

Applicant Information

Company Name: _____

Contact Name: _____

Phone: _____ Email: _____

Surety Program Payments

You do not need to submit any payment with your Indemnity or online bond application. There is no cost to complete the online application and receive a quote.

Payments are only due after a bond quote is provided to you, should you wish to proceed with the TIA bond. You will need to submit any applicable collateral, deposits and/or application fees before the bond can be put in place.

Level*	Fees and Deposits
Member- \$75,000 and \$100,000 level	\$100 Application Fee, \$100 Renewal Fee
Member - \$250,000 level	\$500 Application Fee, \$500 Renewal Fee
Non-member without personal guarantee \$75,000 level	\$500 Application Fee, \$500 Renewal Fee; A one-time \$1,000 nonrefundable claims deposit applies.
Non-member with personal guarantee \$75,000 level	\$250 Application Fee, \$250 Renewal Fee
Annual Premium	Quote provided upon receipt of completed application

**Some applicants, based on program underwriting, may be required to post collateral*

Fee Agreement

Applicant is submitting a non-refundable application fee herewith, to be applied to the expense of processing the application / renewal. Applicant acknowledges that the fee will not be returned or otherwise credited to the applicant, whether or not the application is approved. Upon approval of an Applicant's qualification to participate and verification of Applicant's compliance with other conditions, the Administrator may request additional fees. A onetime non-refundable \$1,000 Claims Deposit Fee may apply. A \$350 collateral fee may be charged for applicants who post a letter of credit in lieu of cash collateral.

Excess Claims Handling Fees

Applicants hereby agree that they will be charged an **excess claims fee of \$60** for each and every claim received for processing in excess of 6 claims in any annual bond period.

Initials: _____

Terms and Conditions of Surety Undertaking Agreement to Indemnify

The Undersigned hereby declares the truth of the representations herein, and that they are made to induce Avalon Risk Management on behalf of SOUTHWEST MARINE AND GENERAL INSURANCE COMPANY and/or such other sureties that Avalon Risk Management may from time to time represent (hereinafter referred to collectively as the "Surety") to enter into a contract of suretyship by the issuance of the Bond(s) applied for.

The Undersigned agrees that the Surety may decline the Bond(s) applied for or may cancel or terminate same without incurring any liability whatsoever to the Undersigned. The Undersigned also agrees that the surety makes no representations regarding future underwriting requirements, collateral requirements or pricing and that these are subject to change. In consideration of the issuance of the Bond(s) herein applied for, or any Bond(s) in substitution for or in succession of the said Bond(s), or any increase or extension of time of the said Bond(s) or any other Bond or undertaking by the Surety on behalf of the principal whether issued or undertaken prior to or after the date hereof, hereinafter individually or collectively referred to as Bond(s), the Undersigned hereby agrees:

- 1) To hereby authorize the Surety to make such pertinent inquiry as may be necessary from financial institutions, persons, firms and corporations in order to confirm and verify information referred to or listed herein;
- 2) To authorize Avalon Risk Management to provide underwriting information including financial information to the surety and TIA Services
- 3) To pay to the Surety the agreed premium upon execution of the Bond(s) and annually in advance thereafter;
- 4) To furnish the Surety with satisfactory and conclusive termination evidence that there is no further liability on the Bond(s);
- 5) To perform all the conditions of said Bond(s) and will indemnify and save the Surety harmless from demands, losses, costs, damages and expenses, including attorney's and counsel fees deemed necessary by the Surety, which Surety may sustain or incur by reason of the issuance of such Bond(s), or obtaining a release of evidence of termination under such Bond(s). This obligation shall be continuing as to this Bond or any other Bonds or undertaking until Surety's liability is extinguished and Surety has been indemnified;
- 6) That the Surety shall have the exclusive right to adjust, settle or compromise any claim under such Bond(s), unless the Undersigned shall in writing request the Surety to litigate such claim and shall deposit immediately with Surety collateral security satisfactory to the Surety in kind an amount;
- 7) That the voucher or other evidence showing payment made by the Surety in good faith by reason of such Bond(s) or any renewal, extension or substitution thereof shall be conclusive and in any event prima facie evidence of such payment and the propriety thereof and of the liability of the Undersigned therefore to the Surety;
- 8) To the following general provisions:
 - a. Any property which may have been, or may be, pledged as collateral security for any Bonds may, at the Surety's discretion, be retained as collateral security on any Bond falling under the scope of this Indemnity Agreement, whether or not executed, and whether or not executed or reinsured by the Surety, and for the full and complete performance of the Undersigned's covenants under this Indemnity Agreement. In the case of any breach of the Undersigned's covenants, or in case the Surety finds it necessary to raise money to meet any actual or prospective claim or demand under any Bond, or to pay any expense incurred in connection therewith, the Surety has full power and authority, without notice to the Undersigned, to negotiate or redeem any checks or certificates of deposit, or to draw upon any letters of credit, and to use any or all of the proceeds, in order to protect itself against loss, costs, damages, attorneys' fees and expenses. After deducting all legal and other costs, and all loss, costs, damages, attorneys' fees and expenses, and all premiums due the Surety for any Bond or Bonds, the Surety shall return the remainder of the collateral, if any, to the person or persons legally authorized to receive it. We will contact You at the name and address provided when the collateral may be returned. It is the principal's obligation to notify us of any change of address. If we are unable to contact you, funds that we continue to hold on your behalf will become subject to a maintenance fee of 1.5% per month effective as of the return date of undeliverable certified mail to your last known address. The Surety shall not be responsible for any loss to the property from any cause other than the act or neglect of its officers or employees. The Surety shall not be responsible for paying interest, or loss of interest, to depositor or any other party on such deposits;
 - b. The Principal agrees to give the Surety prompt written notice of any and all facts which may give rise to any action against the Surety relating to any Bond. If the Principal fails to petition, protest, defend, or settle any such action taken by the Obligor, pursuant to the Bond, the Principal agrees that the Surety may petition, protest, defend, or settle such action to protect its interests by whatever means it considers appropriate. The determination as to whether any such action is petitioned, protested, defended or settled is binding and conclusive upon the Principal, and the result of any such petition, protest, defense or settlement is binding in whole or in part, as if it were the act of the Principal. Evidence of payment is prima facie evidence of the fact and extent of the Principal's liability to the Surety. Liability hereunder extends to, and includes, the full amount of any and all monies paid by the Surety in settlement or compromise of any action, in good faith under the belief that it was liable therefore, whether liable or not, as well as any and all disbursements for attorneys' fees, costs, and expenses as aforesaid, which may be made under the belief that such were necessary, whether necessary or not. The Principal understands that any action taken to petition, protest, defend or settle any action by the Obligor under the Bond, whether the action is initiated by the Principal or the Surety, does not excuse the Principal from the timely payment of bills for the Bond or for amounts paid in pursuance thereof.
- 9) The Undersigned further agrees to reimburse the Surety for all expense, counsel and attorney fees incurred by the Surety in enforcing any provision of this agreement; and
- 10) To agree to the following general provisions:
 - a. I have read the application and indemnity agreement and understand and accept the terms and conditions set forth herein.
 - b. I warrant that any misrepresentation on the application, whether innocent or intentional, can result in Bond termination.
 - c. I understand that I will be notified by Avalon Risk Management of approval of the Bond and that this application does not, in any way, guarantee approval of my Bond application.
 - d. I agree and understand that I will be held accountable and responsible for abiding by the terms and conditions set forth in any Bond form issued by Avalon Risk Management.
 - e. I understand and agree that I must notify Avalon Risk Management of the termination or lapse in my coverage within 10 business days from the cancellation or expiration date.
 - f. I agree to notify Avalon Risk Management immediately of any Federal, or State investigations and of any claim or suit against my Bond(s).

Regardless of the date this Indemnity Agreement is signed, it is effective as of the date of the execution of the above mentioned

Bond(s). Dated ___ day of _____ 20__ .

Initials: _____

Signature/Acknowledgement

The undersigned being authorized by and acting on behalf of the applicant must read and initial the following statements:

Please Initial each line.

- _____ 1. I have read the application and indemnity agreement and understand and accept the terms and conditions set forth herein.
- _____ 2. I warrant that any misrepresentation on the application, whether innocent or intentional, can result in Bond termination.
- _____ 3. I understand that I will be notified by Avalon Risk Management of approval of the Bond and that this application does not, in any way, guarantee approval of my Bond application.
- _____ 4. I agree and understand that I will be held accountable and responsible for abiding by the terms and conditions set forth in any Bond form issued by Avalon Risk Management.
- _____ 5. I understand and agree that I must notify Avalon Risk Management of the termination or lapse of any Contingent Cargo, Errors & Omissions, Contingent Auto and/or General Liability insurance coverage within 10 business days from the cancellation or expiration date.
- _____ 6. I agree to notify Avalon Risk Management immediately of any Federal or State investigations and of any claim or suit against my Bond(s).

Signatures

COMPLETE AND SIGN IN TIDS BOX IF YOU ARE A INDIVIDUAL/PROPRIETORSHIP *If married, signature of spouse is required

Name of Individual	Signature	Date of Birth:	YOUR CORPORATE SEAL (if available)
		Social Security#:	
Name of Spouse	Spouse's Signature	Date of Birth:	
Home Address:		Social Security#:	

COMPLETE AND SIGN IN TIDS BOX IF YOU ARE A PARTNERSHIP

Name of Individual/ Partner Title:	Signature	Date of Birth:	YOUR CORPORATE SEAL (if available)
	Home Address:	Social Security#:	
Name of Individual/ Partner Title:	Signature	Date of Birth: Social	
	Home Address:	Security#:	

COMPLETE AND SIGN IN TIDS BOX IF YOU ARE A CORPORATION OR LLC

Company Name	Authorized Signature from corporate officer (e.g., President)	Title	YOUR CORPORATE SEAL (if available)
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THIRD-PARTY INDEMNITY (If requested by the surety)

ANY ADDITIONAL INDEMNITORS MUST SIGN BELOW

In consideration of executing the Bond(s) applied for by Applicant, the Undersigned, now referred to as Indemnitor(s), acknowledge(s) that the above Indemnity Agreement has been read and the Indemnitor(s) is (are) aware of the contents of the Indemnity Agreement. The Indemnitor(s) agree(s) to be bound by the Indemnity Agreement to the same extent as the Applicant. The obligation imposes individual liability on the Indemnitor(s) as well as joint liability with the Applicant. The Indemnitor(s) has (have) sufficient interest in the performance of this obligation to execute this agreement and is (are) fully empowered to exercise this agreement.

FOR PERSONAL INDEMNITY, COMPLETE AND SIGN BELOW

***If married, signature of spouse is required**

Name of Individual	Signature	Date of Birth:
		Social Security#:
Name of Spouse	Spouse's Signature	Date of Birth:
Home Address:		Social Security#:

COMPLETE AND SIGN IN TIDS BOX IF YOU ARE A CORPORATION OR LLC

Company Name	Authorized Signature from corporate officer (e.g., President)	Title
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