

**Flatiron Credit Company, Inc.**  
**PREMIUM FINANCE ORIGINATION AGREEMENT**

Date of Agreement: \_\_\_\_\_

By and between **Flatiron Credit Company, Inc.**, a Delaware corporation, whose headquarters address is 950 17<sup>th</sup> Street Suite 1300, Denver, Colorado 80202 operating under its licensed premium finance subsidiary, **Flatiron Capital Corp. except in California where we operate as California Flatiron Corp. and Southern Premium Funding** (herein "**Lender**") and \_\_\_\_\_ ("**Producer**"), whose primary address is \_\_\_\_\_ (the "**Agreement**").

**Lender and Producer hereby agree as follows:**

**DEFINITIONS**

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

**"Amount Financed"** the amount of insurance premiums, taxes and fees listed on a Contract less the amount of down payment paid or credited by the Insured.

**"Contract"** means an insurance premium finance contract generated by Producer on Lender's form.

**"Eligible Contract"** 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 Lender from time to time.

**"Funding Program"** means Lender providing a payment plan to Producer's Insureds where Producer has prepared and delivered Contracts accepted by Lender.

**"Lender Program Rate"** means the minimum rate of interest allowed on each Eligible Contract and produced in accordance with Lender's applicable Program Rate table as delivered to Producer from time to time.

**"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 an insured ("**Insured**").

**SERVICE CHARGE**

**Producer Service Charge:** Producer shall be entitled to charge Lender a Service Charge in return for its performance of the Producer Representations and Duties listed herein in any amount not to exceed 8.50% A.P.R. above the corresponding Lender Program Rate. The difference in finance charges actually collected on any such Eligible Contract, above the Lender Buy Rate, shall be paid to Producer monthly, for contracts entered on Lender's system in the prior month and on a prospective basis assuming full payment by the Insured. Unearned Producer Service Charges pre-paid by Lender but unearned upon a cancellation or pre-payment will be charged back to the Producer, and Producer shall promptly return to Lender such chargeback amount. 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, at its expense, produce and deliver to Lender's Mailing Address below for each Contract the premium finance contract authorized and signed by the Insured or their authorized representative.
2. **Delivery of Eligible Contracts:** Producer will at its expense, produce and deliver to Lender only Eligible Contracts. Eligible Contracts shall include those Contracts which Flatiron has confirmed in writing under exception terms. Producer represents it will produce sufficient volume to achieve the Program Commitment.
3. **Producer Collection of Down Payment:** Producer shall collect from the Insured the required down payment and insure its delivery to the Insurance Company producing the policies stated under the Contracts.
4. **Payment of Premium:** Producer agrees it is its responsibility and duty to pay the total premium, taxes and fees listed on the Contract to the respective issuing Insurance Companies (or their designated general agents) and other entities identified in the Contract. The source of funds for delivery of such amounts due shall be the down payment made by the Insured and the amount financed shown in the Contract. Any surplus amount collected and not required for funding will be promptly returned to Flatiron for credit to the Insured's Contract amount due.
5. **Delivery of Contracts:** The Producer will insure that the original Contract to be funded by Lender is mailed or transmitted to Lender in a timely manner. The Contract's Amount Financed will be funded by Lender only if the Contract has been received by Lender.
6. **Return of Unearned Premium and Commission on Cancellations:** In the event an insurance policy financed by Lender (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 Lender within thirty-five (35) days following receipt or credit of such funds.
7. **Payments Received by Producer:** Producer shall direct Insured to send payments by mail to Lender at designated P.O. Box (**address below**). However, Producer

agrees to promptly remit to Lender, by the next business day following receipt, all payments received relating to the Contracts funded by Lender. These payments received by Producer are not credited to the Contract until receipt by Lender.

8. **Additional Premiums:** On financed accounts where AP is incurred, and the Insured wishes to finance the AP, Lender 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 Additional Premium Down Payment Schedule shown in Exhibit A.

**OTHER TERMS AND CONDITIONS**

9. **Term:** Producer's approval to deliver Contracts for funding by Lender is subject to termination at any time by Lender. Regardless of such termination, Producer's representations and duties will continue so long as a balance remains on any Contract previously delivered by Producer.
10. **Contract subject to Confirmation:** Lender, 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 Lender.
11. **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 & County of Denver 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 Lender in any such court.
12. **MAILING ADDRESS:** ALL CONTRACTS, AMOUNTS DUE FROM PRODUCER, AND REQUIRED DOCUMENTS SHALL BE SENT TO THE LENDER AT THE ADDRESS LISTED ABOVE. ALL PAYMENTS ON A CONTRACT SHALL BE SENT TO **P.O. BOX 17600, DENVER, CO 80217-0600**. FOR QUESTIONS ON PREMIUM FINANCE CONTRACTS, PLEASE CALL OUR CUSTOMER SERVICE (TOLL FREE) AT **800-800-2767**.

Agreed and accepted as of the Date of Agreement shown above by Lender and Producer.

**FLATIRON CREDIT COMPANY, INC.**  
**FLATIRON CAPITAL CORP.**  
**CALIFORNIA FLATIRON CORP.**

By: \_\_\_\_\_  
Name: Bruce I. Lundy  
Title: President

**SOUTHERN PREMIUM FUNDING**

By: \_\_\_\_\_  
Name: Jerry Smith  
Title: President

**PRODUCER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A  
PREMIUM RECEIVABLE ELIGIBILITY CRITERIA**

Each Premium Receivable to be accepted by Lender shall meet each of the following criteria:

- 1) **Contract Form:** Be on a Lender approved Premium Finance Agreement form, be legal, valid and binding to the Insured, and evidenced by only one originally executed Contract agreement.
- 2) **Minimum Annual Percentage Rate:** Shall be at an annual percentage rate not less than the then current Program Rate (adjusted for any contractual delayed funding rates) and be payable only in U.S. currency.
- 3) **First Payment Due Date and Level Payments:** The first payment is due not later than 31 days following inception date of the policy in the case of a monthly pay contract and the contract provides for level monthly payments that fully amortize the Amount Financed.
- 4) **Basis of Premium Earned:** Each insurance policy premium financed is earned by the issuing insurance company not more rapidly than short-rate except as to a maximum of a 35% minimum earned in the case of surplus lines policy. No earned at writing premium shall be financed.
- 5) **Contract Originated in Normal Course of Business:** Each Contract shall be originated within the normal course of business of the Producer and has not been adversely selected for delivery to Lender.
- 6) **Insured to be domiciled in the United States of America:** Each Insured and obligor under the Contract shall be domiciled in the United States of America at time of Contract origination.
- 7) **Information True and Correct:** All information shown on the Contract is true and correct as of the date of origination and includes all information required for the proper and lawful origination of such Contract.
- 8) **Minimum and Maximum Amount:** The Amount Financed by any Insured shall be not less than \$1,000 and amounts above \$250,000 shall require approval in writing by Lender.
- 9) **Eligible Insurance Company:** An Eligible Insurance Company has issued each policy financed and each Eligible Insurance Company is subject to a minimum rating limit of not less than "B++" by A.M. Best. Lender may, from time to time, in its sole discretion, allow specific insurance company exceptions to the Insurance Company rating limit, as delivered in writing to the Producer.
- 10) **Down-payment Minimums and Maximum Number of Payments:** The following minimum down payments and maximum number of payments shall be required, unless Lender has approved, in writing any exceptions to the levels (which approval may be evidenced by delivery of a Lender approved call-in quote).

BASIS POLICY EARN	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)
<b>EXAMPLE</b>	15% (10 PAY MAX)	20% (10 PAY MAX)	20% (10 PAY MAX)	25% (10 PAY MAX)	Down Pay = Amt of Min Earned (10 PAY MAX)	25% (10 PAY MAX)

**ADDITIONAL PREMIUM DOWN PAYMENT SCHEDULE**

Time Elapsed Since Effective Date of Policy	Down Payment Required on Existing Contract (as % of additional premium)
0 – 29 days	25%
30 – 59 days	30%
60 – 89 days	40%
90 – 119 days	50%
120 days or greater	Call for requirement