

# **GAP INSURANCE**



## **GUARANTEED ASSET PROTECTION PROGRAM PRODUCER AGREEMENT**

Producer Name: \_\_\_\_\_  
(Dealer)

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: (     ) \_\_\_\_\_

This Producer Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, between Lyndon Property Insurance Company, Missouri, hereinafter called Company, and \_\_\_\_\_ hereinafter called Producer and Creditor/Policyholder.

The Company appoints Producer, and any affiliated stores listed in Schedule A if applicable, on a non-exclusive basis to collect the premiums or enrollment fees for GAP insurance from, and to issue such coverage(s) on the Company's forms and at its rates, rules, regulations, and instructions to certain eligible Borrowers/Lessees of Producer, hereinafter called Creditor/Policyholder, and to their affiliates according to the terms of the Policy issued to Creditor/Policyholder and the following terms and conditions:

1. Producer agrees to collect from Creditor/Policyholder the premiums or enrollment fees, complete and deliver evidences of insurance to Borrowers/Lessees in accordance with the Company's rules and instructions and not to alter or waive the conditions or provisions of any coverage.
2. Producer agrees to cause it and its employees to comply with the insurance laws and regulations of the state in which Borrowers/Lessees are enrolled for GAP coverage under the umbrella of this Agreement.
3. Circulars, advertisements, or other promotional materials pertaining to business written under this Agreement must be approved in writing by the Company prior to use.
4. The Creditor/Policyholder agrees to submit to the Company, by the 10th of each month, a report of business written the preceding month accompanied by all evidences of insurance terminated by cancellation and copies of all evidences of insurance issued by the Creditor/Policyholder during such calendar month.
5. Producer agrees to remit and pay to Company at its administrative offices, with the production report the amount of premiums or enrollment fees due and owing from Creditor/Policyholder for coverage written. All funds received by Producer, for or on behalf of Company shall be kept entirely separate and distinct from other funds and be held on a fiduciary basis and shall not be co-mingled for use by the Producer for any other business or personal purpose.
6. Company agrees to pay to Producer and Producer agrees to accept as full compensation for all expenses and services of every kind under this Agreement, a commission of \_\_\_\_\_ of the retail premium for each evidence of insurance issued and for which accompanying enrollment fees or premiums are collected and written at Company's published rates less unearned compensation as a result of cancellations.

Producer agrees that all compensation allowed to any sub-representative of Producer shall be deducted by Company from the compensation otherwise allowed by this Agreement. Any indebtedness or obligation of Producer to Company under this or any other contract with the Company or its affiliates shall be an offset and/or lien against service fees payable under this Agreement.

7. Producer agrees to refund to Creditor/Policyholder the unearned premiums or enrollment fees, in accordance with Company's refund schedules, on all evidences of insurance cancelled. Upon receipt of evidence of the cancelled business, the Company will credit Producer's account with the proper portions of premiums or enrollment fees less compensation earned on such certificates.

8. Producer agrees to refund and pay to Company at Deerfield, Illinois, the enrollment fees refunded by Company during the continuance and/or after the termination of this Agreement.

9. Company shall have the sole and exclusive right to adjust and pay benefits arising under business issued under this Agreement and its decision in the adjustment and payment of benefits shall be binding.

10. Unused forms furnished by Company shall remain its property and shall be accounted for by Producer and immediately returned to the Company upon demand.

11. Producer's records pertaining to business transacted under this Agreement shall be subject to inspection at any time by representatives of Company.

12. Company agrees to hold Producer harmless from any and all expenses, costs, causes of action, damages, judgments, attorney fees, penalties or fines (collectively "Indemnified Losses") arising out of or caused by the alleged negligence, willful and wanton misconduct, fraud, dishonesty, forgery, embezzlement, misappropriation or theft (collectively "Wrongful Conduct") of Company or its officers, agents or employees in connection with or arising from Company's performance or non-performance of obligations required under this Agreement. For purposes of the paragraph, none of the acts, omissions or representations of Producer or its affiliates, employees or other representatives shall be regarded as those of Company. No action or inaction on the part of Company shall be found to constitute Wrongful Conduct to the extent the legal standard used to measure Company's conduct had not been made reasonably clear prior to the time of Company's action or inaction.

Except to the extent that Company has indemnified Producer herein, Producer agrees to indemnify and hold Company harmless from and against any and all Indemnified Losses relating in any way to any transaction contemplated by or relating to this Agreement or any prior agreement covering the same subject matter. Without limiting the foregoing, Producer agrees to assume sole responsibility for Producer's alleged negligent or wrongful acts. Negligent acts include but are not limited to allegations of or claims of the following: issuance of coverage not in conformance with underwriting guidelines; physical loss of evidence of coverage; failure to promptly submit evidences of insurance; failure to promptly remit premium; failure to promptly make refunds; failure to notify Company of early loan terminations; failure to promptly process rejected risks; failure to promptly notify Company of claims; failure to maintain appropriate licenses; or failure to maintain a separate trust account when required by law, regulation or agreement.

Producer and Company shall be bound by the terms of this Article 12 notwithstanding termination of this Agreement.

13. Any assignment of compensation payable under this Agreement shall not be valid unless authorized in writing by the Company.

14. This Agreement may be terminated by either party, without being held for damage therefore, by giving the other party thirty (30) days notice of termination in writing. Termination shall not affect obligations as to the run-off of business placed under this Agreement.

15. The parties agree that this Agreement shall be treated as a joint agreement under Title V (Privacy) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) and regulations promulgated pursuant thereto. No party shall disclose or use nonpublic personal information about consumers or customers that it receives from the other party except to carry out the purposes for which the disclosing party disclosed such information, which may include disclosures on the part of the receiving party pursuant to an exception to the notice and opt-out requirements established under the laws cited in this paragraph. Each party shall apply the protections of an appropriate and effective information security program to such information as may be required by law in light of the relationship described in this paragraph.

16. This Agreement contains the entire contract between the parties and supersedes all previous agreements entered into between the parties on this subject matter. No modification of this Agreement shall be valid unless in writing and signed by a duly authorized Company representative.

This Agreement, when signed by an officer of the Company, shall be effective as of the date written above:

Producer: \_\_\_\_\_  
(See Schedule A, if applicable)

Company: Lyndon Property Insurance Company

Producer Representative: \_\_\_\_\_  
*Signature*

Company Representative: \_\_\_\_\_  
*Signature*

Title: (Corporate Officer or Partner) \_\_\_\_\_

Title (Corporate Officer): \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_