

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



COMPLETE APPLICABLE SECTION ON REVERSE

CNA SURETY Application Number: _____
 Form 10 Application For Bond—ANY KIND

Applicant (For partnership, give full names of partners and trade names. 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 as of _____
 Check applicable section on the reverse side to see whether a financial statement is necessary.
 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		Notes Payable to Others (Describe)	
Accounts Receivable		Mortgage on Real Estate	A _____ 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 or any affiliated company (with such company/companies referred to herein as the "Company") to become surety for the above bond. The undersigned hereby certifies the truth of all statements and information furnished herein to the Company to verify the information and to release indemnitor information from any action, including obtaining a credit report at the time of application, in any review or renewal, at the time of any partial or total claim, or for any other legitimate purpose as determined by the Company in its reasonable discretion, and jointly and severally agree to pay the usual premiums, including renewal premiums, on the Company as agreed, when due.

(1) To completely INDEMNIFY the Company from and against any liability, loss, cost, attorney's fees and expense whatsoever which the Company shall at any time sustain as surety or by reason of having been wrongfully called upon to pay or satisfy any bond or other bond issued for application, or for the enforcement of this agreement, or in obtaining a release or evidence of termination under such bonds, regardless of whether such liability, loss, cost, attorney's fees and expense are caused, in whole or in part, by the negligence of the Company.

(2) To furnish the Company with satisfactory and conclusive termination evidence that there is no further liability on this bond or any other bond issued for application.

(3) To pay the Company for any reason whatsoever, its deposit current funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such surety.

(4) That the Company shall have the right to handle or settle any claim or suit in good faith. An itemized statement of loss and expense incurred by the Company, sworn to by an officer of the Company, shall be prima facie evidence of the fact and extent of the liability of the obligee to the Company.

(5) That the Company may decline to become surety on any bond and may cancel or amend any bond without cause and without any liability which might arise therefrom.

(6) That the Company shall, without notice, have the right to alter the amounts, terms and conditions of any bond issued, extended, renewed or assigned, and this agreement shall apply to any such altered bond.

(7) That the Company shall, without notice, have the right to alter the amounts, terms and conditions of any bond issued, extended, renewed or assigned, and this agreement shall apply to any such altered bond.

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(10) That the Company shall, without notice, have the right to alter the amounts, terms and conditions of any bond issued, extended, renewed or assigned, and this agreement shall apply to any such altered bond.

(11) That the Company shall, without notice, have the right to alter the amounts, terms and conditions of any bond issued, extended, renewed or assigned, and this agreement shall apply to any such altered bond.

(12) That the Company shall, without notice, have the right to alter the amounts, terms and conditions of any bond issued, extended, renewed or assigned, and this agreement shall apply to any such altered bond.

Signed this _____ day of _____, 2016
 Signature & Business/Corporate Title _____ "Indemnitor"
 _____ "Indemnitor"
 _____ "Indemnitor"

Agency _____
 Address _____ Street _____
 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 F1509-3-2016 © WSCS 2016

We have examples showing five ways to sign an application.

a) **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 2nd day of March, 2016

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

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

b) **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 2nd day of March, 2016

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".

c) **CORPORATION**
 Complete Section One ① using the name of the corporation only, e.g. Doe Corporation, Inc.

Signed this 2nd day of March, 2016

Signature & Business/Corporate Title
John Doe, President "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.

d) **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 2nd day of March, 2016

Signature & Business/Corporate Title
John Doe, Manager "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.

e) **OUTSIDE INDEMNITY (Relatives, Friends, etc.)**
 Complete Section One ① in the applicant's name following (a), (b) or (c) above.

Signed this 2nd day of March, 2016

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; however, "owner" is NOT an acceptable 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; however, "owner" is NOT an acceptable 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 F1509-3-2016



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.

P. O. Box 5077
Sioux Falls, SD 57117-5077
1-800-331-6053
Fax 1-605-335-0357