

Guidelines for Completing and Signing a Form 10 Application For Bond—Any Kind and Form 10-E—Easy Application



COMPLETE APPLICABLE SECTION ON REVERSE

CNA SURETY For Office Use Only

Form 10 APPLICATION FOR BOND—ANY KIND

Application Number: _____

Individual Partnership Corporation Limited Liability Company Limited Liability Partnership

Applicant (For Partnership, give full names of partners and trade name) Please print or type: _____ Social Security # _____ Age _____ Married Single

Residence Address (Street and Number) (City) (State) (Zip) (Telephone #) _____

Business Address (Street and Number) (City) (State) (Zip) (Telephone #) _____

Occupation or business _____ How long so engaged? _____ Previous Surety Yes No If yes, give name and reason for change.

Type of Bond _____ Amount of Bond _____ Effective Date _____

Complete name and address of Obligor _____

FINANCIAL STATEMENT of as of _____
 Check one: Business Financial Statement Personal Financial Statement

ASSETS		LIABILITIES	
Cash (List Banks)		Accounts Payable	
Stocks + Bonds — Describe		Taxes due & accrued	
Notes Receivable — Describe		Notes Payable to Bank	
Merchandise or Material in Stock		Mortgage on Real Estate (Describe) _____ A	
Accounts Receivable		Mortgage on Real Estate _____ B	
Real Estate, Homestead	A	Other Liabilities — Describe	
Real Estate, Investment	B	TOTAL LIABILITIES	
Furniture and Fixtures		Capital Stock (Paid in)	
Other Assets — Describe		NET WORTH OR SURPLUS	
TOTAL ASSETS		TOTAL Liabilities and Net Worth	
Gross Sales - Two Years Ago _____	Last Year _____	Net Income - Two Years Ago _____	Last Year _____

INDEMNITY

The undersigned applicant and indemnitors hereby request Western Surety Company of any affiliated company (with such company/companies referred to herein as the "Company") to become surety for the above bond. The undersigned hereby warrant that all information in this application, including the foregoing, is true and correct to the best of their knowledge and belief, and that they are not providing any false or misleading information in any way.

(1) To sign the usual program, including renewal programs, the Company or its agent, which is:

(a) to establish INDEMNITY the Company from and against the liability, loss, and expense that the Company shall incur and expense whether or not the Company shall at any time obtain or enjoy or by reason of having been wronged or otherwise liable for or for any other bond issue or for the performance of any contract or agreement, or in obtaining a release or release of surety, and such liability or expense or other such liability, loss, expense, damage, delivery, first and expense, or claim to be made, by the obligee of the Company;

(2) to indemnify the Company with sufficient and conclusive information evidence that there is no further liability on this bond or any other bond issued for application;

(3) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(4) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(5) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(6) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(7) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(8) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(9) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(10) to sign the Company's bond in its own name or in the name of any other bond issued for application;

(11) In the event of any payment by the Company, to pay the Company's cost on such conditions as the obligee may require from the obligee and applicant or co-obligor.

Agency _____ Address _____ City _____ State _____ Zip _____

Agent's Code _____

AGENT'S RECOMMENDATION

Your recommendation will be helpful and may be the difference between getting a refusal or having the bond written. Tell us what you know and think of the applicant.

AGENT: Check here if this correspondence was previously faxed to CNA Surety.

Form 10-0-2003 © WSCA 2003

We have examples showing five ways to sign an application.

- INDIVIDUAL OR SOLE PROPRIETORSHIP**
 Complete Section One ① in the Individual's name showing the business trade name, if there is one, e.g. John Doe DBA Doe Company.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title
John Doe "Indemnitor"
Jane Doe "Indemnitor"

NOTE: Personal indemnitors should sign their names before the word "indemnitor".
- PARTNERSHIP**
 Complete Section One ① using the full names of all partners indicating the business trade name, e.g. John Doe and James Doe DBA Doe Company.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title
John Doe "Indemnitor"
James Doe "Indemnitor"
Jane Doe "Indemnitor"
Ann Doe, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".
- CORPORATION**
 Complete Section One ① using the name of the corporation only, e.g. Doe Corporation, Inc.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title
John Doe, President "Indemnitor"
John Doe "Indemnitor"
James Doe "Indemnitor"
Jane Doe "Indemnitor"
* Ann Doe, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

* In some cases the owners' spouses may also need to sign.
- LIMITED LIABILITY COMPANY (LLC) OR PARTNERSHIP (LLP)**
 Complete Section One ① in the name of the limited liability company or partnership only, e.g. Doe Company, LLC or Doe Company, LLP.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title
John Doe, Manager "Indemnitor"
John Doe "Indemnitor"
James Doe "Indemnitor"
* Jane Doe "Indemnitor"
* Ann Doe, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

* In some cases the members/owners'/partners' spouses may also need to sign.
- OUTSIDE INDEMNITY (Relatives, Friends, etc.)**
 Complete Section One ① in the applicant's name following (a), (b) or (c) above.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title
John Doe "Indemnitor"
Jane Doe "Indemnitor"
John Henry "Indemnitor"
Joseph Smith, Indemnitor

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

HELPFUL HINTS

- INDIVIDUAL OR SOLE PROPRIETORSHIP**—The individual or sole owner and spouse should sign Section Two ② before the word "Indemnitor". When providing financial statements, separate business and personal statements are preferable.
- PARTNERSHIP**—Each partner and his or her spouse should sign Section Two ② before the word "Indemnitor". If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting. When providing financial statements, send a financial statement for the partnership along with personal statements for each partner.
- CORPORATION**—An officer should first sign Section Two ② on behalf of the corporation (indicating his/her corporate title) and then sign a second time as a personal indemnitor, before the word "Indemnitor". All other owners should also sign as personal indemnitors before the word "Indemnitor" on each line. *In most cases, the owners' spouses also need to sign. If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting. When providing financial information, supply a corporate financial statement along with individual financial statements and current addresses for the owners.
- LIMITED LIABILITY COMPANY (LLC) OR PARTNERSHIP (LLP)**—An authorized manager, member, or partner should first sign on behalf of the Limited Liability Company or Partnership (indicating his/her company/partnership title) and then sign a second time as a personal indemnitor, before the word "Indemnitor". All other members/owners/partners should also sign as personal indemnitors before the word "Indemnitor" on each line. In most cases the members/owners/partners' spouses also need to sign. If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.
- OUTSIDE INDEMNITY (Relatives, Friends, etc.)**—When outside indemnity is required, the proposed indemnitors should sign Section Two ② below the applicants' signature(s) and before the word "Indemnitor". If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting. The outside indemnitors should provide their personal financial statements and current addresses.

NOTE: Financial statements may be submitted on the FORM 10 APPLICATION or on CNA Surety's Form #60—Financial Statement. Copies of Bank or Accountant prepared financial statements are also acceptable.

Form 1509-10-2004

CNA SURETY

Cancellation Guidelines

To assist in understanding the numerous and diverse rules for bond cancellations, we have developed the following guidelines. There are many exceptions to the rules, so please contact your underwriting office with any specific questions.

1. First year premiums are usually considered fully earned.
2. Bonds that renew with a renewal bond or continuation certificate (in other words they're not continuous in nature) are cancellable upon the return of the original bond, renewal bond or continuation certificate. In the absence of the original renewal document, send written verification from the obligee (state, county, city, etc.) that the bond was not filed or used.
3. Many continuous bonds contain a cancellation clause which allows us to send notice of cancellation or nonrenewal to the obligee. Our notice must comply with the terms of the cancellation clause and conform to any applicable state laws. You can normally determine if there is a cancellation clause by reading the bond form.
4. Some continuous bonds **do not** contain a cancellation clause, so the only way we can cancel them is upon receipt of a letter of release from the obligee. The obligee's letter should state the principal's name, bond number, and the date our liability is considered terminated.
5. Probate Bonds usually require a court order to terminate our liability. Send us a copy of the Final Order of Discharge to cancel this type of bond.
6. Public Official Bonds written to coincide with a term of office require a signed letter of release from an official of the jurisdiction. That official must have the proper authority to release the bond.
7. Many state laws have been enacted in recent years which restrict us from effecting cancellation or nonrenewal except under specified circumstances. Providing us with a reason for cancellation is helpful for determining if we are allowed by law to do so.

Please contact your underwriting office if you would like to have any of these rules explained in more detail or if you have a question about how the above rules affect a specific bond.

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Fax 1-605-335-0357

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