

Anchor Bay

ANCHOR BAY INSURANCE MANAGERS, INC.
SURPLUS LINES BROKERS/UNDERWRITERS

Flash-Unit.com ⚡

**** Anchor Bay is now licensed in 13 western states!!! ****

Dear Agent:

Thank you for your interest in Anchor Bay Insurance Managers, Inc. / Flash-Unit.com. We are able to offer a quotation but cannot bind coverage without a signed Agency Agreement.

This PDF contains all the necessary forms, and instructions on how to submit required information to us, so that we may process your Application for Appointment and Producers Agreement in a timely manner. There is also a couple of pages on how we do business as your Managing General Agent.

Your interest in Anchor Bay is greatly appreciated and your inquiry for an appointment will be treated expeditiously. We look forward to serving you.

Fax the following items to (866) 557-8609 or scan and email them to

scabbell@surpluslines.com

1. The first and last page (completed) of the Producers Agreement
2. The Application for appointment (completed)
3. Agency licenses for all states your agency will be writing business with us
4. Contact information, license number/state and email address for all P&C agents
5. Dec page of E&O insurance
6. Completed W-9, and,
7. Current Financial Statement (If your agency has been in business for less than 5 years)
8. **OPTIONAL**: If you would like access to our on-line system for printing Certificates of Insurance and Additional Insured endorsements, then also complete, sign and return the "Producers Agreement – Amendment (optional)"

You will be notified via email or fax as soon as your appointment has been approved.

Note: If there is more than one location and all locations work under the same Tax ID and E&O Insurance then you only need to complete one producer's agreement. However, you must then complete pg2 of application for appointment for each location with the individual location addresses, agency license(s) if different than main location, names, contact information and license numbers for all producers writing under this agreement. If each location is independent of the other then an agreement package must be completed and submitted by each office.

SurplusLines.com

Flash-Unit.com -- Portal to On-Line and Next Business Day Quoting

Insurance-Applications.com -- #1 "insurance applications" result on Google and others

PO Box 2510, Silverdale, WA 98383
Phone: 800 / 929-9560 Fax: 800 / 929-9794
email scabbell@surpluslines.com

CA License #: 0D73866



Anchor Bay Insurance Managers, Inc.

Surplus Line Brokers / Underwriters

APPLICATION FOR APPOINTMENT

(Appointment subject to management approval. All applications are subject to a credit check. Incomplete applications will delay processing.)

Agency Name/DBA: _____

circle one: Corporation // LLC, one owner // LLC, multiple owners // LLP // Partnership // Sole Proprietor

Number of years this agency has been in business _____

Amount of Property/Casualty business written premium? _____

What is the split? Property/Casualty: _____ Personal/Commercial: _____

Total written premium place with General Agencies? _____

Physical address of agency: _____

Mailing address (if different): _____

City: _____ State: _____ Zip Code: _____

Phone: _____ E-mail: _____

Main Fax: _____ Web Site: _____

Primary Contact: _____ E-mail: _____

Accounting Contact: _____ Tax ID Number: _____

How many branch locations? _____ Which location is the main office? _____

- Is accounting independent or centralized? _____
- If accounting centralized, in which location is accounting processed? _____

Has this agency ever done business or been known as/under any name other than the name listed above? If yes, list name(s): _____

NOTE: The following questions apply to any name the above agency is or has been known.

1. Have you/any of your employees ever been requested to appear in court, before any public official, committee of any professional or business organization, or otherwise, because of criticism of any conduct relating to insurance or otherwise? _____
2. Has a license pertaining to any type of insurance-related activity held by you/any employee ever been revoked, suspended or withdrawn by any regulatory authority? _____
3. Has a license pertaining to any type of insurance-related activity held by any person, partnership or organization with which you or any owner or officer has been affiliated ever been revoked, suspended or withdrawn by action of any regulatory authority? _____
4. Have you/any of your employees been fined, admonished, discipline or ordered to discontinue a business practice or conduct by any regulatory authority, court or public official? _____

(If any answer to the above questions "Yes", please provide a detailed explanation)

*Please list personnel contact information and P&C License numbers for each location on the next page.



Anchor Bay Insurance Managers, Inc.
Surplus Line Brokers / Underwriters

***Producer & Assistant Contact Information**

Please complete a separate sheet for each location you want included under this appointment

Office / Branch location: _____ Office / Branch contact person: _____

Mailing address for this location: _____

Physical address for this location: _____

Phone number for this location: _____

Fax number for this location: _____

Name: _____

E-mail: _____

Title: _____

Lic.# & State: _____

Name: _____

E-mail: _____

Title: _____

Lic.# & State: _____

Name: _____

E-mail: _____

Title: _____

Lic.# & State: _____

Name: _____

E-mail: _____

Title: _____

Lic.# & State: _____

Name: _____

E-mail: _____

Title: _____

Lic.# & State: _____

(the following portion only needs to be completed once)

Please list your top 3 Wholesale Brokers / General Agents & approx. premium volume:

Name: _____

Volume: _____

Volume commitment to Anchor Bay in first 12 months: \$ _____

Would you like to be included in the Agent Referral section of our website? YES _____ NO _____



ANCHOR BAY INSURANCE MANAGERS, INC.
SURPLUS LINES BROKERS/UNDERWRITERS

PRODUCERS AGREEMENT

THIS AGREEMENT is made and entered into by and between

Agency/Brokerage: _____

Address: _____

City: _____ State: _____ Zip Code: _____

hereinafter referred to as the "Producer" and ANCHOR BAY INSURANCE MANAGERS, INC., hereinafter referred to as "ABIM."

RECITALS

1. ABIM has access to insurance carriers (the "Carriers") with which Producer generally, but not always, has no relationship.
2. ABIM wishes to provide and Producer desires to acquire access to insurance provided by the Carriers on the terms and conditions contained herein.

Now, therefore, ABIM and the Producer agree hereto as follows:

AGREEMENT

Section A: Access to Insurance

ABIM will provide Producer with access to the insurance provided by the Carriers on the terms and conditions contained herein.

Section B: Licensing

The Producer shall comply with the licensing laws of the state(s) wherein the Producer resides and produces business. The Producer warrants that it will not submit to ABIM any type of insurance for which the Producer is not legally licensed nor shall it submit to ABIM any risk which is domiciled in a state in which the Producer is not legally licensed.

Section C: Limited Authority

The Producer has no authority, express or implied, to bind or otherwise obligate ABIM, its employees, officers or directors or the Carriers, in any respect, including but not limited to effecting coverage or changing the terms or conditions of a quotation, binder, certificate of insurance, policy or endorsement. In the event that the Producer binds or otherwise obligates ABIM, its employees, officers or directors or the Carriers, in violation of this provision, the Producer agrees to reimburse ABIM and/or the Carriers for all expenses, including but not limited to any attorney fees and court costs incurred in collecting such reimbursements, resulting from such violation.

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The Producer understands and acknowledges that coverage ordered through ABIM is not effective until such time as ABIM and/or the Carrier issues written confirmation to the Producer indicating that coverage has been bound.

Section D: Commissions

ABIM will allow Producer commissions, calculated as a percentage of premium only, at such rates as are agreed from time to time by the parties hereto. The Producer shall refund commissions on all return premiums at the same rate at which that commission was originally earned.

The Producer agrees to forfeit all commissions on additional premiums developed at premium audit if such audit is returned by the Producer as "uncollectible," even if such additional premium is subsequently collected, provided that the audit is returned within the Carrier mandated time frame and provided further that the return is made in accordance with Carrier mandated procedures and conditions.

The Producer understands and acknowledges that Broker fee, inspection and certain other fees incurred by ABIM and/or Carrier are fully earned at binding and shall be paid by Producer, and, in the event of policy cancellation, are not subject to adjustment.

Section E: Errors and Omissions Coverage

Each party requires that the other carry, and agrees to carry themselves, Errors and Omissions coverage, with a limit of no less than \$1,000,000 each claim/annual aggregate. (As of August 1, 2000, Anchor Bay carries \$5 million / \$5 million).

Section F: Established Business Relationship / E-Mail Access to Employees

The Producer and ABIM agree that they have an "established business relationship" within the meaning of Telephone Consumer Protection Act (47 U.S.C. Section 227) or similar state or federal acts and that ABIM is authorized to transmit to the Producer and Producer's employees, by telephone, fax or e-mail, such product information as ABIM thinks may be of interest to the Producer. Producer agrees to not hinder e-mail access to employees through the use of "spam" blocking software unless the settings on such software are set so as to allow messages from ABIM to directly pass through to the intended recipient.

Section G: Minimum and Deposit Premiums

ABIM frequently provides quotations and policies to the Producer, that contain either a "Minimum Earned Premium" provision or a "Minimum and Deposit Premium" provision (by those or similar names, as defined in the policy and as required by state law, if applicable) or both. The Producer agrees to advise affected clients, prior to requesting that coverage be bound, of the full meaning and implication of these provisions.

Section H: Payment of Premium

The Producer agrees to pay to ABIM all premiums, taxes and fees accruing on insurance written no later than 15 days after the end of the month in which the business was bound, or within a reasonable time frame specified by ABIM before the policy is bound, if earlier. Producer also agrees that premium audits are 100% fully earned and are due and payable upon receipt by Producer.

The Producer specifically agrees that, if it extends credit to a client, then it does so entirely at its own financial risk. The Producer agrees to pay ABIM all sums, including but not limited to minimum earned premiums, taxes and fees, due to ABIM when due, whether or not the Producer has collected such sums from others who may owe it to the Producer.

The Producer agrees to be responsible for all additional premiums and taxes due as a result of premium audits, unless 1) those premium audits are returned as "uncollectible" within the Carrier mandated time frame, such time frame to be set forth in a cover memo transmitting the audit endorsement from ABIM to the Producer, and 2) unless the return is made in accordance with Carrier mandated procedures and conditions, such procedures and conditions to be set forth in a cover memo transmitting the audit endorsement from ABIM to the Producer, and 3) unless no liability for such premiums are imposed upon ABIM.

Section I: Cancellation of Coverage

The Producer acknowledges that no binder, policy, endorsement, certificate or cover note may be canceled "flat" (as the term is used in the Carrier contracts) without the approval of ABIM and that cancellations will not be effective until such time as required notice has been given to mortgages, certificate holders or others with a right of prior notice.

Section J: Notice of Expiration

The Producer acknowledges that, unless required by policy language, ABIM is under no obligation to give the Producer advance notice of the expiration of any policy of insurance. While ABIM may give such notice as a regular business practice, the Producer acknowledges that the practice is a courtesy and is not a requirement and agrees that no liability will extend to ABIM for its failure to extend this courtesy in any particular situation.

Section K: Ownership

Both parties to this agreement expressly recognize the independent ownership by the Producer of the insurance business placed under this agreement. In the event that ABIM elects to cancel this agreement for violation of its terms by the Producer, the Producer relinquishes all rights or claims to the ownership of commissions owed (if any) and subsequent renewals (and commissions thereon), but only to the extent necessary to satisfy debts owed to ABIM by the Producer.

Section L: Producers Warranty

The Producer warrants that it is properly licensed for the types of insurance and the lines of coverage to be produced under this agreement.

Section M: Miscellaneous Provisions

1. The Producer has no authority to handle claims other than to notify ABIM and/or the Carrier of their occurrence. Producer agrees to provide such notification, due immediately upon learning of the occurrence.

2. No act or statement of the Producer shall in any way be binding on ABIM, its employees, officers or directors or the Carriers unless the Producer shall have received prior written approval from ABIM to so act or so state.

3. Actual or constructive notice or knowledge to Producer of any fact material to the continued insurability, exposure, coverages, policy form or pricing of any placement does not constitute notice to ABIM, its employees, officers or directors or the Carriers and must be immediately communicated to ABIM, its employees, officers or directors or the Carriers.

4. The Producer shall be responsible for all of its expenses.

5. The Producer is not an employee or authorized representative of ABIM, its employees, officers or directors or Carriers, and nothing contained herein shall be construed to create a partnership or joint venture between ABIM and Producer.

6. The Producer shall not place any advertisement respecting ABIM, its employees, officers or directors or Carriers in any publication, or issue or distribute any circular or paper referring to ABIM, its employees, officers or directors or the Carriers without the prior consent of ABIM (or Carriers, if applicable) in writing. In case of unauthorized action of the Producer, the Producer agrees to pay all costs and damages arising there from.

Section N: Profitable and Mutually Beneficial Professional Relationship

Producer understands and agrees that ABIM seeks a profitable and mutually beneficial professional relationship. ABIM reserves the right, whenever it feels appropriate and formally or informally, to review the performance of Producer and, where it feels appropriate, terminate or limit the scope of the business relationship. Such review may include, but will not be limited to, quality of the applications submitted by Producer, the mix of business written by the Producer, the Producer's production, loss history and payment history, or other such matters as ABIM, in its sole discretion, deems appropriate.

Section O: Agreement Cancellation

This agreement may be cancelled at any time by either party with or without cause upon written notice to the other provided, however, that in-force business will continue to be subject to the terms of this agreement until all of ABIM and Producer's obligations under said policy or policies expire.

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Section P: Execution

Execution of this agreement constitutes full agreement and understanding between the parties with each of the sections above. Proper execution requires that, if the Producer is doing business as an individual, then he/she must personally sign the agreement in his/her own name and not in his/her name as an agent. If the Producer is a co-partnership, then this agreement must be executed by the firm and by each member thereof in his/her individual capacity. If the Producer is a corporation, then an authorized corporate officer, acting as such, must execute the agreement.

Section Q: Assignment of Agreement

This Agreement shall not be assignable by any party, except with the written consent of the other parties.

Section R: Governing Law

The parties agree that this Agreement shall be interpreted and governed by the laws of the State of Washington.

Section S: Notices

Any notice or any other communication from one party to the other party pursuant to this Agreement shall be deemed to be received by the receiving party three (3) days after the same shall have been sent to the receiving party by certified or registered mail, return receipt requested, and addressed as set forth below, or as the receiving party may hereafter direct by written notice.

| | |
|-------|-------------------------------------|
| _____ | Anchor Bay Insurance Managers, Inc. |
| _____ | 10049 Kitsap Mall Blvd. Suite # 303 |
| _____ | Silverdale, WA 98383 |

Section T: Waiver

A waiver or failure to enforce any provision of this Agreement, or breach thereof, shall not be construed as a continuing waiver of such provision or breach, nor shall the same constitute a waiver of any other provision or any subsequent breach of the same or any other provision.

Section U: Modification and Amendments

No amendments or modifications relating to the subject matter of this Agreement shall be binding and enforceable unless in writing and signed by the affected parties hereto.

Section V: Interpretation and Severability

The article and paragraph headings contained in this Agreement have been included solely for reference purposes and shall not affect, or be used in connection with, the construction or interpretation of this Agreement. Each separate paragraph shall be treated as severable to the end

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that if one or more of such paragraphs shall be judged or declared illegal, invalid, or unenforceable, this Agreement shall be interpreted, and shall remain in full force and effect, as if such paragraphs had never been contained in this Agreement.

Section W: Entire Agreement

This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and may not be modified or amended except as provided in Paragraph "U" above.

Section X: Arbitration

X.1 The parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letterform to the other party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within five days with a statement of its position on and recommended solution to the dispute. If the dispute is not resolved by this exchange of correspondence, then representatives of each party with full settlement authority will meet at a mutually agreeable time and place within ten days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute. If the dispute is not resolved by these negotiations, the matter will be submitted to JAMS, or its successor, for mediation in Tacoma, Washington.

X.2 The parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to JAMS, or its successor, for mediation, and if the matter is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS' panel of neutrals, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or 45 days after the date of filing the written request for mediation, whichever occurs first. The mediation may continue after the commencement of arbitration if the parties so desire. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The provisions of this Clause may be enforced by any Court of

competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys fees, to be paid by the party against whom enforcement is ordered.

X.3 Any dispute, claim or controversy arising out of or relating to this Agreement or breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by arbitration in Tacoma, Washington, before a sole arbitrator, in accordance with the laws of the State of Washington for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. The arbitrator shall, in the Award, allocate all of the costs of the arbitration (and the mediation, if applicable), including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail.

Section Y: Attorney's Fees

Should any litigation be commenced between the parties hereto concerning this Agreement, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees and costs in such litigation, which shall be determined by the court.

Section Z: Filings

A photographic, facsimile, or other reproduction of this Agreement or of a financing statement signed by the Debtor, shall be sufficient as, and may be filed as, a financing statement.

1. Facsimiles and Counterparts: A facsimile of a signature, or copy thereof may be considered to be an original of this agreement. To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signatures on behalf of all parties appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single agreement.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed all on the day and year first above written.

EXECUTED this _____ day of _____, 2006.

If the Producer is doing business as an INDIVIDUAL, name and signature of the individual:

Name: _____ Signature: _____

If the Producer is doing business as a PARTNERSHIP or JOINT VENTURE, name and signatures of the partners or joint venturers:

Name: _____ Signature: _____
Name: _____ Signature: _____

Underwriters:

Name: _____ Signature: _____
Name: _____ Signature: _____
Name: _____ Signature: _____
Name: _____ Signature: _____

If the Producer is doing business as a CORPORATION, name and signature of the corporate officer:

Name: _____ Signature: _____
Name: _____ Signature: _____

On behalf of ABIM, William H. Tanner, President / CEO: _____

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

| | |
|--|---|
| Name (as shown on your income tax return) | |
| Business name, if different from above | |
| Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶ | |
| Address (number, street, and apt. or suite no.) | Requester's name and address (optional) |
| City, state, and ZIP code | |
| List account number(s) here (optional) | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

| |
|--------------------------------|
| Social security number |
| or |
| Employer identification number |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Producer Agreement – Amendment (optional)

Online Certificate of Insurance & Additional Insured Endorsement Issuance System @ Insurance-Certs.com©

Following is an optional Amendment to the Producers Agreement. It is not required that you agree to the terms of this agreement in order to secure or retain an appointment with Anchor Bay. You only need sign the Amendment if you wish to take advantage of an exciting new offering that is, to our knowledge, available only at Anchor Bay.

With your signature, you will be able to access Insurance-Certs.com and from that site, you will be able to print both Certificates of Insurance and, in most cases, Additional Insured Endorsements (where we hold the authority to issue such endorsements) – all in real time, on a 24/7 basis.

Why is this a big deal?

Every Agent E&O Seminar out there admonishes you to not rely upon adding Additional Insured language to a Certificate of Insurance. Doing so does not add the restrictions and limitations of the actual endorsement and, as a result, opens you up to a lawsuit should the endorsement not apply.

But the problem is, General Agents struggle (and often fail) to provide the necessary endorsement in a timely fashion. Often, they haven't even issued the policy yet. Endorsing a policy that hasn't been issued is next to impossible – policy issuance software rarely is designed to anticipate the need.

As a result, your Insured:

- may be thrown off a job site,
- may have their license suspended,
- may not be able to be paid, or
- may be denied a job that they otherwise would have secured.

And who gets the blame? You do!

Only at Anchor Bay, and only if you sign and return the Amendment separately or with your appointment papers, will you have the ability to meet your Insured's Certificate and AI needs seamlessly. And who gets the credit? You get that as well!

For additional details about this capability, please visit our website at surpluslines.com and click on Certs/AIs Online – or go directly to the web page at Insurance-Certs.com.

**Please return the attached to: (Fax): 360-692-0213 or
scan and email to: scabbell@surpluslines.com**

Producer Agreement – Amendment (optional)
**Online Certificate of Insurance & Additional Insured
Endorsement Issuance System (Insurance-Certs.com)©**

This is an Amendment to the Producer Agreement previously entered into between Anchor Bay Insurance Managers, Inc. (ABIM) and _____

ABIM owns and would like to offer, and Producer would like to acquire, access to ABIM's automated "Online Certificate of Insurance & Additional Insured Endorsement Issuance System" (Insurance-Certs.com)© (or, "The System"). The System, which may be accessed at Insurance-Certs.com, is designed to allow Producer a 24 hour a day, seven day a week ability to generate Certificates of Insurances and most Additional Insured endorsements for which ABIM has underwriting authority.

In order to facilitate this mutually beneficial access, ABIM and Producer agree as follows:

1. Producer allows ABIM to upload to its web site confidential information on accounts belonging to Producer so that Producer may access that information and avail itself of the aforementioned abilities. ABIM agrees to password protect the account information that it uploads to its web site. Subject to the terms of this Amendment, ABIM allows Producer to print Certificates of Insurance and, subject to eligibility guidelines, to print Additional Insured endorsements through The System.
2. ABIM and Producer understand that there will be times when The System is not operating, due to problems experienced by the web site host, ABIM programming issues or for other reasons. ABIM makes no warranty that The System will always be operational and Producer waives liability against ABIM for damage suffered when The System is not operational.
3. ABIM and Producer understand that there may be times the data that is input into The System, whether by ABIM or Producer, may not be correct. Producer takes sole responsibility for reviewing all documents printed through The System for accuracy and agrees to hold ABIM harmless for liability arising out of documents containing incorrect data that are released by Producer.
4. ABIM and Producer understand that no system is entirely free from outside hackers. ABIM will make usual and customary efforts to protect the site from hackers. Producer waives liability against ABIM as a result of damage caused by hackers.
5. ABIM and Producer agree that ABIM may withdraw The System, or may withdraw Producer's ability to access The System at any time and for any reason, without penalty.
6. ABIM and Producer agree that, except for Insurance Company and State Regulator audits and presentations, and except under court order, the only people who will be allowed to view The System in operation will be active employees of ABIM and Producer and employees of

the Insurance Companies which are or may be included in The System. Producer agrees to never demonstrate or otherwise share the details of The System's operation with – including but not limited to “over the shoulder” demonstrations of its operation for – competitors of ABIM.

7. ABIM agrees to designate, and re-designate as needed, an employee as an “Account Administrator” – such administrator being responsible for administering the addition, deletion and modification of ABIM's own employee-users and their passwords, as needed. ABIM understands that a failure to properly administer employee-user accounts may compromise the confidentiality of Producer's client information. As such, ABIM agrees to include a user-termination procedure in its employee termination procedures and to follow such procedure when an employee leaves ABIM's employ.
8. ABIM agrees to indemnify Producer and to hold Producer harmless for liability arising out of ABIM's sole negligence.
9. Producer agrees to designate, and re-designate as needed, an employee as an “Account Administrator” – such administrator being responsible for administering the addition, deletion and modification of Producer's own employee-users and their passwords, as needed. Producer understands that a failure to properly administer employee-user accounts may compromise the confidentiality of Producer's client information. As such, Producer agrees to include a user-termination procedure in its employee termination procedures and to follow such procedure when an employee leaves the Producer's employ. For purposes of initial set up and administration, Producer appoints the following employee as Account Administrator:

Name: _____

Email Address: _____

Phone / Extension: _____

10. Producer agrees to indemnify ABIM and to hold ABIM harmless for liability arising out of Producer's sole negligence.

IN WITNESS WHEREOF, the parties hereby execute this amendment to the Producer Agreement.

For Anchor Bay Insurance Managers, Inc.

For Producer

By _____

By _____

Printed Name: William H. Tanner, CPCU, AU, ASLI

Printed Name: _____

Title: President & CEO

Title: _____

Date: _____ 2009

Date: _____ 2009



Anchor Bay Insurance Managers, Inc.

New Agency Information and Instructions

Please read this information. If you have not worked often with Managing General Agents, it will be very useful in effectively and quickly getting the information you need for your insureds. It will also clear up many of the accounting questions you may have. If you have any further questions, please do not hesitate to give us a call.

BINDING AUTHORITY POLICIES

(ABIM underwrites and authorizes coverage on behalf of the insurance company)

Steps:

1. Agent submits an application to ABIM
2. ABIM underwriter evaluates the risk, creates a quote and submits to the agent for the insured's review and acceptance.
3. Agent submits an "Order to Bind" in writing along with any collateral material required and a check for the down payment if the policy is financed. (See "Financing Available" below)
4. ABIM creates a Binder and Invoice which is sent to the Agent.
5. Unless financed, Agent collects the full amount on the invoice from the insured and pays ABIM with a check from the Agent's Trust Account. You will withhold your commission from the payment and send ABIM the Net amount listed on the invoice.
6. Policy is created by ABIM and mailed to the agent for distribution to the insured.
7. The agent will receive a statement the first of each month recapping all the transactions submitted the previous month. All items on the statement must be paid by the 15th of the month or the insureds will receive Notices of Cancellation.

BROKERAGE POLICIES

(Insurance company underwrites the risk and issues all policy documents)

Steps: The process is the same as Binding Authority, with these exceptions:

1. There is a shorter period of time to pay brokerage policies. The INVOICE sent with the Binder is to be paid within 15 days, so you must collect from the insured as soon as he accepts the quote. We cannot pay the carrier until we receive the money from the agent. If the carrier does not receive its funds within 15-20 days, they will automatically issue a Notice of Cancellation. This tight timing is customary practice with all brokerage carriers.
2. Brokerage policies can be financed as well, thus the down payment, plus the signed finance agreement must reach ABIM within 15 days.

PREMIUM FINANCING

Anchor Bay Insurance Managers offers premium financing for your insured's convenience. The steps are simple:

1. You probably received a premium finance contract with the insurance quote we sent to you. If not, call and obtain a premium finance quote and contract. All the financial details will be filled in on the contract.

2. Review this with the insured. If the insured agrees, both you and the insured sign the contract.
3. Collect the down payment from the insured, withhold your commission and send us the balance in a Trust Account check.
4. Fax the signed contract to ABIM right away (to assure funding is timely) **Fax # 360-692-0213**.
5. Mail to ABIM your trust check for the down payment and the original signed contract. Use the post office box for mailing. (PO Box 2510, Silverdale, WA 98383) We must keep the original contract on file in our offices.

Whether you arrange financing on behalf of your client, or use ABIM's financing capabilities, it is your responsibility to review the terms of the agreement with your client and to make sure all premium amounts, fees and taxes are correct as bound. Finance contracts include the assignment of Power of Attorney to the finance company. In the event the finance company requests Notice of Cancellation for nonpayment, the policy is cancelled. If reinstatement is requested, we will try to comply, but cannot guarantee reinstatement.

PAYMENT OBLIGATIONS

Insured

The insured is your customer and you are responsible for collecting any and all monies from the insured. We have no direct contact with the insured¹. We cannot accept checks written by the insured.

You, our Agent

Your signed agency agreement with Anchor Bay states your responsibility is to pay to Anchor Bay all billed amounts, whether or not you have been paid by the insured. Failure to do so may result in termination of your contract or assignment to a collection agency. Your remittance must be in the form of a check drawn on your agency's Trust Account.

Collecting overdue monies

It is our responsibility to pay all binding authority carriers for premiums earned *whether or not* we have collected the money from you, the agent. Our collection efforts must be with you, our agent.

If the insured does not pay you, you must initiate your own collection efforts. ABIM cannot take any direct collection efforts with your insured. The fact that the insured has not paid you does not release you from the obligation to pay ABIM for all *earned* premiums.

How to contact us:

Questions for an underwriter/broker:

Phone: 800-929-9560 (Enter the extension of your Anchor Bay underwriter/broker if you get a recorded message.)

Fax: 800-929-9794

Questions for accounting:

Phone: 360-613-5455 - Extensions 242, 237 or 212

Accounting fax: 360-692-0213

¹ Our only contact with the insured would be fulfilling a regulatory requirement, the certified mailing of any Notice of Cancellation we would issue.