits or interim reports, then the Agent agrees to bear any collection or other expenses, including reasonable attorney fees and costs, expended by NASC to enforce collection from the Agent to the extent allowed by law. The Agent also agrees to offset any earned premium owed by the agent to NASC with earned commissions owed to the Agent by NASC.

If the Agent has failed to account for and pay over to NASC immediately upon demand, all premiums for which he may be liable, all records and use and control of expirations shall be vested in NASC and the Agent agrees to execute any documents necessary to formally place the title thereto in NASC. NASC likewise shall have the immediate right thereafter, in its discretion, to sell, transfer, assign or otherwise handle and control the business and expirations covered by this contract to satisfy in whole or in part the obligations of the Agent to NASC.

NASC's Credit Policy, outlined in Exhibit A, will be applied to Agents under the circumstances outlined.

### **COMMISSIONS**

NASC shall pay commissions to the Agent as outlined on insurance contracts ordered through NASC. NASC shall deduct from each return premium (including cancellations ordered by NASC) a return commission calculated at the same rate as the original commission thereon.

### **BINDING AUTHORITY**

In no event may the Agent bind NASC on a risk.

### **EXPENSES**

NASC shall not be responsible for any expenses of the Agent.

### **CLAIMS**

The Agent agrees to report directly to NASC all claims.

### **TERMINATION**

This agreement will be immediately terminated in the event there has been violation of either NASC's or the Agent's fiduciary responsibility, and/or insolvency, threat of insolvency, fraud, abandonment, willful, gross or negligent misconduct, including the termination or suspension of either NASC's or the Agent's license. This agreement will be continuous and may be terminated by either party at any time by 30 days written notice. In the event of termination, the Agent's records, use and control of expirations shall remain the property of the Agent and shall be left in his possession, except as provided under the premium remittance section of this contract.

## **INDEMNIFICATION**

The Agent is not an employee of NASC but is an independent contractor.

NASC shall not be liable for the negligent acts of the Agent or his employees or representatives. The Agent shall indemnify and hold harmless NASC from all costs, causes of action and damages suffered by NASC resulting from unauthorized acts or transactions by Agent, its employees, and/or subagents but only to the extent the Agent could have been legally liable to NASC by statute or common law, for those costs, causes of action, and damages suffered by company.

## **AMENDMENTS**

All amendments to this agreement, excluding the schedule of commissions, will require the express written consent of both NASC and the Agent.

## **ARBITRATION CLAUSE**

The following procedure will be followed in the event of a disagreement or dispute involving the interpretation of this agreement or the performance or nonperformance of NASC and the Agent.

- a) The parties will make every effort to establish a meeting for the purpose of settling unresolved disputes. It is understood that this meeting will be conducted in good faith.
- b) If NASC and the Agent are unable to resolve their conflict within fifteen days, the controversy will be resolved by arbitration in accordance with the rules adopted by the American Arbitration Association.
- c) All unresolved disputes with regard to the conditions of this agreement will be decided by a panel of three disinterested arbitrators. The party who desires arbitration will appoint one disinterested arbitrator and will furnish written notice of the appointment to the other party. Within ten days thereafter, the other party will appoint one arbitrator. The two appointed arbitrators will, within fifteen days thereafter, together select a third arbitrator who will be designated as the presiding officer of the panel. If the appointed arbitrators fail or refuse to choose a third arbitrator within thirty days after having been appointed, the third arbitrator will be chosen by a court having jurisdiction of the disputed agreement.
- d) The decision of a majority of the panel will be binding on NASC and the Agent. Arbitrators shall have the right to select one party for a greater amount of expenses should it be found that the party did not initially offer a good faith effort to resolve the difference on an informal basis.

This Agreement superceded and voids all previous Agreements, written or oral, existing between NASC and the Agent.

**DATED AND EFFECTIVE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,**  
\_\_\_\_\_.

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

Agent: Nebraska Agency Services Corporation

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

## **EXHIBIT A**

### **TO NASC AGENCY CONTRACT**

#### **CREDIT POLICY OF THE NEBRASKA AGENCY SERVICES CORPORATION**

The NASC functions as a broker for appropriately licensed member agents of the Independent Insurance Agents of Nebraska (IIAN). NASC maintains contracts with insurance carriers and makes their facilities available to IIAN's members. As such, under Nebraska law if the agent is paid by the insured, NASC remains liable to the companies for the premiums paid to the agent regardless of whether the agent pays NASC. Coverage cannot be cancelled for nonpayment of premium. Likewise, on return premiums paid by NASC to the agent, NASC remains liable to the insured regardless of whether the agent pays the insured the return premium including the agent's commission or not.

**To protect NASC from this credit risk, where any of the following circumstances exist, IIAN will require a surety bond protecting them for the total estimated annual premium for each account handled for that agency.**

- 1) NASC has knowledge that the agency's contract with an insurance company is cancelled for failure to properly handle the insureds' funds by the agent or failure to pay the agent's account current on a timely basis to the company.
- 2) A hearing is commenced by the Nebraska Insurance Department for failure to properly handle or account for funds by the agency.
- 3) A proceeding in bankruptcy is underway or the agency has previously taken bankruptcy.

**Furthermore, NASC may require a bond in the following circumstances:**

- 1) NASC obtains a business credit report on the agency which is unacceptable.
- 2) The agency has failed in the past to promptly pay funds owed by the agency to our insured.