

Networked Finance



Funded and Serviced by 1-IRON
COMMERCIAL PREMIUM

AGENT APPLICATION

AGENCY OWNERSHIP STRUCTURE Corporation Partnership Sole Proprietorship LLC					
AGENCY NAME			D.B.A. NAME (if any)		
STREET ADDRESS (street address of this office)					
CITY		STATE	ZIP	Agency Contact Person	
MAILING ADDRESS (if different)					
PHONE NUMBER (including area code)		FAX NUMBER (INCLUDING AREA CODE)		E-MAIL ADDRESS	
() -		() -			
DATE AGENCY ESTABLISHED	How long under current ownership	Number of Owners (above 15% level)	TAX I.D. #	Is This the Home Office	# of Branch Offices
				Y N	

*** TOTAL NUMBER OF LICENSED PRODUCERS/EMPLOYEES ***					
TOTAL PRODUCERS IN THIS OFFICE:		TOTAL EMPLOYEES IN THIS OFFICE:		TOTAL PRODUCERS IN ALL BRANCH OFFICES:	
CURRENT VOLUME OF PREMIUM					
Annual Premium Volume (\$)	Annual Number of Policies	Average Premium (\$)	% Premiums Financed	% Cancellation Frequency Expected	Expected Largest Amt Financed
Specialty Insurance Lines Financed (i.e. GL, Trucking, W/C Etc.):					

Reference	Agency Appointments	Annual Premium Volume	City	State	Phone Number	Account Current Status? (Y / N)
1)						
2)						
3)						
4)						
5)						
6)						
7)						
8)						

BANK REFERENCE

BANK NAME & LOCATION	ACCOUNT NUMBER	CONTACT OFFICER AT BANK & PHONE NUMBER
Trust Account Bank		
Other		

E&O Coverage				
Company	Policy Number	Amount Per Occurrence	Amount Cumulative	Expiration Date

Names of Licensed Producers	License #	Approx. Yrs in Business	Resides this office?	Resides branch office?
1)				
2)				
3)				
4)				
5)				
6)				
7)				

AUTHORIZATION TO OBTAIN INFORMATION

I/We hereby authorize Flatiron Credit Company, Inc.(Flatiron) or its assigns to verify the accuracy of the information provided and to obtain business, as well as personal credit information. If your application for business credit is denied, you have the right to a statement of the specific reasons for denial. Please contact Flatiron in writing within 60 days from the date you are notified of the credit decision. A written statement of reasons for denial will be provided within 30 days of receiving your request.

NAME & ADDRESS OF AGENCY OWNERS (attach add'l pages if necessary)

Name : _____ Ins License #: _____ Social Security #: _____

Title: _____ Address: _____ City: _____ State: _____ Zip: _____

Signature: _____ Date : _____ % Ownership: _____

Name : _____ Ins License #: _____ Social Security #: _____

Title: _____ Address: _____ City: _____ State: _____ Zip: _____

Signature: _____ Date : _____ % Ownership: _____

Name : _____ Ins License #: _____ Social Security #: _____

Title: _____ Address: _____ City: _____ State: _____ Zip: _____

Signature: _____ Date : _____ % Ownership: _____

Note: All parties who are principals in the agency greater than 15.0% must sign this form.

PREMIUM FINANCE ORIGINATION AGREEMENT

Date of Agreement: [MONTH] _____, 2003

By and between **Networked Finance**, a California corporation, whose primary marketing address is 2383 Buena Vista Ave, Livermore, California, 94550, **Flatiron Credit Company**, a Delaware corporation whose headquarters address is 600 17th Street, Suite 1900S, Denver, Colorado 80202 operating as one or more of its licensed premium finance subsidiaries (**FPF, Inc. and Westchester**) (collectively "The Finance Company"), and _____ ("Producer") whose address is _____.

The Finance Company and Producer hereby agree as follows:

DEFINITIONS

"Accepted by The Finance Company": Contracts will be accepted for funding by The Finance Company, subject to the eligibility requirements described in Exhibit A of this Agreement (or as modified in writing by The Finance Company).

"Producer" shall be the entity described above, including all branches and stores under common ownership or operation engaged in the sale of insurance policies to insured's ("Insured's").

"Contracts" means insurance premium finance contracts generated by Producer on The Finance Company's form.

"Funding Program" means The Finance Company providing a payment plan to Producer's Insured's where Producer has prepared and delivered Contracts accepted by The Finance Company.

"Eligible Contracts" means a premium finance contract originated by Producer and meets each of the terms of eligibility described in attached **Exhibit A** or as updated by The Finance Company from time to time.

"Buy Rate" means the minimum rate of interest allowed on each Eligible Contract and produced in accordance with The Finance Company's applicable Buy Rate Table as delivered to Producer from time to time.

PRODUCER COMPENSATION

Producer Compensation: Producer shall be entitled, at its discretion and only where legally allowed, to increase the Contract's interest rate, in any amount not to exceed 7.50% A.P.R. above the corresponding Buy Rate. The difference in finance charges actually collected on any such Eligible Contract, above Buy Rate, shall be paid to Producer monthly, for contracts entered on The Finance Company's system in the prior month. No producer compensation shall be due for premium finance contracts submitted which are not Eligible Contracts.

PRODUCER REPRESENTATION AND DUTIES

1. **Contract Production:** Producer will produce and deliver to The Finance Company's Mailing Address below for each Contract the premium finance contract authorized and signed by the Insured or their authorized representative. Producer shall only deliver Eligible Contracts.

2. **Delivery of Contracts:** The Producer will insure that the original Contract to be funded by The Finance Company is mailed or transmitted to The Finance Company in a timely manner. The Contract's Amount Financed will be funded by The Finance Company only if the Contract has been received by The Finance Company.

3. **Return of Unearned Premium and Commission on Cancellations:** In the event an insurance policy financed by The Finance Company (on policy cancellation or premium return of any type) has amounts paid or credited to Producer, then Producer agrees and covenants that it is legally bound to deliver, and shall deliver, such amounts to The Finance Company within fifteen (15) days following receipt or credit of such funds.

4. **Payments Received by Producer:** Producer shall direct Insured to send payments by mail to The Finance Company at designated P.O. Box (**address below**). However, Producer agrees to promptly remit to The Finance Company, by the next business day following receipt, all payments received relating to the Contracts funded by The Finance Company. These payments received by Producer are not credited to the Contract until receipt by The Finance Company.

OTHER TERMS AND CONDITIONS

5. **Term:** Producer's approval to deliver Contracts for funding by The Finance Company is subject to termination at any time by The Finance Company. Regardless of such termination, Producer's representations and duties will continue so long as a balance remains on any Contract previously delivered by Producer.

6. **Contract subject to Confirmation:** The Finance Company, in its sole discretion, may confirm any term or condition of any policy financed with the issuing insurance company, their designated general agent and/or the Insured.

Any discrepancy found during any such confirmation shall cause the Contract to be rejected by The Finance Company.

7. **Jurisdiction; Venue; Governing:** The laws and decisions of the State of Colorado shall govern this Agreement. The parties waive the right to trial by jury of any controversy arising under this Agreement. Producer agrees that any actions or proceedings initiated by Producer arising out of this Agreement shall be litigated either in the Superior Court of the City and County of Denver, Colorado or in the United States District Court for the District of Colorado, and that Producer shall submit and consent to jurisdiction in any action or proceeding commenced by The Finance Company in any such court.

8. **MAILING ADDRESS:** ALL CONTRACTS, REQUIRED DOCUMENTS, PAYMENTS OR AMOUNTS DUE TO THE FINANCE COMPANY, SHALL BE SENT TO **P.O. BOX 17600, DENVER, COLORADO 80217-0600**. FOR QUESTIONS ON PREMIUM FINANCE CONTRACTS, PLEASE CALL OUR CUSTOMER SERVICE (TOLL FREE) AT **877-411-4766**.

Agreed and accepted as of the Date of Agreement shown above by The Finance Company and Producer.

Flatiron Credit Company, Inc.
FPF, Inc. d/b/a, 1-Iron Commercial Premium
Westchester Premium Acceptance Corporation

By: _____
Name: Bruce I. Lundy
Title: President

Networked Finance

By: _____
(SIGNATURE)

Name: _____
(PLEASE PRINT NAME)

Title: _____
(PLEASE PRINT TITLE)

PRODUCER

Name of Agency: _____
(PLEASE PRINT NAME)

By: _____
(SIGNATURE)

Name: _____
(PLEASE PRINT NAME)

Title: _____
(PLEASE PRINT TITLE)

EXHIBIT A

ELIGIBILITY

For a Contract to be Eligible and Accepted by The Finance Company it shall meet each of the following criteria:

1. **Contract Form:** Be on The Finance Company approved form and have level monthly payments that fully amortize the Amount Financed.
2. **Down-payment and Number of Payments Minimums; (Attached Exhibit B):**
3. **Level Payments and Maximum Number:** The contract provides for level monthly payments that fully amortize the Amount Financed and except as noted above will have a maximum of 9 scheduled payments.
4. **First Payment Due Date:** The first payment is due not later than 31 days following the earliest inception date of any policy financed.
5. **Eligible Policy Type:** Each policy financed must specifically allow premium financing. No direct-bill, monthly bill or similar policy shall be allowed.
6. **Eligible Insurance Company:** The contract relates to an insurance policy issued by an Eligible Insurance Company (see below).
7. **Producer Licensed:** Originated in a state where Producer is licensed to do business as an insurance agency.
8. **Minimum and Maximum Amount Financed:** Minimum Amount Financed \$850 and Maximum Amount Financed of \$1,000,000 per insured, unless The Finance Company provides an express written exception.
9. **Earning Method of Policy Premium:** Each policy financed shall have a premium earned method not more rapid than short-rate, or be subject to greater than a 30% minimum earned provision. Any policy whose premium which is earned at writing, earned in the case of a claim or where the unearned premium is not subject to return directly to The Finance Company shall be not be financed.

Insurance Company Eligibility Criteria

Each insurance company deemed to be an Eligible Insurance Company shall meet each of the following criteria:

- Licensed and in good standing to do business as an insurance company in the state in which such insurance company issued the policy; or
- A joint underwriting organization or intercompany insurance pool which is licensed or otherwise permitted to do business in the state in which such joint underwriting organization or intercompany insurance pool issued the policy; or
- A foreign or alien insurance company (including Lloyds of London) which is authorized or approved to issue insurance on a non-admitted basis, through a licensed surplus or excess lines broker, in the state in which such foreign or alien insurance company issued the policy.

Each insurance company deemed to be an Eligible Insurance Company shall meet each of the following criteria:

Minimum Rating on Insurance Companies admitted to the respective state guaranty association in state where the Insured is located:

- **“B++” or better** by A.M. Best at the time of policy origination. Insurance companies not Rated by A.M. Best not allowed.

Minimum Rating on Insurance Companies **NOT** admitted to the respective state guaranty association in state where Insured is located:

- **“A-” or better** by A.M. Best at the time of policy origination.

No insurance company which is on The Finance Company’s Prohibited Insurance Company list (as published from time to time) shall be considered an eligible Insurance Company.

Additional Premiums

The Finance Company will be immediately notified by Producer as it becomes aware of Additional Premium (AP) charged to any financed Insured. On financed accounts where AP is incurred, and the Insured wishes to finance the AP, The Finance Company will finance such AP if each of the following is met:

- a) The Insured is current as to all payments due on the existing Contract, and at least two (2) payments remain;
- b) Down payment is collected, with percent down being calculated using the following table:

<u>Time Elapsed Since Effective Date of Policy</u>	<u>Down Payment Required on Existing Contract (as % of additional premium total)</u>
0 – 29 days	25%
30 – 59 days	30%
60 – 89 days	40%
90 – 119 days	50%
120 – 159 days	60%
160+	Call for requirement

EXHIBIT B

**DOWN PAYMENT AND NUMBER
OF PAYMENTS MINIMUM REQUIREMENTS**

BASIS POLICY EARNS	PRO – RATA EARN		SHORT - RATE EARN		MINIMUM EARNED	SPECIAL PROGRAM
NOTICE TYPE	10–Day Intent	Greater than 10 day - up to 30 day notice (Filings)	10–Day Intent	Greater than 10 day - up to 30 day notice (Filings)	10 Days or Longer Intent	Worker’s Comp (Stand-Alone)
NEW	20% (9 PAY MAX)	25% (9 PAY MAX)	25% (9 PAY MAX)	30% (9 PAY MAX)	Down Pay = Amt of Min Earned (9 PAY MAX)	30% (8 PAY MAX)
RENEWAL for Flatiron	20% (10 PAY MAX)	20% (10 PAY MAX)	20% (10 PAY MAX)	30% (9 PAY MAX)	Down Pay = Amt of Min Earned (10 PAY MAX)	30% (8 PAY MAX)

WINDSTORM:

- Florida: must be condo association hotel or income property; No stand-alone, must be with additional coverages; requires **50%** downpayment for standard and retail agents.
- Texas Windstorm: Requires 25% down + \$100 min earned fee.
- Mississippi Windstorm: Not allowed (cancellations only accepted from agent, not IPF Co.)

FLOOD:

- Must be condo association hotel or income property; No stand-alone, must be with additional coverages; requires **50%** downpayment for standard and retail agents.

WORKER’S COMP:

- If quote included with other policies AND WC premium is less than 50% of total premium, then 10 pay allowed (25% down required).