

SECURITY PREMIUM FINANCE, INC.

5959 Blue Lagoon Drive, Suite #302 Miami, FL 33126
Phone: 305-269-1975 Fax: 305-269-9115
www.securitypremium.com

Underwriting Guidelines for Premium Financing

1. Eligibility

SPF finances all Property & Casualty Insurance ,flexible terms , competitive rates.

Non-Admitted carriers may be financed with approval from Security Premium Finance ("SPF"). For policies requiring more than 10 days but, not more than 30 days notice of cancellation, an additional 10% down payment must be collected and stated on the application. **No fully earned premiums, down payments, and audits premium may be financed. If there is a policy with a Minimum Earned Premium above 25%, approval is required, please contact our office before processing the Premium Finance Agreement.** A signed Finance Agreement of the policy should be provided and must be submitted by fax to 305-269-9115 or by email to bmunoz@securitypremium.com.

2. Down Payments and Number of Payments

The Down Payment may not be less than any minimum earned premium, plus any taxes and fees. The default numbers of payments are 9. Please contact us at 305-269-1975 if the down payment amount and/or number of payments need to be adjusted.

3. First Due Date

The first payment due date is normally 30 days from the effective date of the policy. The SPF Quotes software will calculate the first due date.

4. Policy Fees, Broker fees, Inspection Fee, Filing Fees, and Tax/Stamp Fee

Policy Fees, Broker Fees, Inspection Fee, and Filing Fees may not be financed and must be input properly in the SPF Quotes Software.

5. Payment of Installments

A. Installments, which have matured prior to SPF's receipt of the Premium Finance Agreement or installments due within 10 days, must be sent in with the installment notice.

B. The borrower is to remit all installments to SPF. The monthly payment must be remitted to the office of SPF, at the address shown on the borrower's Premium Finance Agreement or payment coupon book. Payments are not credited to the borrower's account until received by SPF in Florida.

6. Payment of Premiums

SPF will pay the premium on approved loans, to the insurance company, or its Managing General Agent. Payment to the producer can be made only upon authorization by the Insurance Company or Managing General Agency that the producer is to receive premiums on its behalf. Such authorization must be made in writing to SPF by the Managing General Agent or Insurance Company or by providing copy of binder.

7. Additional Premiums

The SPF Quotes Software will calculate the required Down Payment to finance an Additional Premium. The Agent must input the initial Effective Policy Date as the effective date of the original policy. For an endorsement incurring an Additional Premium, the producer may either collect the full additional amount from the insured and pay it to the Insurance Company or add it to the existing loan obligation less the correct additional down payment (Based on required down payment on A/P). Additional Premium cannot be financed unless the original premium was financed by SPF and the loan is current. Amounts of \$50 or less may not be financed.

If the producer is unsuccessful in obtaining the full Additional Premium or the required Down Payment, he must notify the Insurance Carrier in sufficient time that the Additional Premium is not considered earned in part. SPF is not responsible for earned premium developed as a result of an additional premium not financed through SPF. New policies may not be added to existing obligations. A new, signed Premium Finance Agreement must be submitted accompanied by a down payment.

8. Our collateral cannot be altered with unpaid endorsements requested by the agent or insured as this policy is collateral for a loan that has been made to the insured – If the agent or insured desire an endorsement that causes an additional premium, that premium must be paid in full and cannot cause a lien against our collateral. If the insured desires to finance the additional premium caused by an endorsement, then the insured must follow Security Premium Finance requirements for down payments and the processing of an additional contract to validate the collateral.

9. Return Premium Endorsement

For policies that come back lower than quoted, or there is a return premium endorsement, SPF will apply any return premium to loan balance thereby reducing the loan balance. The amount of each monthly payment will not be re-calculated. The insured must continue making the original payments until the adjusted balance is paid off.

10. Return Premiums

All return premiums resulting from an endorsement or cancellation are assigned to, and must be paid to SPF. Endorsements developing return premiums will be applied to the account. Return premiums resulting from cancellation will be applied to the account and any excess will be refunded to the agent via statement. ***Return premiums received by a producer, either by check or by credit to an account current statement, must be forwarded promptly to SPF; otherwise, the borrower may be liable for additional interest charges.*** The producer must remit the unearned commission directly to SPF (based on the unearned commission statement; balance must be paid in full), unless the Insurance Carrier has requested the agent to remit the unearned commission to them.

11. Transfer of Policy

SPF will not permit the transfer of insurance policies to a new insured unless the unpaid balance to SPF has been paid or the new insured signs a new Finance Agreement.

12. Delinquency and Cancellation

The borrower and the producer are simultaneously notified in the event of delinquency. Any effort by the producer in contacting the borrower in an attempt to cure the delinquency is appreciated and encouraged. An uncured delinquency will result in cancellation of the borrower's policy (ies). All unearned premiums are assigned to SPF.

13. General Information

The producer understands that the submission of business to SPF, and the acceptance of business or monthly payments from the producer, does not make the producer an employee or agent of SPF and does not grant to the producer the right to bind SPF or transact its business in any way. SPF only gives the producer the right to submit business subject to the terms of our Underwriting Guidelines and Procedures. It is further understood that no loan shall be binding on SPF until the loan is accepted by SPF. Multiple policies with common effective dates should be submitted as one loan.

14. Agent/Broker Warranty

Producer's name must appear in the agent/broker section of the Premium Finance Agreement. By submitting this document the insurance Agent or Broker warrants and certifies that: The amount on the "less down payment" line has been collected from the applicant; ***All persons named in the policy (ies) have signed this application, or have given written authority to the producer to sign on their behalf, and are over the age of 18; The information set forth in the document is true and correct; A completed copy of the Finance Agreement has been presented to the applicant.***

None of the policies contain provisions which prohibit cancellation by the insured or the company with 10 days except as indicated. Insertion of producer's name is deemed a signature.

15. Changes to these Underwriting Guidelines for Premium Financing

SPF may update this Underwriting Guidelines for Premium Financing. We will notify you about significant changes in the way we treat personal information by sending a notice to the primary email address specified in your Agency Profile account or by placing a prominent notice on our site.

16. Finance Agreement

SPF will not accept any Premium Finance Agreement containing blank spaces as per Sections 627.839.(3)(a), 627.839(4) and 627.843 of Florida Statutes. Agent's signature, printed name and title lines must be filled out. Submitting an agreement which is not in compliance will result in SPF returning the agreement for completion.

Signature and title of agent or broker:

By: _____

Name: _____

Title: _____